



**WESGRO**  
cape town & western cape  
tourism, trade & investment

Annual Performance Plan  
2019/20  
Submission date: 01 March 2019

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an inspiring place to do business



## Foreword

The Annual Performance Plan set out in this document details how Wesgro intends to promote and boost tourism, trade, investment and film and media promotion in key markets in the upcoming 2019/20 financial year.

In order to look forward we reflect briefly on a challenging year past.

The 2018/19 financial year was a difficult period for both the South African and Cape economy. The announcement by City officials on 18 January 2018 that the Province was facing a significant drought signaled the beginning of a period where tourism, investment, agriculture, film production and conferencing all faced a significant and unprecedented threat.

As Cape Town and the Western Cape's official Tourism, Trade and Investment Promotion Agency, Wesgro was charged with boosting confidence on the part of investors, buyers, conference organizers, film producers and tour operators. The Agency, with direct support of key stakeholders in the public and private sector, pulled together to help weather this storm.

As we sit on the cusp of the 2019/2020 financial year, we face a new set of challenges but also welcome the potential for new targets to be exceeded and successes reaped.

The United Nations World Tourism Organization forecasts a global decline in tourism for 2019, citing issues such as Brexit, geopolitical and trade tensions and the general economic slowdown as factors impacting the industry.

With tourism being a key economic enabler for Cape Town and the Western Cape, Wesgro's DMO (which is comprised of both Leisure Tourism and the Cape Town and the Western Cape Convention Bureau) will continue to focus on putting the destination top of mind, reminding potential visitors that there is nowhere better to visit and meet.

Analysing key opportunities for growth, an in-depth analysis of source and destination markets has been complete with new priority markets identified across the mandates for the new financial year.

The Wesgro Investment Promotion Unit (IPU) will be working closely with the World Bank and leading global investment promotion agencies to optimize the team's support offering to investors, in order to position Wesgro as the leading investment promotion agency in Africa.

Through the support of the Western Cape Government, a key focus for 2019 will be the establishment of a District Unit at Wesgro. The unit will be tasked with proactively landing even more investment and film productions, as well as boosting exports and tourism across the districts of the province - ensuring economic growth benefits all.

Research shows that 74% of economic activity in Cape Town and the surrounding areas are in services, however, the provinces export basket is still dominated by agricultural and agri-processing products. In the upcoming year, Wesgro's Trade Unit will look to diversify this basket by focusing on tech, BPO and agri-tech companies, with the goal to internationalise these sectors.

In spite of the weakening global expansion, emerging markets and developing economies are expected to outperform advanced economies. Africa as a continent is projected to have a population of 2.5 billion and an economy estimated to grow at double the rate of developed economies by 2050.

If we work now to position Cape Town and the Western Cape as the gateway to these opportunities, we will benefit from this projected growth, and help ensure our own economy grows inclusively, creating jobs for our citizens.

Always looking to challenge ourselves as an Agency, achieving the plan detailed in the following pages will be no easy feat however, through the funding and support of our key stakeholders including the Western Cape government, and the City of Cape Town, we have no doubt our goals are achievable.

I'd like to take this opportunity to thank the Wesgro Board and particularly the chairs, Professor Brian Figaji and Mr Mike Spicer, for their unwavering support and sound advice during challenging times.

Lastly, I would like to thank our diverse team of committed employees who remain dedicated to promoting Cape Town and the Western Cape as a top business, leisure and film destination.

There are an abundance of opportunities in a variety of sectors in our Province, we look forward to unlocking this potential across our mandates as we seek to position Cape Town and the Western Cape as the economic powerhouse on the African continent.

Sincerely,

Tim Harris

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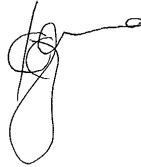
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## Official Sign-Off

It is hereby certified that the Annual Performance Plan for 2019/20:

- Was developed by the management of Wesgro under the guidance of the Board of Directors and Minister Beverley Schafer, MEC for Agriculture, Economic Development and Tourism; and
- Accurately reflects the strategic goals and objectives which Wesgro will endeavour to achieve during the 2019/20 financial year, subject to the resources being made available.



Kholeka Zama Signature: \_\_\_\_\_

Chief Financial Officer



Timothy Harris Signature: \_\_\_\_\_

Chief Executive Officer



Approved by:

Prof. Brian Figaji Signature: \_\_\_\_\_

Chairperson of the Wesgro Board



Minister Beverley Schafer Signature: \_\_\_\_\_

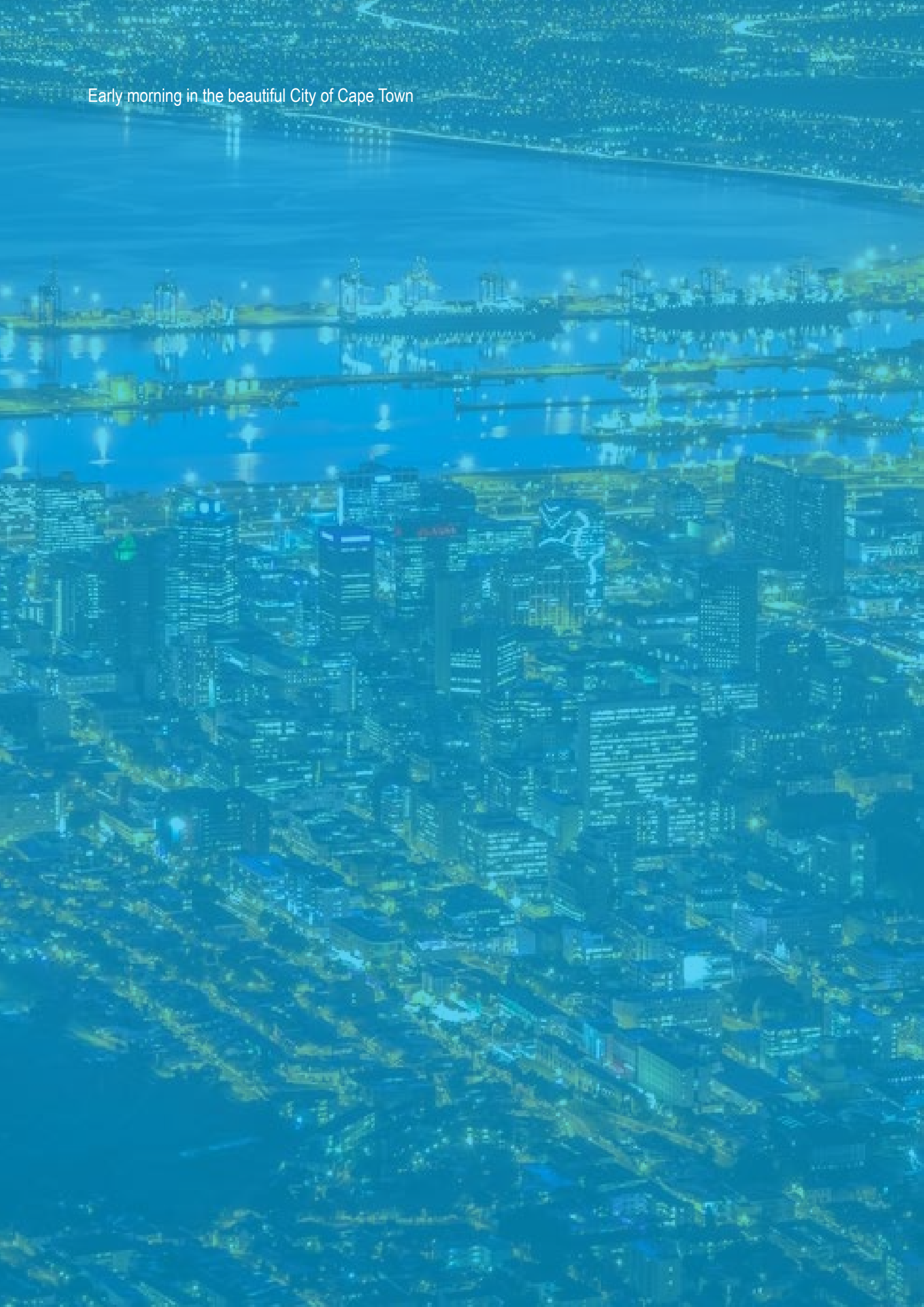
Executive Authority



Table Mountain, Cape Town



Early morning in the beautiful City of Cape Town





# **1. part a: strategic overview**

## **1.1. vision**

To grow the Western Cape economy beyond expectation.

## **1.2. mission**

The mission of the Agency is:

- To attract and retain direct investment in the Western Cape, grow exports, and market the province as a competitive and sustainable tourism destination globally;
- To facilitate the link between business and government decision-makers;
- To provide service excellence in all our business support functions.

## **1.3. values**

Wesgro management and staff will strive to uphold the following values in all its business activities:

- Professionalism and commitment to excellence
- Efficient and outcomes driven
- Accountability
- Innovation
- Enabling
- Passionate
- Integrity and trust

## **1.4 legislative and other mandates**

### **1.4.1. legislative mandate**

Wesgro draws its mandate from the Wesgro Act, 1996, as amended.

According to the Western Cape Investment and Trade Promotion Agency Amendment Act, Act No. 6, 2013, the objects of the Agency shall be:

- a. To promote tourism, trade and investment in the Western Cape province;
- b. To undertake, at the request of the responsible Member or other stakeholders or agencies, activities for which the necessary resources can be raised and which, in the opinion of the Board, will contribute to the strengthening of the Western Cape and/or promote equitable participation in the economy by sectors of the community and/or regions of the Western Cape.

## **1.4.2. policy mandates**

### **1.4.2.1 national policy framework:**

#### **National development plan**

The National Development Plan (NDP) represents a vision for the South Africa of 2030. It aims to enable faster economic growth, higher investment and greater labour absorption. The NDP contains detailed plans and interventions across all sectors of the economy to enable the achievement of this vision.

#### **Medium term strategic framework**

This Medium Term Strategic Framework (MTSF) is the Government's strategic plan for the 2014-2019 electoral term. The MTSF sets out the actions that government will take, and the targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

## **1.5. provincial policy framework:**

### **Project Khulisa**

Project Khulisa identified "a small number of high potential opportunities that can deliver meaningful jobs and growth within a 3-5 year framework." It seeks to streamline the focus of government interventions through the identification of key focus areas and priority sectors. Project Khulisa identified three horizons:

- Horizon 1 – over the next 3-5 years the focus will be on the tourism, oil and gas and agri-processing sectors of the Western Cape economy.
- Horizon 2 – over the next 5-10 years the expanded focus will be on business process outsourcing and the film sectors.
- Horizon 3 – over the next 10 plus years the approach is to build on the broader eco-system, namely the ICT and software, manufacturing and private healthcare sectors.

Wesgro, together with the Department of Economic Development and Tourism (DEDAT), plays a key role in the achievement of the objectives identified in Project Khulisa.

### **OneCape2040**

OneCape2040 envisages a transition towards a more inclusive and resilient economic future for the Western Cape region. It sets a common direction to guide planning, action and accountability.

### **Provincial Strategic Plan (PSP)**

The Provincial Strategic Plan identified five Provincial Strategic Goals (PSG), namely:

- PSG 1 – Create opportunities for economic growth and jobs
- PSG 2 – Improve education outcomes and opportunities for youth development
- PSG 3 – Increase wellness, safety and tackle social ills
- PSG 4 – Build a quality living environment, resilient to climate change
- PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment

DEDAT, through its programmes and activities, contributes to PSG 1. The following strategic priorities have been identified by DEDAT:

- Invest in growing, attracting and retaining the skills required by our economy;
- Support entrepreneurs and small businesses;
- Make it easier to do business by addressing red tape;
- Invest in high quality, efficient and competitive infrastructure;
- Rebrand the region to increase internal and external investment;
- Open markets for Western Cape firms and key sectors wanting to export;
- Ensure our economic, social and environmental sustainability;
- Demonstrate leadership which promotes an improved regional economic eco-system (governance) and embraces innovation; and
- Improve our visitor economy through destination marketing.

### **State of the province address**

This is the speech delivered by the Premier at the start of the year setting out the provincial government's priorities for the year.

### **Green economy strategic framework**

The aim of the framework is to position the Western Cape as the lowest carbon province in South Africa and the leading green economic hub of the African continent.

### **The western cape infrastructure framework**

The Western Cape Infrastructure Framework aligns the planning, delivery and management of infrastructure provided by all stakeholders (national government, provincial government, local government, parastatals and the private sector).

### **International relations strategy**

The International Relations Strategy aims to harness the activities of the provincial government for maximum impact of our economic diplomacy efforts.

### **Relevant court rulings**

There is no court ruling that has an impact on the operations of Wesgro.

## 1.6. updated situational analysis

### Economic environment

South Africa's Real Gross Domestic Product (GDP) reached 1,3% in 2017, notably higher than the 0,6% growth recorded in 2016. In the third quarter of 2018 South Africa's real gross domestic product (measured by production) increased by 2,2%, following a decrease of 0.4% in the second quarter of 2018. The largest positive contributors to growth in GDP in the third quarter were the manufacturing, finance, transport and trade industries. The manufacturing industry increased by 7,5% and contributed 0,9 of a percentage point to GDP growth. (StatsSA, 2019).

The South African Reserve Bank (SARB) revised its forecast for South Africa's GDP growth from 0.6% to 0.7% for 2018 at its most recent Monetary Policy Committee meeting. The domestic growth outlook remains sluggish. Although, GDP increased by 2.2% in the third quarter of 2018, private sector fixed investment remains weak and production in key sectors is volatile. The growth forecast for 2019 is 1.7% (down from 1.9%), it is unchanged at 2.0% for 2020 and increases to 2.2% in 2021. At these growth rates, the negative output gap is expected to close in the first quarter of 2021 (SARB, 2019). Economic growth in the Western Cape reached 1,1% in 2016, and is estimated to increase to 1,3% in 2017 (BER, 2018).

Since November 2018, international developments have been the major contributor to an improved inflation outlook. Significant declines in international oil prices and a less depreciated exchange rate have been key drivers of this improved outlook. The country's improving inflationary outlook provides support for the domestic economy. Average annual consumer price inflation was 4,7% in 2018 (i.e. the average CPI for all urban areas for 2018 compared with that for 2017). This was 0,6 of a percentage point lower than the corresponding average of 5,3% in 2017 (StatsSA, 2019). Inflation expectations, as reflected in the survey conducted by the Bureau for Economic Research (BER) is expected to average 5,6% in 2019 declining to 5.4% in 2020.. Five-year-ahead inflation expectations are at a historical low of 5,3% (SARB, 2019).

The overall risks to the inflation outlook are assessed to be moderately on the upside. The risks include administered prices such as electricity and water tariffs, rising domestic food prices in the outer years, changing investor sentiment towards emerging markets, moderation in global growth and volatile international oil prices. (SARB, 2019).

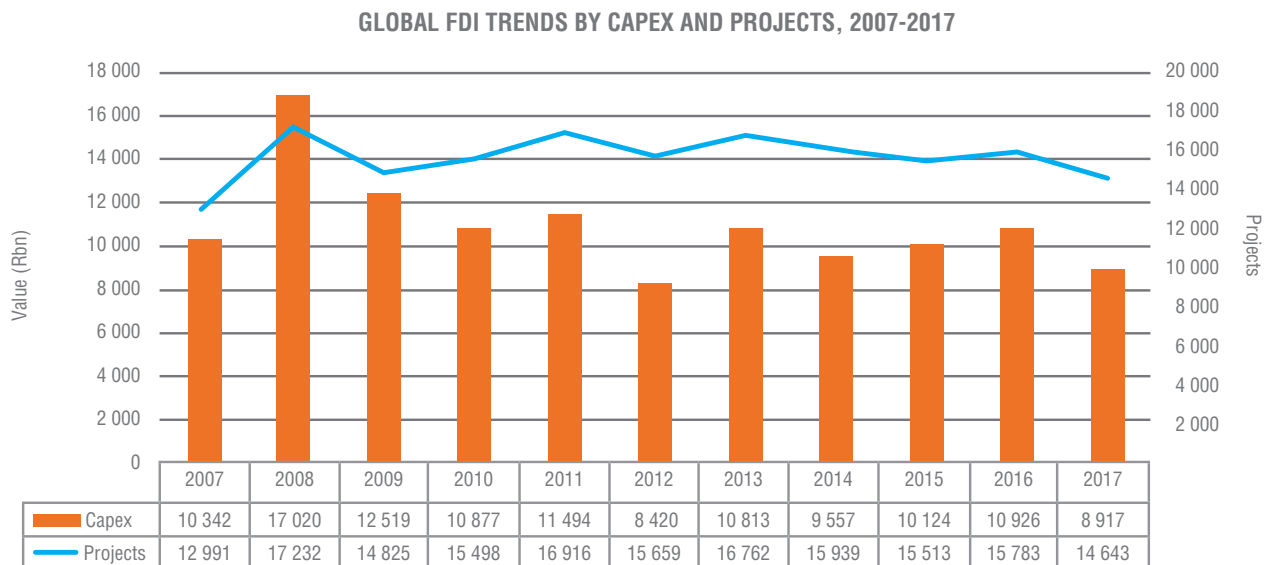
### Foreign direct investment (FDI):

Between January 2017 and December 2017, 14 643 FDI projects were recorded globally. These projects represented a total capital investment of R8,9tn, which equates to an average investment of R609m per project. During the period, over 2m jobs were created.

Western Europe remained the main regional source for global FDI in 2017, accounting for 50,48% of projects, followed by North America (22,6%). The United States (US) was the largest source country by FDI projects, accounting for 20,37% in 2017, followed by Germany (10,7%) and the United Kingdom (UK) (8,8%). The US and Germany were also the largest source markets in terms of capex in 2017 investing 17% and 8% of total capex, respectively. London was the top source city accounting for 5,1% of projects tracked, with project volume peaking during March 2017, with 84 projects tracked.

Western Europe was the top destination region in 2017, accounting for almost one-third of projects tracked. Project volume in Western Europe peaked during March, with 483 projects tracked. The Asia-Pacific region received the highest number of total jobs and greatest investment with a total of 640 903 jobs and R2,4tn investment. The US was the top destination country accounting for one-eighth of projects tracked (1 756), while China and India had the largest project size on average in terms of investment and jobs creation, respectively. In terms of cities, London received the highest number of projects in 2017, while Singapore received the highest number of total jobs and greatest investment, with 25 568 jobs and R140bn investment, respectively.

Out of 39 sectors, the top five accounted for more than two-fifths of projects in 2017. Software and IT services was the top sector, accounting for more than one-eighth of projects (2 048). Project volume in this sector peaked during May 2017, with 204 projects tracked. Textiles and business services received the second and third largest number of projects, respectively.



Source: FDIintelligence, 2018

From a regional perspective, 155 FDI projects were recorded into the Western Cape over the period January 2013 through to December 2017. These projects represented a total capital investment of R38,2bn, which equates to an average investment of R246m per project. During this period, 8 414 jobs were created through these projects. Global FDI into the Western Cape by capex increased by 217% in 2017, while FDI by projects increased by 4,17%.

More than half of all investments into the Western Cape in this period originated from Western Europe (55% projects and 55% capex), followed by North America (25% projects and 22% capex). Almost one-third of all investments into the Western Cape were from the UK (25% projects and 11% capex). The top three markets (including the US and Germany) collectively commanded more than half of all investments into the province over the said period. Between 2013 and 2017, London was the top city for FDI into the Western Cape, both in terms of projects (23) and capex (R2,4bn).

Africa was the largest destination for Western Cape outward FDI (OFDI) accounting for 50% of projects and 68% of capex between 2013 and 2017, followed by Western Europe in terms of projects and Emerging Europe in terms of capex.

The province's largest destination markets in terms of projects were Nigeria, the UK, Kenya and Zambia accounting for a combined 35% of all projects, while the largest by capex were Mozambique, Nigeria and the United Arab Emirates (UAE). The software and IT services continued to dominate outward FDI, accounting for 26%, followed by food and tobacco (16%).

### Trade environment:

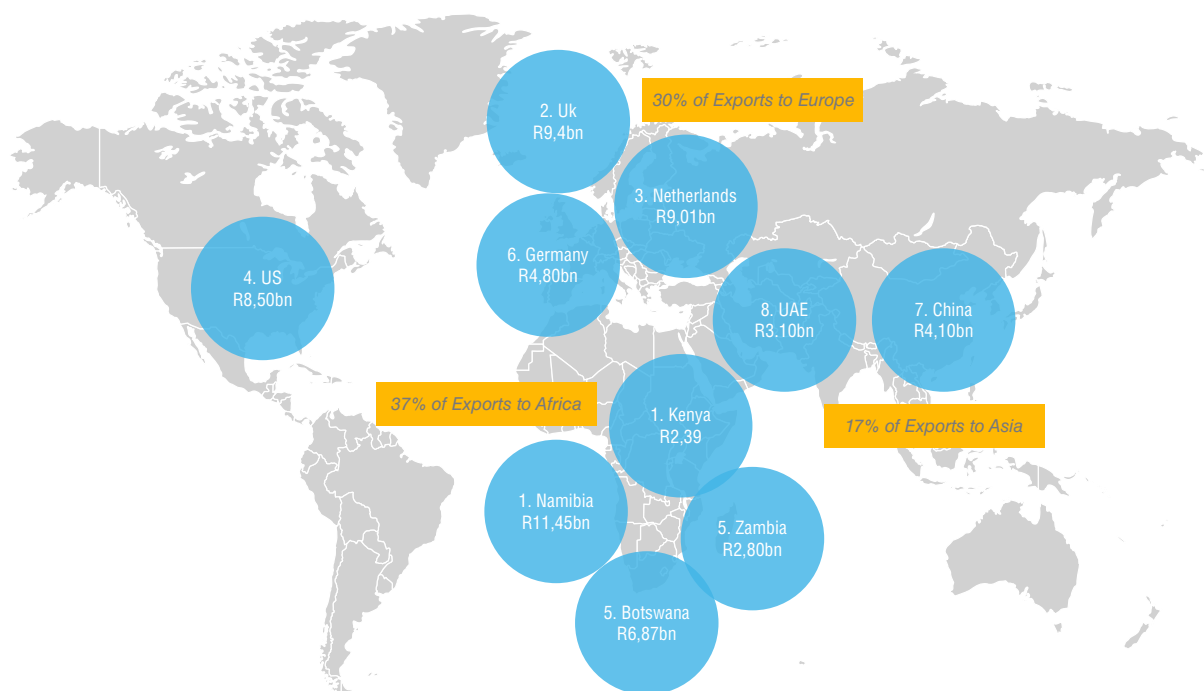
From a trade perspective, the Western Cape recorded an annual average export growth rate of 10,62% over the ten-year period, 2008 through to 2017. In parallel, imports grew at an annual average rate of 6,59% over the said period. In 2017, the value of exports from the Western Cape totalled R124,24bn, an increase of 0,56% on that recorded in 2016, but significantly down on the 3,57% recorded between 2015 and 2016.

In turn, imports into the Western Cape totalled R185bn in 2017, some 3,6% lower than in 2016. These growth numbers are expressed in nominal terms (i.e. include price fluctuations and not just volume growth).

As a result, the Western Cape's trade balance remained firmly in deficit at a value of R60,76bn in 2017. That said, this was marginally lower than the deficit of R68,35bn recorded in 2016, with the improvement attributable to a 3,6% decline in import growth and a 0,57% increase in export earnings in 2017. A large share of the Western Cape's import bill are costs associated with petroleum (both crude and refined petroleum oil) imports, with these accounting for 42% of total import costs in 2017.

Further, the Rand strengthened to an average value of R13,31/US\$ in 2017, from R14,71/US\$ in 2016 but has depreciated in line with other developing economy currencies in recent months.

### The Western Cape's top 10 export markets, 2017



The Western Cape's top five export products in 2017 were the same as in 2016. To this end, petroleum oils (excluding crude oil) dominated at a value of R13,17bn, equivalent to 11% of total export earnings, followed by citrus fruit (R11,53bn), grape wines (R8,7bn), grapes (R6,66bn), and fresh apples, pears and quinces (R6,63bn).

The province's fastest growing export category overall was the 'flat rolled iron and non-alloy steel' sector, which grew at an annual average growth rate of 120% p.a. over the period 2013 to 2017, followed by tobacco at an average of 20% p.a. and grapes (16% p.a.).



## Impact of BREXIT

The UK remains one of the Western Cape's key and traditional export markets, consuming R9,17bn, equivalent to 7,6%, of the Western Cape's total exports, in 2017. This was almost double the 4% share of South Africa's exports to the UK. In fact, almost one-fifth of South Africa's exports to the UK come from the Western Cape. The UK also accounts for 19% of the province's exports to the European Union (EU), making it a significant export destination.

In 2017, the UK imported R1,6bn worth of wine, R1,6bn of grapes, R1,1bn of apples and pears, and R1,3bn of citrus from the Western Cape, making it the largest global market for the province's wine, apples, apricots and citrus exports. To put this into perspective, the UK accounts for 24% of South Africa's global bulk wine exports, 21% of bottled wine exports and 7% of all sparkling wine exports. Further, the signing of the Economic Partnership Agreement (EPA) by the EU and SADC countries (EU-SADC EPA) in 2016 significantly enhanced South Africa's preferential market access for wine exports to the EU. Under this EPA, some 110m litres of South African wine is permitted to enter the EU market duty-free in the first year of implementation; the wine quota has been applicable since 01 November 2016. This is up from the 50m litres of South African wine that was previously permitted to enter the EU under the Trade, Development and Cooperation Agreement (TDCA) between South Africa and the EU that was signed in 2000.

A roundtable discussion was held on 19 July 2017 between the Southern African Customs Union (SACU) countries and the UK to discuss trade relations, post BREXIT. The EPA between the SADC countries (Botswana, Lesotho, Namibia, Mozambique, South Africa and Swaziland) and the EU was signed on 10 June 2016 in Kasane, Botswana. The EU-SADC Economic Partnership Agreement (EU-SADC EPA) provisionally entered into force between the SACU countries and the EU on 10 October 2016.

The SACU Ministers welcomed the UK's intention to avoid disruption for its trading partners as it withdraws from the EU. The UK has re-affirmed its commitment to the trade arrangement under the current EU-SADC EPA, as well as to maintain current market access to the UK following its withdrawal from the EU, and to ensure continuity of the effects of the EU-SADC EPA.

The two sides agreed to continue discussions to explore ways to ensure that the existing trade arrangement between the UK and SACU currently governed by the EU-SADC EPA will not be disrupted by the UK's departure from the EU. Talks are likely to focus on steps to agree on an arrangement that replicates the effects of the EPA once the UK has left the EU. This would be a technical exercise to ensure continuity in the trading relationship, rather than an opportunity to renegotiate existing terms.

From a South African and African perspective, an orderly Brexit is the best option. New reciprocal legal arrangements (such as the rolling-over of existing preferences and treaty obligations) must then be put in place but the UK and African Governments will have a two-year transition (when the UK will continue to trade under EU rules) to work those out. In the case of a hard Brexit, all UK trade will be governed by WTO rules and Most Favoured Nation tariffs. London will need a WTO derogation to launch its own Generalised System Preferences arrangement in order to grant African exports and exports from other developing countries preferential access to its markets. This will take time (Tralac, 2019).

Currently the Prime Minister of the United Kingdom (UK) Mrs Theresa May is trying to get a better Brexit deal from the European Union, as her first deal failed a parliamentary UK vote. She wants to get changes to the legal text she agreed with the EU. MPs held a series of votes on 29 January on potential changes to Mrs May's deal. Most – including a bid to delay Brexit to prevent a no-deal departure – were defeated.

UK MPs did back a call for the government to rule out a no-deal Brexit, but it was non-binding and Mrs May has repeatedly insisted that the only way to ensure no deal is to back a deal. She has promised to return to the Commons by 13 February 2019 at the latest with fresh proposals, which will be put to the vote. UK MPs will again be able to suggest alternatives, including, for example, delaying Brexit or holding another referendum.

**Tourism performance:**

International tourist arrivals into the Western Cape reached a significant 1 727 913 in 2017; increasing by 10,2% y-o-y (from 2016), and the highest number of arrivals in five years. Total foreign direct spend (excl. capital expenditure) by tourists in the province surged as a result, to R23,1bn; 27,8% higher than that spent in 2016. From a national perspective, the Western Cape accounted for 16,8% of all South African tourist arrivals, 28,6% of tourists' spend, and 19,3% of bed nights recorded in 2017. However, the tourism industry is under significant pressure in 2018 as a result of the drought, Rand appreciation (early in 2018), listeriosis, crime and security fears and land dispossession without compensation talks. Domestic tourism is equally under pressure as disposable income is under pressure.

The Western Cape held the following share of South African tourists during 2017:

- Western Cape's share of African land tourists visiting South Africa: 3,1%
- Western Cape's share of African air tourists visiting South Africa: 26,7%
- Western Cape's share of American tourists visiting South Africa: 57,2%
- Western Cape's share of Asian and Australasian tourists visiting South Africa: 43,6%
- Western Cape's share of European tourists visiting South Africa: 62,0%

Western Cape performance indicators	2015	2016	2017	16/17 % Change
<b>International</b>				
Total number of tourist arrivals	1 323 283	1 568 357	1 727 913	10,2%
% Share of South Africa's arrivals	14,9%	15,6%	16,8%	-
Total foreign direct spend (excl. capital expenditure)	R14,9bn	R18,1bn	R23,1bn	27,8%
% Share of South Africa's spend	21,8%	23,9%	28,6%	-
Total number of bed nights spent by tourists	15 625 036	16 744 578	23 300 297	39,2%
% Share of South Africa's bed nights	19,2%	18,9%	19,3%	-
Length of stay	12,2 nights	11,1 nights	14,1 nights	-
<b>Domestic</b>				
Total domestic trips	1 829 000	2 139 000	1 388 000	-35,1%
Total direct domestic spend	R2bn	R2,5bn	R1,6bn	-36,0%
Length of stay	4,8 nights	4,9 nights	3,4 nights	-

Source: SA Tourism, 2018

## Performance of top 10 source markets:

Performing indicators by top source market, 2017							
Ranking	Source Market	Total Arrivals	16/17 % Change	Total Foreign Direct Spend (R million)	Average Spend	Bed nights	Length of stay
1	United Kingdom	267 845	-0,9%	R4 004	R16 500	3 218 000	12,9
2	Germany	230 130	12,8%	R2 981	R15 000	3 055 000	15,1
3	United States	202 057	6,4%	R2 708	R15 200	2 066 000	11,2
4	France	122 015	32,0%	R1 298	R14 100	1 310 000	13,8
5	Namibia	115 646	0,8%	R969	R8 600	1 476 000	12,8
6	Netherlands	104 871	8,3%	R1 262	R15 500	1 213 000	14,6
7	Australia	56 733	18,5%	R809	R15,700	610,000	11,6
8	Brazil	43 593	96,9%	R480	R11 900	513 000	12,6
9	Canada	43 584	10,9%	R454	R12 400	402 000	10,4
10	Switzerland	42 910	6,8%	R741	R20 000	538 000	14,1

Source: SA Tourism, 2018

## Provincial tourism performance:

Of all nine provinces, the Western Cape ranked:

- Top in the number of paid bed nights: 15,2m;
- Top in the average length of stay: 14,1 nights
- Top in the share of "First timer" travellers: 56,7%;
- Top province for "holiday": 55,8%;
- Top in the highest average spend: R14 400;
- 2nd Highest in total foreign direct spend: R23,1bn;
- 2nd Highest in total bed nights: 23,3m; and
- 3rd Highest in tourist arrivals: 1,7m

Provincial tourism performance, 2017					
Province	Arrivals	Spend (millions)	Length of stay	Bed nights	Average spend
Gauteng	4 052 368	R28 618	11,4	44 468 000	R7 500
<b>Western Cape</b>	<b>1 727 913</b>	<b>R23 118</b>	<b>14,1</b>	<b>23 300 000</b>	<b>R14 400</b>
Eastern Cape	411 408	R3 331	11,2	4 378 000	R8 700
KwaZulu-Natal	812 531	R5 867	10,1	7 868 000	R7 700
Mpumalanga	1 573 635	R5 260	8,5	12 759 000	R3 500
Limpopo	1 882 191	R9 929	4,4	7 864 000	R5 600

Provincial tourism performance, 2017					
Province	Arrivals	Spend (millions)	Length of stay	Bed nights	Average spend
North West	777 390	R1 523	6,3	4 643 000	R2 100
Northern Cape	113 137	R874	12,6	1 325 000	R8 400
Free State	1 193 083	R2 205	12,2	13 956 000	R2 100

Source: SA Tourism, 2018

\*Grey rows highlight attractions based in the Western Cape

### Attractiveness of Western Cape's top tourism icons and activities:

- **12 out of the top 20** attractions and landmarks visited in South Africa were based in the Western Cape;
- **13 out of the top 25** natural scenery and game attractions visited in South Africa were based in the Western Cape;
- The **V&A Waterfront** ranked as the **top** mall in the **top 20** malls and urban attractions visited in South Africa;
- **Robben Island** ranked as the **top** landmark in the **top 10** culture and heritage attractions visited in South Africa; and
- **Camp's Bay and Clifton** ranked as the top two beaches in the **top 10** beachfront attractions visited in South Africa, followed by **Mossel Bay** in 10<sup>th</sup> position.

### 1.6.2. organisational environment:

The following section provides an overview of the Agency's risk analysis given the expansion of the Agency's mandate.

#### Political risks:

According to World Economic Forum's Global Competitiveness Index (2017/2018) report, South Africa remains one of the region's most competitive economies, being ranked 61st out of 137 countries assessed globally in the annual survey. That said, in 61st position, the country was some 14 positions lower in the overall rankings compared to the 2016/2017 results. Corruption, crime, and government instability were cited as the primary reasons for this significant drop in ranking. Regionally, Mauritius topped the rankings in 45th place, followed by Rwanda in 58th position.

Other concerns raised by potential investors include policy uncertainty, including those surrounding the revised mining charter which was published in June 2017 and which has the potential to further undermine the already weak investor sentiment in this key sector. Ongoing socio-economic issues also remain of concern, including labour reform and property/land ownership issues. There is a dire need for greater transparency and policy certainty if South Africa is to successfully regain business confidence and investors' interest.

#### Economic risks:

##### Macroeconomic risks:

One of the greatest challenges posed by the prevailing macroeconomic conditions has been the downturn in both consumer and investor confidence. Wesgro has been impacted by this too, particularly in terms of investment promotion. Notwithstanding the country's fragile economic outlook, recent political developments

bode positively for the country. However, this is dependent on newly elected President Cyril Ramaphosa building and maintaining investor and consumer confidence.

Negative perceptions around South Africa as an investment destination have also affected investment promotion activities. Again, however, recent political developments could assist in changing these perceptions for the better.

### **Risks in the global economy:**

Global growth for 2018 and 2019 is projected at 3,7%, as forecast in the October 2018 World Economic Outlook (WEO). Global financial conditions are expected to tighten as monetary policy normalizes; the trade measures implemented since April will weigh on activity in 2019 and beyond. .

Domestic demand growth (notably investment, which has been an important part of the global recovery) is expected to continue at a strong pace, even as overall output growth slows in some cases where it has been above trend for several quarters.

Advanced economy growth is expected to remain above trend at 2,4% in 2018 before easing to 2,1% in 2019. The forecast for 2018 largely reflects greater-than-expected growth moderations in the Euro-area and Japan after several quarters of above-potential growth.

Emerging and Developing Asia is expected to maintain its robust performance, growing at 6,5% in 2018 and 6,3% in 2019. Growth in China is projected to moderate from 6,9% in 2017 to 6,6% in 2018 and 6,2% in 2019, as regulatory tightening of the financial sector takes hold and external demand softens.

### **Risks in international trade:**

The World Trade Organisation (WTO) continues to be inundated with international transaction disputes and many countries are raising the red flag on questionable barriers to trade imposed by partner countries. Unresolved trade disputes can adversely affect international trade as traditional partners seek markets for products elsewhere.

Brexit (the impending withdrawal of Britain from to European Union) poses risks for South Africa and the SADC region that currently have an Economic partnership agreement. From a South African and African perspective, an orderly Brexit is the best option as then the current agreement will be in place, while a hard Brexit will revert to WTO rules (Tralac, 2019). The latter would cause significant disruptions to South Africa and UK trade.

Notwithstanding success achieved under various trade pacts and agreements, non-tariff barriers and tariff barriers to South African exports remain a challenge.

The Western Cape's agricultural exports face major non-tariff barriers such as highly technical phytosanitary requirements, import bans on products considered to be diseased (such as citrus blackspot), and antidumping regulations. That said, the African Growth and Opportunity Act (AGOA), which provides duty free access for close on 6 500 tariff lines to the US for select, eligible countries and products has had a significant impact on promoting sub-Saharan Africa – US bilateral trade.

However, what lies ahead for trade relations between the US and Africa, when AGOA likely ends, post 2025? While there has been no formal indication from the US that the programme will not be renewed, the consensus view is that it will not be, post 2025. Key reasons for this include a rapidly changing global trade environment, which is increasingly affecting the US-Africa trade relationship; and secondly, the fact that AGOA was not intended to be permanent, with the programme designed as a stepping stone to a more mature trade relationship between the US and Africa.

Determining a new and appropriate strategy for trade and investment relations between South Africa (and Africa) and the US post-2025 remains a key consideration.

The China and US trade war also poses risks for South Africa and Western Cape trade. Should the trade war lead to the weakening of global growth then this would pose significant challenges for South Africa's own growth prospects.

### **Social risks:**

Some of the largest challenges facing South Africa is as a result of the conditions many South African's face. Inadequate housing, large-scale unemployment (especially under the youth), water and sanitation access, deteriorating public transport (trains especially) and safety all result in a serious risk that the social discourse may turn negative and result in increased pressure on the limited resources available to government.

### **Technological risks:**

The most significant technological risks to Wesgro would be a) a slower-than-planned rollout of advanced broadband infrastructure and speed than forecast by the Western Cape Broadband Initiative; and b) the price of internet access compared to other economies. This is of particular interest to foreign investors who have the perception that South Africa, and by association the Western Cape, has below average performance in terms of technology.

Despite great improvements in technology and broadband in South Africa and significant improvements in nearly all areas in innovation in recent years, the business destination still faces significant perception risk in this area.

### **Legal risks:**

In terms of the rule of law, as noted by the Heritage Foundation in its annual Index of Economic Freedom, 'South Africa continues to benefit from strong institutions and a robust and independent legal framework, but pervasive corruption increasingly hampers the functioning of government, and enforcement of anticorruption statutes remains inadequate'.

### **Environmental risks:**

The greatest environmental risk at present is the scarcity of water, which is greatly affecting farmers across South Africa, and the Western Cape in particular. The recent rains in the Western Cape have brought much relief to the province. Cape Town dams have reached a significant milestone in their battle against the drought, as recent downpours in the area carried the figures above the 70% mark. This is the first time in over 18 months that all dams servicing the drought-stricken Mother City have reached this combined landmark.



## SWOT Analysis:

An analysis of Wesgro's key strengths, weaknesses, opportunities and threats was conducted to assist the Agency in developing its priorities for the next five years. The analysis is presented in the table below:

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Sector and market specialists in the trade and investment teams</li><li>• Strong research capability</li><li>• The Exporter Development Programme (EDP) is well regarded and nationally recognised as the best programme</li><li>• Solid governance and financial controls</li><li>• Highly responsive to stakeholder needs</li><li>• Strong relationships with national departments such as the DTI</li><li>• Strong relationships with provincial departments such as DOTP, DEDAT, DEADP</li><li>• Strong relationships with local government such as CoCT and other municipalities across the Western Cape</li><li>• Wesgro has a good history and a fast-developing brand</li><li>• The tourism website is highly attractive and tourist oriented</li></ul>	<ul style="list-style-type: none"><li>• Business units still operate in silos despite improvements in this area</li><li>• Contact management is lacking, databases are not maintained and consolidated nor are they shared Agency wide</li><li>• The Agency is financially under-resourced to develop to its full potential</li><li>• The PFMA is too onerous regarding procurement, planning and reporting resulting in a heavily bureaucratic environment</li><li>• Outdated trade and investment website that is not client-centric</li><li>• Ineffective use of technology to be more effective considering limited human resources</li><li>• Poor salaries in relation to private sector resulting in staff attrition and deters talent from applying to work at the agency</li><li>• Unclear definition of Wesgro's institutional role</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Improved knowledge management could lead to greater lead generation and enhanced client management</li><li>• A vastly improved website can generate greater trade and investment leads</li><li>• Creating a balance between working with small and large businesses can lead to improved value chains in the local economy, business mentorship and a greater impact of programmes</li><li>• Improved financial resourcing could assist the Agency in engaging in high impact activities and improving its value proposition</li><li>• An ability to offer increased salaries as a result of improved financial resourcing can assist the Agency to access a larger talent pool</li></ul>	<ul style="list-style-type: none"><li>• Drought and water scarcity in the province</li><li>• South African investment climate uncertainties</li><li>• Exchange rate fluctuations</li><li>• The political environment nationally creates constraints for investors and tourists in particular</li><li>• The perception of Wesgro as an Agency that adds value to business is always under scrutiny and can impact on funding</li><li>• Budgeting on an annual basis despite a 3-year planning cycle makes the execution of medium-term projects practically impossible to develop or implement</li><li>• Being flexible and accepting of new and additional mandates can create uncertainty in the market and internally, as well as draining on financial and human resources if the mandates do not come with adequate funding</li></ul>

### 1.6.2.1. organisational structure:

Wesgro is a public entity as envisaged in the PFMA and is managed by a Board of Directors appointed by Executive Authority. The table below provides a list of the Board members:

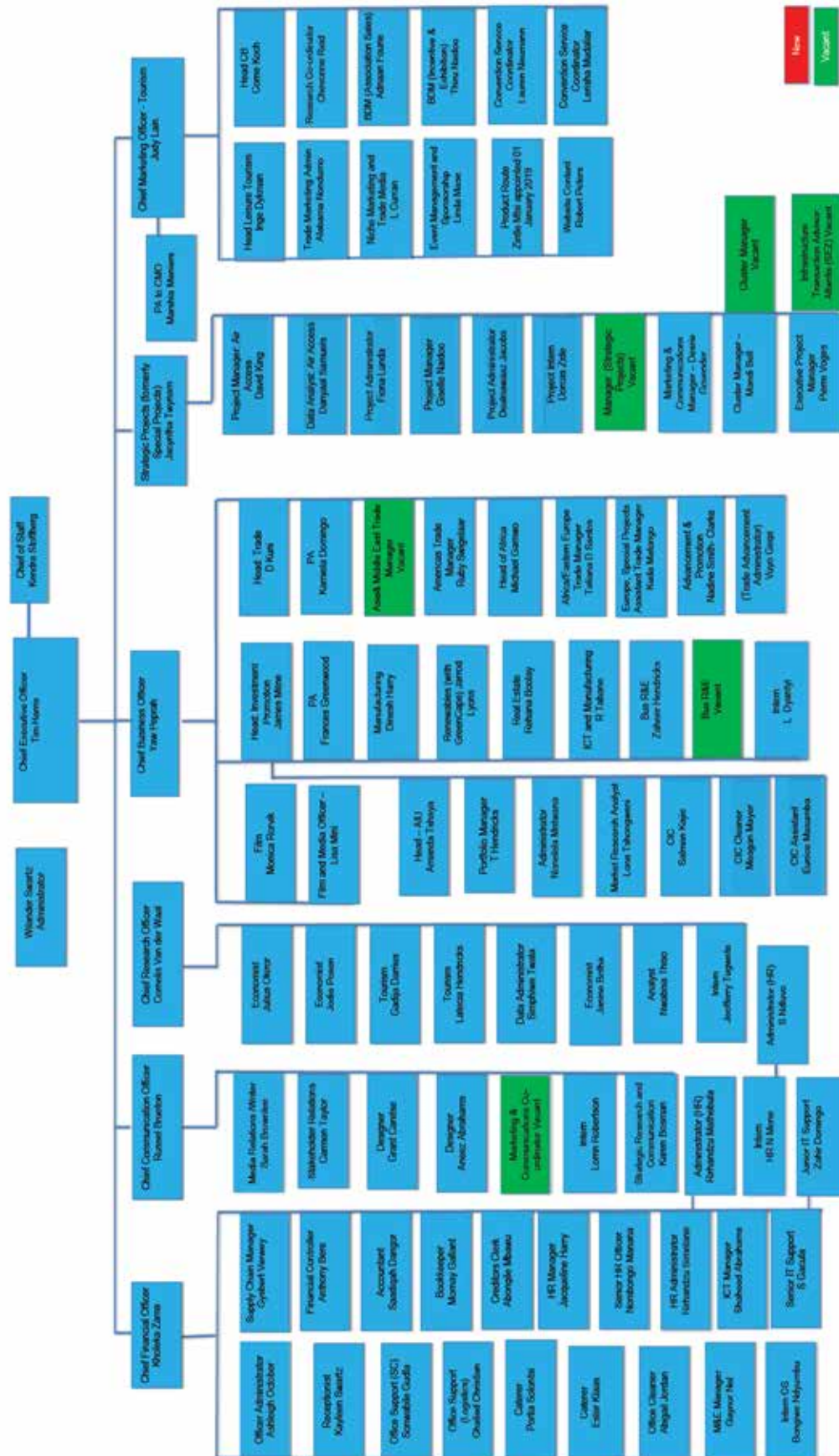
Wesgro board members	
Name	Title
Prof. Brian Figaji	Chairperson
Mr. Michael Spicer	Deputy Chairperson
Mr. Ian Bartes	Chairperson of the Audit, IT and Risk Committee/Director
Ms. Andrea Böhmert	Director
Mr. Paul Bannister	Director
Mr. David Green	Director
Ald. Marius Koen	Director
Ms. Palesa Morudu	Director
Ald. (Dr.) Helena von Schlicht	Director
Mr. John van Rooyen	Director
Mr. Solly Fourie	Ex-Officio Member of the Board representing the Provincial Government
Mr. Lance Greyling	Ex-Officio Member of the Board representing the City of Cape Town/Chairperson of the Human Resource and Remuneration Committee
Mr. Tim Harris	Chief Executive Officer

#### 1.6.2.1.1. number of employees listed and vacancies indicated:

The following table highlights the vacancies within the organisation:

Employment and vacancies			
Salary band	Number of posts	Number of positions filled	Vacancies
Executive Management	4	4	0%
Senior Management	11	11	0%
Middle Management	25	24	4%
Assistant Management	20	18	10%
Administrators	18	18	0%
Interns	5	5	0%
Additional Staff			
Temporary Staff	1	1	0%
SEDIC	9	2	78%
Projects (Air Access, CTHP, SEDIC)	8	7	13%
<b>Total</b>	<b>101</b>	<b>90</b>	<b>11%</b>

### 1.6.2.1.2. organogram:



## 1.7. the strategic planning process:

The Wesgro Act, 1996, as amended, informed the Annual Performance Plan aligned to provincial and national priorities, which govern the Agency. Engagement sessions were held with senior managers to identify priorities and develop well defined indicators and “SMART” targets. Further to this, consultations with DEDAT and the City of Cape Town were held during the development of this plan.

## 1.8. strategic outcome orientated goals of the agency

Strategic outcome oriented goal	
<b>Strategic goal</b>	The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape province.
<b>Goal statement</b>	<p>It is envisaged that the Agency will achieve the following deliverables over the period extending from 2015/16 to 2019/20;</p> <ul style="list-style-type: none"><li>• To market Cape Town and the Western Cape as the tourism destination to increase international and domestic tourists,</li><li>• To recruit and facilitate between R5,82bn and R9,8bn direct investment into the province,</li><li>• To recruit and facilitate between R508m and R1,23bn Outward Foreign Direct Investment (OFDI) and facilitate an estimated rand value of trade promotion business deals between R2,5bn and R4,7bn.</li><li>• To build a strong regional economic brand that positions the Cape as an inspiring place to do business.</li></ul>
<b>Baseline</b>	A total of R2,29bn was committed during the 2017/18 year, facilitating a total of 1 014 jobs. In addition, the Agency secured 53 business agreements, with an export value of R2,83bn, resulting in 679 jobs. Furthermore, R190m in OFDI was committed. With regards to destination marketing, the Agency supported 32 tourism marketing activities, with an estimated economic value of R454,4m.
<b>Justification</b>	Wesgro plays a pivotal role in investment and trade promotion, and marketing Cape Town and the Western Cape as a tourism destination.
<b>Links</b>	The goal is linked to Provincial Strategic Goal 1: “Create opportunities for growth and jobs”, and the strategic objectives of the DEDAT and the City of Cape Town. Further to this the goal is linked to the Wesgro Act.

## 1.9. overview of 2019/20 budget and mtef estimates

### Budget overview

High level budget						
DESCRIPTION	BUDGET	ADJUSTMENT BUDGET 2018/19	2019/20	OUTER MTEF YEARS		
	2018/19			2020/21	2021/22	2022/23
	R'000	R'000	R'000	R'000	R'000	R'000
STAFF REMUNERATION	35 231	35 931	37 285	40 052	42 246	44 392
DEPARTMENTAL EXPENSES (A+B)	47 380	76 186	53 389	55 452	57 207	55 061
Overheads (A)	17 871	46 377	23 689	20 767	18 782	18 096
Programmes (B)	29 509	29 809	29 700	34 685	38 425	36 965
Capital Expenditure	0	0	0	0	0	0
TOTAL EXPENSES	82 611	112 117	90 674	95 504	99 453	99 453
Staff Complement	90	101	101	101	101	101

### High level budget: Trade and Investment Promotion

High level budget						
DESCRIPTION	BUDGET	ADJUSTMENT BUDGET 2018/19	2019/20	OUTER MTEF YEARS		
	2018/19			2020/21	2021/22	2022/23
	R'000	R'000	R'000	R'000	R'000	R'000
STAFF REMUNERATION	21 063	21 063	20 597	21 710	22 885	24 029
DEPARTMENTAL EXPENSES (A+B)	13 257	13 257	18 064	19 273	19 400	18 256
Overheads (A)	10 643	10 643	11 826	11 702	11 584	11 584
Programmes (B)	2 614	2 614	6 238	7 571	7 816	6 672
Capital Expenditure	0	0	0	0	0	0
TOTAL EXPENSES	34 320	34 320	38 661	40 983	42 285	42 285
Staff Complement	73	73	73	73	73	73

## High level budget for destination marketing

High level budget						
DESCRIPTION	BUDGET	ADJUSTMENT BUDGET 2018/19		OUTER MTEF YEARS		
	2018/19		2019/20	2020/21	2021/22	2022/23
	R'000	R'000	R'000	R'000	R'000	R'000
STAFF REMUNERATION	12 878	12 878	14 317	15 097	15 921	16 717
DEPARTMENTAL EXPENSES (A+B)	4 161	4 161	3 464	4 505	5 571	4 775
Overheads (A)	4 161	4 161	3 052	4 004	5 061	4 265
Programmes (B)		0	412	501	510	510
Capital Expenditure	0	0	0	0	0	0
TOTAL EXPENSES	17 039	17 039	17 781	19 602	21 492	21 492
		0				
Staff Complement	14	14	14	14	14	14

## High level budget for other projects

High level budget						
DESCRIPTION	BUDGET	ADJUSTMENT BUDGET 2018/19		OUTER MTEF YEARS		
	2018/19		2019/20	2020/21	2021/22	2022/23
	R'000	R'000	R'000	R'000	R'000	R'000
STAFF REMUNERATION	1 290	1 990	2 371	3 245	3 440	3 646
DEPARTMENTAL EXPENSES (A+B)	15 217	44 023	15 295	15 039	15 498	15 292
Trade and Investment	3 067	31 573	8 811	5 061	2 137	2 247
DMO	12 150	12 450	6 484	9 978	13 361	13 045
Capital Expenditure		0	0	0	0	
TOTAL EXPENSES	16 507	46 013	17 666	18 284	18 938	18 938
		0				
Staff Complement	3	14	14	14	14	14

## Summary of payments and estimates

Programme R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1.	Administration	2 747	5 555	4 155	3 874	3 990	4 701	4 782
2.	Corporate Services	7 169	14 480	10 989	10 643	11 826	11 702	11 584
3.	Investment	3 766	4 582	4 329	4 466	5 601	6 103	6 384
4.	Trade	4 515	6 934	9 709	7 224	8 027	8 320	8 936
5.	Wesgro Research	2 073	3 342	3 506	3 454	3 394	3 954	3 991
6.	Marketing and Communication	4 365	5 141	4 873	4 658	5 823	6 203	6 608
7.	DMO: Integrated Marketing	27 308	17 919	31 567	17 039	17 781	19 602	21 492



Summary of payments and estimates								
Programme R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
				–				
				–				
				–				
				–				
				–				
				–				
				–				
	Total payments and estimates	51 943	57 953	69 128	51 359	56 442	60 585	63 777

Summary of provincial payments and estimates by economic classification								
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Expenses							
	Current expense	48 583	57 953	69 128	51 375	56 442	60 585	63 777
	Compensation of employees	24 870	25 527	32 845	33 941	34 914	36 807	38 806
	Salary and Wages	22 054	23 162	29 600	31 131	33 153	35 062	37 032
	Basic salary	20 452	21 898	27 701	29 373	31 338	33 251	35 130
	Performance rewards	1 602	1 264	1 896	1 758	1 815	1 811	1 902
	Service based			–				
	Periodic Payments			–				
	Other non-pensionable allowances			3				
	Social Contributions (employer contributions only)	2 816	2 365	3 245	2 810	1 761	1 745	1 774
	Pension	2 248	1 749	2 668	2 291	1 265	1 252	1 292
	Medical	397	340	455	421	374	374	362
	Home owners allowance			–				
	UIF	93	98	115	98	122	119	120
	Bargaining council			–				
	Unions			–				
	Provisions for staff costs			–				
	Salary related expenses	78	178	8				
	Use of goods and services	24 772	26 033	36 283	16 946	20 137	22 641	23 766
	Advertising	1 981	1 564	8 043	272	1 764	1 742	2 073
	Advertising of posts	69	139	65	42	59	90	61
	Gifts and Promotional items	324	227	–		200	286	297
	Advertising (marketing)	1 588	1 198	7 977	230	1 505	1 366	1 715
	Audit Fees	2 210	1 817	2 020	2 041	1 947	1 840	1 670
	Internal	902	744	743	764	1 024	1 180	1 100
	Forensic			–				
	External	1 308	1 073	1 277	1 277	923	660	570
	Bank charges	81	146	94	47	85	96	99
	Board Costs	386	402	499	499	443	480	498
	Board – Remuneration	354	396	335	499	443	480	498
	Board – Air Tickets			–				
	Board – Accommodation			–				
	Board – Subsistence	32	6	–				
	Board – Other			164				
	Bursaries (employees)			–				
	Catering services	58	105	103	35	87	113	107
	Communication	1 166	958	1 073	1 113	728	724	334
	Telephone	1 015	780	1 048	984	720	720	332

Summary of provincial payments and estimates by economic classification								
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Expenses							
	Cellphones	127	169	16	125	7	3	1
	Postage and Courier	24	9	10	4	1	1	1
	Satellite signals			–				
	Other			–				
	Computer services	754	437	1 548	545	742	1 152	1 167
	SITA services			–				
	External service providers	754	437	1 548	545	742	1 152	1 167
	Consultants, contractors and special services	6 782	8 254	10 189	4 631	3 969	4 442	4 454
	Consultants	6 140	6 565	7 286	4 038	1 972	1 945	1 832
	Contractors and special services	642	1 689	2 903	593	1 997	2 497	2 622
	Services rendered			–				
	General Expenses	256	832	266	273	1 218	1 308	1 180
	Design Development			–				
	Logistics			–				
	Conference Expenditure	386	799	2 638	320	400	534	701
	Donations paid			–				
	Photographic services		58	–		60	80	90
	Venues and facilities			–		319	575	651
	Agency Administrative and Support Staff			–				
	Event Promoters			–				
	Youth Status Report			–				
	Transport: Consultants and Contractors			–				
	Other special services							
	Entertainment	16	146	–	8			
	Equipment less than Capitalisation threshold	2	4	–	3	6	6	6
	Inventory	1 692	1 777	2 062	1 456	2 144	2 859	2 649
	Consumables			–				
	Food and food supplies			–				
	Fuel, oil and gas							
	Parts and other maintenance material		40	–				
	Stationery and printing	385	213	81	94	154	134	134
	Subscriptions	1 266	1 455	1 981	1 272	1 934	2 665	2 461
	Restoration and fittings				15			
	Other			–				
	Legal fees	399	144	44	105	127	252	108
	Losses / (Profits)	( 24 )	( 49 )	- 2 379		1	2	2
	Losses due to Fraud			–				
	On Sale of Assets	( 21 )	( 64 )	- 26			1	1
	Forex	( 3 )	15	2		1	1	1
	Loss on stolen fixed asset			–				
	Other			- 2 354				
	Maintenance and repairs	22	300	234	219	66	221	296
	Buildings		256	203	186	44	196	260
	Infrastructure Assets			–				
	Equipment	22	44	32	33	22	25	36
	Other			–				
	Operating leases	3 862	4 665	4 229	2 791	3 361	3 595	5 177
	Rent-buildings	3 380	3 602	4 222	2 783	2 758	2 955	3 995
	Rent-equipment	482	1 063		8	603	640	1 182
	Other			7				
	Owned/ leasehold and property exp. (Establishment Costs)	41	69	69	75	56	60	54
	Transport – Motor Fleet	41	69	69	75	56	60	54
	Transport – Private Vehicles			–				
	Safeguard and Security			–				

Summary of provincial payments and estimates by economic classification								
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Expenses							
	Printing and publication	515	462	–	240	190	180	205
	Professional bodies and membership fees	938		–				
	Travel and Subsistence	3 575	3 083	7 018	2 518	4 043	4 417	4 364
	Air Travel – Air Tickets (Domestic)	368	191	396	197	337	372	369
	Air Travel – Air Tickets (International)	1 542	2 139	1 460	1 111	2 585	2 558	2 528
	Accommodation – Domestic	151	65	168	167	486	644	712
	Accommodation – International	770	607	1 325	824	531	729	655
	Transport: Government Garage			–				
	Motor Finance: Claim above 500 km			–				
	Entertainment		2	–				
	Khulisa			2 767				
	Other	744	79	901	219	104	114	100
	Training and staff development	357	555	426	423	434	520	557
	Utilities			–				
	Water and electricity			–				
	Item 1			–				
	Item 2			–				
	Venues and facilities			–				
	Item 1			–				
	Item 2			–				
	Other			–				
	Depreciation and amortisation	( 1 059 )	6 393	1 011	488	1 391	1 137	1 205
	Land			–				
	Dwellings			–				
	Non-residential Buildings			–				
	Investment Property			–				
	Leasehold Improvements	( 2 118 )	5 280	428		490	315	365
	Mineral and Similar Non-regenerative Resources			–				
	Capital Work in Progress			–				
	Heritage Assets							
	Biological Assets							
	Computer equipment	275	232	281	126	152	282	304
	Furniture and Office equipment	333	338	223	223	310	182	178
	Other Machinery and equipment	129	107	82	48	124	84	88
	Crockery and Cutlery							
	Transport Assets	110	278	48	48	157	130	130
	Computer Software	212	158	- 51	43	158	144	140
	Valuables (e.g. works of art)							
	Mastheads and Publishing titles							
	Patents, Licences, Copyrights, Brand names and Trademarks							
	Recipes, Formulae, Prototypes, Designs and Models			–				
	Service and Operating Rights			–				
	Other Intangibles			–				
	Unearned reserves (social security funds only)			–				
	Interest, dividends and rent on land			–				
	Interest			–				
	Dividends			–				
	Rent on land			–				
	Transfers and subsidies	3 360		–				
	Provincial government			–				
	Municipalities			–				
	Rates and taxes			–				

Summary of provincial payments and estimates by economic classification							
Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18				
<b>Expenses</b>							
RSC levies			–				
Other			–				
Departmental agencies and accounts			–				
Universities and technikons			–				
Foreign governments			–				
International organisations			–				
Public and private corporations			–				
Non-life insurance			–				
Other			–				
Non-profit institutions	3 360		–				
Households			–				
Social benefits (social security funds only)			–				
Other households			–				
<b>Total expenses</b>	<b>51 943</b>	<b>57 953</b>	<b>69 128</b>	<b>51 375</b>	<b>56 442</b>	<b>60 585</b>	<b>63 777</b>

### 1.10. relating expenditure trends to strategic goals

South Africa experienced higher growth in 2017, achieving a growth rate of 1,3%. However, in the first quarter of the 2018, the GDP decreased by 2,2%, following an increase of 3,1% in the fourth quarter of 2017. The South African Reserve Bank (SARB) revised its forecast for South Africa's GDP growth from 1,7% to 1,0% for 2018 at its most recent Monetary Policy Committee meeting.

The operational budget allocation for the Agency has declined over the past few years, placing significant pressure on the Agency to deliver on its mandate. Management has embarked on a process of robust consultation with the stakeholders to secure additional funding. With the tightening of belts nationally and provincially, the Agency had not been able to secure additional funding; however it remains committed to delivering on its mandate, against increasing targets.



## Whale watching town of Hermanus





Southern Right Whale and her calf along the overberg coast close to Hermanus





## **2. part b: programme and sub-programme plans**

### **2.1. programme 1: corporate services**

#### **Purpose:**

The purpose of the programme is to provide efficient, cost effective, transparent and responsive corporate services to the Agency and ensure that principles of good corporate governance are implemented.

#### **Programme structure**

##### **Sub-programme 1.1: Financial management:**

Effective financial management is aimed at ensuring the upholding of the legislative requirements of the Agency. The sub-programme of financial management will also ensure that the necessary resources to efficiently run core operations are provided.

##### **Sub-programme 1.2: IT and administrative services:**

As a provincial public entity the Agency also has to comply with the Public Finance Management Act 1 of 1999 and the Public Service Act. Wesgro is compelled to follow the principles of these Acts in ensuring that modernisation of systems of management within the public sector is achieved, and transparency and accountability is maintained and visible.

The corporate services programme has a focus on maintaining sound IT and administrative systems and infrastructure. Effective systems and processes are a necessary component to maintain credibility, ensure accountability, improve operating efficiencies and generate institutional memory.

##### **Sub-programme 1.3: Human resource management:**

The Human Resources sub-programme will ensure that the Agency becomes the employer of choice and maintain an excellent, talented and skilled workforce. A priority is to attract, recruit and retain staff by creating a culture and climate conducive to sustain a motivated workforce. Further to this, the sub-programme will ensure all legislative compliance with regards to human resource management.

##### **Sub-programme 1.4: Monitoring and evaluation:**

This sub-programme is responsible for the implementation and management of reporting systems, which must comply with the guidelines set in the Treasury Regulations, the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). The sub-programme is also responsible for the timely and accurate delivery of monthly, quarterly, and annual reports to stakeholders. In addition, the sub-programme is to ensure effective planning and service delivery and manages the Agency's strategic planning process.

##### **Sub-Programme 1.5: Strategic projects**

The sub-programme aims to provide for effective management and completion of funded projects. These projects are those that specifically emanate from signed agreements with either DEDAT and/or the City of Cape Town or

any other state agency with specific ring-fenced funding, clearly outlined resources and milestones. One of the most notable strategic projects for Wesgro has been the establishment of the Saldanha Bay IDZ, this project was managed by Wesgro for DEDAT from pre-feasibility study through to the designation and establishment of the Saldanha Bay IDZ and entity. The administration and management of this project has formed the framework for future projects of similar nature and it is within this framework that strategic projects will be dealt with. The guidance of the funders are sought (typically through a project governance structure) as pertains to reporting and other documentation required in terms of the PFMA or MFMA.

The strategic projects as approved by the Wesgro board for purposes of this strategic plan include the following in addition to future projects to be approved throughout the year:

- Cape Health Technology Park (CHTP)
- Cape Town Air Access
- Strategic Economic Development Infrastructure Company (SEDIC)

The CHTP project is a DEDAT and DST project that is aimed at establishing a world-class innovation facility which will culminate in the co-location of innovative firms, government & academia health innovation programme and business & innovation support organisations with the main purpose of building a stronger pharmaceutical and human health technology industry in South Africa. The Cape Town Air Access project aims to increase direct air access in and out of Cape Town to the rest of the world. The project aims to improve the Western Cape's competitiveness and support growth sectors in order to stimulate economic growth and enable job creation.

Strategic Economic Development Infrastructure Company (SEDIC) is a project of Wesgro for the establishment of a subsidiary company to house infrastructure projects such as the Atlantis SEZ, CHTP and other catalytic economic infrastructure projects. SEDIC will allow for intergovernmental land transfer and revenue generation as well as the ability to hold SEZ licenses.

### **Situational analysis:**

As a legislatively enacted agency, Wesgro is bound to adhere to the principles derived from Chapter 10 and 13 of the Constitution of the Republic of South Africa, 1996.

The Agency is compelled to ensure that the principles of high standards of ethics is promoted and maintained, resources are efficiently utilised, and transparency and accountability are present within the Agency at all times. Wesgro is bound to follow the principles of these Acts in ensuring that modernisation of systems of management within the public sector is achieved, and transparency and accountability is maintained and visible.

Effective financial management is aimed at ensuring the upholding of the legislative requirements of the Agency. The sub-programme of financial management will also ensure that the necessary resources to efficiently run core operations are provided.

### 2.1.1. strategic objectives

#### Sub-programme 1.1: Financial management:

Strategic objective table	
Strategic objective	Attain and maintain a high-level Financial Management Capability over 5 years.
Objective statement	The identification and implementation of interventions to assist the Agency in adapting to the renewed financial standards and maintain a clean audit opinion.
Baseline	The Agency achieved unqualified audit for the 2017/18 financial year.
Justification	The concept of value for money has become an integral part of the strategic and operational activities. Corporate Services identifies and implements intervention to achieve value for money that will improve service delivery, eliminate wasteful allocation of resources, enhance public confidence and ensure compliance.
Links	This objective is linked to the Public Finance Management Act (PFMA), National Treasury Regulations, Provincial Treasury Instructions, King IV and PSG 5: embed good governance and integrated service delivery through partnerships and spatial alignment.

#### Sub-programme 1.2: IT and administrative services:

Strategic objective table	
Strategic objective	To achieve the maximum benefit from information technology innovations, increasing research capability, and delivering efficiencies in support of administrative functions.
Objective statement	To provide secure, effective information systems that support efficient, streamlined and consistent business processes and provide high-quality information.
Baseline	The Agency experienced downtime for 25,69 hours during the previous financial year.
Justification	The concept of value for money has become an integral part of the Strategic and operational activities. Corporate Services identifies and implements intervention to achieve value for money that will improve service delivery, eliminate wasteful allocation of resources, enhance public confidence and ensure compliance.
Links	This objective is linked to the Public Finance Management Act (PFMA), National Treasury Regulations, Provincial Treasury Instructions, King IV and PSG 5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

### Sub-programme 1.3: Human resources management:

Strategic objective table	
<b>Strategic objective</b>	To create a culture and climate to attract, sustain and retain a motivated, talented and skilled workforce and ensure that the Agency becomes the employer of choice.
<b>Objective statement</b>	To ensure timeous application of the staff appraisal system annually and to assist in the increase of staff morale to 80% during the 5-year cycle.
<b>Baseline</b>	The Agency achieved 87% in the climate and employee satisfaction surveys conducted.
<b>Justification</b>	The implementation of human resource interventions will contribute to the creation of a culture conducive to the retention of a motivated workforce and to retain intellectual property. Further to this, ensuring the optimal adoption of HR policies, related policies and procedures.
<b>Links</b>	This objective is linked to the Public Service Act, 1994, Public Service Regulations, 2001; Labour Relations Act, 1995; Employment Equity Act, 1998; Basic Conditions of Employment Act, 1997; PFMA, King IV, and PSG 5: embed good governance and integrated service delivery through partnerships and spatial alignment.

### Sub programme 1.4: Wesgro monitoring and evaluation:

Strategic objective table	
<b>Strategic objective</b>	To ensure that an effective monitoring and evaluation system is implemented aligned to the legislative and regulatory prescripts pertaining to performance management.
<b>Objective statement</b>	To ensure the timeous delivery of quarterly and annual reports to stakeholders as legislatively required.
	The development and timeous delivery of the Agency's corporate plans as legislatively required.
<b>Baseline</b>	A total of four quarterly reports, one annual report and our corporate plans were timeously submitted.
<b>Justification</b>	To ensure the implementation of sound corporate governance practices.
<b>Links</b>	This objective is linked to the Agency's five-year Strategic plan and PSG 5: embed good governance and integrated service delivery through partnerships and spatial alignment.

### Sub programme 1.5: Strategic projects

Strategic objective table	
Strategic objective	To ensure effective management and completion of funded strategic projects.
Objective statement	To ensure that the funded projects from DEDAT and/or the City of Cape Town are effectively managed and completed as provided in the signed agreements with the respective funder.
Baseline	Deliverable/s as outlined in the signed agreement/s.
Justification	To ensure that projects are managed in an effective manner and completed in line with the signed agreements.
Links	The objective is linked to PSG 5: Embed good governance and integrated service delivery through partnerships and spatial planning.

## 2.1.2. programme performance indicators and annual targets

### Strategic objective annual targets for 2019/20 (Outcome indicators):

No.	Strategic objective indicator	Strategic plan target	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>1</sup>	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
1.1	Enhance financial accountability through compliance with all prescribed financial regulations and guidelines	100%	5		100%	100%	100%	100%
1.2	Maintain and enable a reliable and stable network infrastructure through a maximum of four hours of downtime during working hours	4 hours downtime	5	9	52 hours downtime	25,69 hours downtime	4 hours downtime	4 hours downtime
1.3	Management of staff morale within the Agency by conducting regular climate surveys	80%	5	-	80%	87%	75%	80%
1.4	Compliance with all legislative and regulatory prescriptions pertaining to performance management through the submission of performance reports	5	5	4	5	5	5	5

<sup>1</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

## Annual Performance Targets for 2019/20 (Output indicators)

### Sub-programme 1.1: Financial management:

No.	Programme performance indicator	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>2</sup>	Medium-term targets	
			2015/16	2016/17	2017/18		2018/19	2019/20
1.1.1	Number of revenue and projection reports submitted to stakeholders	5	12	10	9	12	12	12
1.1.2	Number of days taken to process payments made to creditors from date of receipt	5	30 days	30 days	30 days	30 days	30 days	30 days
1.1.3	Average turnaround time for approval of workflows from date of receipt	5	2,8 days	2,5 days	2,69 days	3 days	3 days	3 days
1.1.4	Outcome of the external audit for the previous financial year	5	Clean external audit report	Clean external audit opinion	Unqualified external audit opinion	Clean external audit opinion	Clean external audit opinion	Clean external audit opinion

<sup>2</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.



### Sub-programme 1.2: IT and administrative services:

No.	Programme performance indicator	PSG	Actual/Audited performance			Estimated performance 2018/19 <sup>3</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
1.2.1	Average maximum downtime during working hours	5	9 hours downtime	52 hours downtime	25,69 hours downtime	4 hours downtime	4 hours downtime
1.2.2	Average turnaround time for responding to logged desktop support IT queries	5	-	24 hours	4,08 hours	24 hours	24 hours

### Sub programme 1.3: Human resource management

No.	Programme performance indicator	PSG	Actual/Audited performance			Estimated performance 2018/19 <sup>4</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
1.3.1	Results achieved based on the outcome of the climate and employee satisfaction surveys conducted	5	-	80%	87%	75%	80%
1.3.2	Implementation of the staff performance management system	5	-	Complete	Complete	Sign-off of new performance agreements by May 2018	Sign-off of new performance agreements by May 2019

<sup>3</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>4</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

#### Sub programme 1.4: Monitoring and evaluation:

No.	Programme performance indicator	PSG	Actual/Audited performance			Estimated performance 2018/19 <sup>5</sup>	Medium-term targets 2018/19
			2015/16	2016/17	2017/18		
1.4.1.	Number of performance reports submitted by the deadline as legislatively required	5	5	5	5	5	5
1.4.2	Number of corporate plans submitted by the deadline as legislatively required	5	4	4	4	3	3

#### Sub programme 1.5: Strategic projects

No.	Programme performance indicator	Actual/Audited performance			Estimated performance 2018/19 <sup>5</sup>	Medium-term targets	
		2015/16	2016/17	2017/18		2018/19	2019/20
1.5.1	Number of performance reports for active projects submitted by the deadlines stipulated in the signed agreement/s.	-	-	-	-	-	4
1.5.2	Number of project plans submitted per active project	-	-	-	-	-	3

#### Quarterly targets for 2019/20 (Output indicators)

#### Sub-programme 1.1: Financial management:

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1.1	Number of revenue and projection reports submitted to stakeholders	5	Quarterly	12	3	3	3	3
1.1.2	Number of days taken to process payments made to creditors from date of receipt	5	Quarterly	30 days	30 days	30 days	30 days	30 days

<sup>5</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1.3	Average turnaround time for approval of workflows from date of receipt	5	Quarterly	3 days	3 days	3 days	3 days	3 days
1.1.4	Outcome of the external audit for the previous financial year	5	Annually	Clean external audit opinion	-	Clean external audit opinion	-	-

#### Sub-program 1.2: IT and administrative services:

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.2.1	Average maximum downtime during working hours	5	Quarterly	4 hours down-time	1 hour down-time	1 hour down-time	1 hour down-time	1 hour down-time
1.2.2	Average turnaround time for responding to logged desktop support IT queries	5	Quarterly	24 hours	24 hours	24 hours	24 hours	24 hours

#### Sub-programme 1.3: Human resource management:

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.3.1.	Results achieved based on the outcome of the climate and employee satisfaction surveys conducted	5	Annually	80%	-	-	-	80%
1.3.2.	Implementation of the staff performance management system	5	Annually	Sign-off of new performance agreements May 2019	Sign-off of new performance agreements May 2019	-	-	-

**Sub-programme 1.4: Monitoring and evaluation:**

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.4.1	Number of performance reports submitted by the deadline as legislatively required	5	Quarterly	5	1	2	1	1
1.4.2	Number of corporate plans submitted by the deadline as legislatively required	5	Quarterly	3	-	1	1	1

**Sub-programme 1.5: Strategic projects:**

No.	Programme performance indicator	Reporting period	Annual target 2019/20	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.5.1	Number of performance reports for active projects submitted by the deadlines stipulated in the signed agreement/s.	Annually	4	-	-	-	4
1.5.2	Number of project plans submitted per active project	Annually	3	-	-	-	3

### 2.1.3. reconciling performance targets with the budget and mtef

#### Summary of payments and estimates: Programme 2: Corporate services

Programme R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
1.	Corporate Services	7 169	14 480	10 989	10 643	11 826	11 702	11 584
	Total payments and estimates	7 169	14 480	10 989	10 643	11 826	11 702	11 584

#### Summary of provincial payments and estimates by economic classification: Programme 2: Corporate services

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Expenses							
	Current expense	7 169	14 480	10 989	10 643	11 826	11 702	11 584
	Compensation of employees	2 453	2 398	4 039	4 209	3 436	3 620	3 815
	Salary and Wages	2 170	2 072	3 503	3 716	3 277	3 497	3 687
	Basic salary	2 016	1 893	3 292	3 493	3 068	3 339	3 527
	Performance rewards	154	179	211	224	209	158	160
	Service based							
	Periodic Payments							
	Other non-pensionable allowances							
	Social Contributions (employer contributions only)	283	326	535	493	159	123	128
	Pension	158	180	428	454	90	74	79
	Medical	38	46	84	25	56	36	36
	Home owners allowance							
	UIF	9	11	14	14	13	13	13
	Bargaining council							
	Unions							
	Provisions for staff costs							
	Salary related expenses	78	89	9				
	Use of goods and services	6 135	6 199	6 950	5 946	7 411	7 446	7 074
	Advertising	44	167	40	42	59	60	61
	Advertising of posts	44	107	40	42	59	60	61
	Gifts and Promotional items							
	Advertising (marketing)		60					
	Audit Fees	1 425	928	1 309	1 331	1 427	1 263	874
	Internal	614	352	351	372	624	780	500
	Forensic							
	External	811	576	959	959	803	483	374
	Bank charges	28	95	43	47	85	45	48
	Board Costs	32	6	135				
	Board – Remuneration			135				
	Board – Air Tickets							
	Board – Accommodation							
	Board – Subsistence	32	6					
	Bursaries (employees)							
	Catering services	57	78	22	35	30	30	30
	Communication	644	560	731	729	728	723	334
	Telephone	517	393	725	604	720	720	332
	Cellphones	127	166	3	125	7	2	1
	Postage and Courier		1	3		1	1	1
	Satellite signals							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 2: Corporate services**

Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Other							
Computer services	65	1 328	1 055		742	820	735
SITA services							
External service providers	65	65	1 055		742	820	735
Consultants, contractors and special services	625	814	1 219	1 498	1 835	2 094	1 979
Consultants	501	643	1 077	1 363	917	1 086	899
Contractors and special services	124	171	142	135	918	1 008	1 080
Services rendered							
General Expenses	124	171	142	135	918	1 008	1 080
Design Development							
Logistics							
Conference Expenditure							
Donations paid							
Photographic services							
Venues and facilities							
Agency Administrative and Support Staff							
Event Promoters							
Youth Status Report							
Transport: Consultants and Contractors							
Other special services							
Entertainment							
Equipment less than Capitalisation threshold	2	4		3	6	6	6
Inventory	77	161	95	99	280	140	147
Consumables							
Food and food supplies							
Fuel, oil and gas							
Parts and other maintenance material							
Stationery and printing	64	75	41	45	154	94	94
Subscriptions	13	86	54	54	126	46	53
Restoration and fittings							
Other							
Legal fees	129	86	( 54 )		127	150	
Losses / (Profits)	( 23 )	( 50 )	( 2 380 )		1	1	1
Losses due to Fraud							
On Sale of Assets	( 20 )	( 65 )	( 26 )				
Forex	( 3 )	15	0		1	1	1
Loss on stolen fixed asset							
Other			( 2 354 )				
Maintenance and repairs	10	106	132	119	66	57	91
Buildings		74	102	86	44	45	68
Infrastructure Assets							
Equipment	10	32	30	33	22	12	23
Other							
Operating leases	2 872	1 503	3 199	1 655	1 553	1 608	2 277
Rent – buildings	2 585	991	3 192	1 647	950	1 055	1 595
Rent – equipment	287	512	7	8	603	553	682
Other							
Owned/leasehold and property exp. (Establishment Costs)			32				
Transport – Motor Fleet	20	47	32	35	56	34	26
Transport – Private Vehicles							
Safeguard and Security							
Printing and publication							
Professional bodies and membership fees	14						
Travel and Subsistence		19	20		33	15	15

**Summary of provincial payments and estimates by economic classification:**  
**Programme 2: Corporate services**

Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Air Travel – Air Tickets ( Domestic)		12	13		26	9	9
Air Travel – Air Tickets ( International)			3				
Accommodation – Domestic			1		5	5	5
Accommodation – International							
Transport: Government Garage							
Motor Finance: Claim above 500 km							
Entertainment							
Other		7	2		2	1	1
Training and staff development	114	347	349	353	383	400	450
Utilities							
Water and electricity							
Item 1							
Item 2							
Venues and facilities							
Item 1							
Item 2							
Other							
Depreciation and amortisation	( 1 419 )	5 883	1 003	488	979	636	695
Land							
Dwellings							
Non-residential Buildings							
Investment Property							
Leasehold Improvements	( 2 118 )	5 280			490	315	365
Mineral and Similar Non-regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	179	126	126	126	76	176	198
Furniture and Office equipment	235	219	223	223	219	63	59
Other Machinery and equipment	55	48	562	48	75	34	29
Crockery and Cutlery							
Transport Assets	110	167	48	48	56	19	19
Computer Software	120	43	44	43	63	29	25
Valuables (e.g. works of art)							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Unearned reserves (social security funds only)							
Interest, dividends and rent on land							
Interest							
Dividends							
Rent on land							
<b>Transfers and subsidies</b>							
Provincial government							
Municipalities							
Rates and taxes							
RSC levies							
Other							
Departmental agencies and accounts							
Universities and technikons							



Summary of provincial payments and estimates by economic classification: Programme 2: Corporate services								
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Foreign governments							
	International organisations							
	Public and private corporations							
	Non-life insurance							
	Other							
	Non-profit institutions							
	Households							
	Social benefits (social security funds only)							
	Other households							
	Total expenses	7 169	14 480	10 989	10 643	11 826	11 702	11 584

#### 2.1.4. performance and expenditure trends:

Budget allocations for the previous financial year enabled the unit to perform at a high level against its targets, details of which are available in the Annual Report. All indications are that the unit will again perform at a high level against its targets for the financial year.

Measures that are in place are regular staff feedback meetings, regular reporting on performance against targets to relevant stakeholders. In addition, strategic objectives are also directly linked to the performance agreements with staff.

## **2.2. programme 2: investment promotion**

### **Purpose:**

The purpose of the programme is to attract and facilitate foreign and domestic direct investment into the Western Cape and the City of Cape Town.

### **2.2.1 programme structure:**

Wesgro attracts direct investment to the Western Cape from international, national and local sources through providing the following services:

#### **Investment recruitment:**

Wesgro proactively markets the province and priority sectors in order to attract investment. The Agency's investment promotion activities include:

- Investor research
- Investor targeting
- Hosting inward business delegations
- Undertaking outward investment promotion missions
- Business facilitation services

The Wesgro Investment Promotion unit offers a range of strategic services designed to enhance the experience of both foreign and domestic businesses and investors, including:

- Guidance regarding governmental incentives and grants
- Site location
- Facilitation of access to finance ('best-efforts' basis)
- Professional referral service
- Policy advocacy, leveraging the support of the InvestSA One Stop Shop Western Cape
- Strategic matchmaking
- Sector-specific research via the Wesgro Research unit
- Intergovernmental linkages

**Aftercare (Business Growth Services unit):**

Through the aftercare programme, Wesgro aims to use the current pool of Agency investor clients, as well as current investors in the Western Cape, who have not yet used the Agency's services as a source of increased investment. The commitment to business retention and expansion also implies a dedication to current investors in the ambit of facilitation and advocacy, in alignment with support of the InvestSA One Stop Shop.

**Advocacy:**

The aim of policy advocacy is to identify constraints to investment and alert decision-makers to the negative effects these policies have on the business environment. The lobbying initiatives are driven to enhance the attractiveness of the Western Cape as an investment location.

**Special projects:**

The aim of the special projects programme is to manage key projects on behalf of our stakeholders.

**Agribusiness Investment Unit (AIU):**

The Investment Promotion unit manages the AIU as a project on behalf of the Western Cape Department of Agriculture. The unit is responsible for locating new direct investments in the Western Cape agribusiness sector, as well as retaining existing investments and supporting their expansions.

**One Stop Shop (OSS) – Investor Centre**

The implementing agent of the One Stop Shop programme, InvestSA, has appointed Wesgro as the official managing partner of the Centre located in the Western Cape Province, given its legislative mandate to execute on provincial trade and investment promotion activities.

**District Unit**

Wesgro occupies a unique space between the private and government sector. The insight that comes with this position makes the Agency better equipped to facilitate collaboration between these two sectors.

The aim of the 'District Unit' is to promote the Western Cape Districts as business destinations so as to create employment and stimulate economic growth.

### **Situational analysis:**

The team works to attract and facilitate foreign and domestic direct investment into the Western Cape and the City of the Cape Town. The methodology includes:

- Positioning Wesgro as the “first port of call” for investors – providing essential knowledge, access and expertise;
- Proactively recruiting investors by assigning sector specific “relationship managers” and carefully managing customer relationships before, during, and after an investment;
- Leveraging relationships with the Sector Development Agencies;
- Taking part in outward and inward investment missions to promote the region; and
- Facilitating and securing investment into the region; and providing business retention and expansion services (aftercare) to existing investors.

### **Priority sectors:**

In line with Project Khulisa and the Industrial Policy Action Plan (IPAP), Wesgro’s investment promotion activities will focus on the following sectors:

- Agri-processing
- Oil and gas
- Manufacturing
- Green economy (renewable energy, cleantech, water resilience)
- Hotel and real estate development (tourism)
- Technology
- Healthcare (pharmaceuticals and medical devices)
- Financial services

### **Priority markets:**

In selecting and preparing for markets to promote the above sectors, as well as to facilitate foreign direct investment, Wesgro has undertaken the following analysis:

- Analysis of the areas that most investments emanate from – “Source Market Analysis”;
- Analysis of the destinations attracting the most investments – “Destination Market Analysis”;
- Collate “Market Reports” to understand the history of a market’s cross-border investment flows and trends;
- Analysing which businesses are being established by the leading outward investors in foreign markets;
- Industry-analysis by sector i.e. food and beverage and business activity i.e. retail;
- Identification of the Western Cape’s competitive advantages and the benchmarking of those advantages to other emerging markets, based on operating expenditure; and
- Identification of strategic markets and collating a targeted list of leading active outward investors to present the Western Cape value proposition.



When operationalising investment promotion activities, Wesgro presents its strategic value proposition by establishing contact with key decision-makers at the relevant companies responsible for global business development. These global business development individuals or teams can be segmented into regions i.e. Middle East Africa, Asia Pacific (APAC) etc. When meeting the companies in the marketplace, Wesgro obtains and understands the company's expansion strategies and international ambitions to explore emerging markets. Specific focus is then given to South Africa as a potential investment destination. Individuals within the unit are trained to interact and discuss international business with high-level executives. The following priority markets have been selected for the financial year under review:

- China
- Hong Kong
- United States of America
- United Kingdom
- France
- Singapore
- South Korea
- India
- Kuwait
- Italy
- Canada

### 2.2.2. strategic objectives

Strategic objective table	
<b>Strategic objective</b>	Facilitate investment and jobs into the Western Cape.
<b>Objective statement</b>	Recruit and facilitate between R5,82bn and R9,8bn in investment and between 2 970 and 6 240 jobs into the Western Cape within the next 5 years.
<b>Baseline</b>	A total of R2,29bn investments was committed creating a total of 1 014 jobs during the 2017/18 financial year.
<b>Justification</b>	The facilitation of projects into the Western Cape is a core function of Wesgro and it is imperative that the Agency remain consistent and a leader in investment generation.
<b>Links</b>	The objective is aligned to PSG 1: creating opportunities for economic growth and jobs, and Project Khulisa. Further to this, the objective is aligned to the National Development Plan, Vision 2030 pertaining to economic growth and industry development.

### 2.2.3. programme performance indicators and annual targets

#### Strategic objective annual targets for 2019/20 (Outcome indicators):

No.	Strategic objective indicators	Strategic plan target	PSG	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
2..1	Rand value of committed investments into the province	R5,82bn – R9,8bn	1	R2,05bn	R2,13bn	R2,29bn	R1,3bn – R2,1bn	R1,62bn – R2,5bn
2..2	Number of jobs facilitated from committed investments into the province	2 970 – 6 240	1	681	696	1 014	620 – 1 300	640 – 1 370

#### Annual Performance Targets for 2019/20 (Output indicators):

No.	Programme performance indicator	PSG	Audited/Actual performance				Estimated performance 2018/19	Medium-term targets 2019/20
			2015/16	2016/17	2017/18	2018/19		
2.1.1	Number of investment projects realised	1	10	12	12	14	17	17

#### Quarterly targets for 2019/20:

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.1.1	Number of investment projects realised	1	Quarterly	17	4	6	2	5

#### **2.2.4. special projects: aiu:**

The AIU is responsible for attracting and facilitating foreign and domestic direct investments into the Western Cape as well as retaining existing investments and supporting their expansions. The unit identifies and targets potential investors through proposition-based marketing in order to attract them to the Western Cape. The programme is comprehensive in that it is able to create a more conducive external environment while being able to service investors' individual needs.

#### **Situational analysis:**

The AIU is mandated to attract and facilitate foreign and domestic direct investment within the various sub-sectors of the agribusiness sector. The team works to attract and facilitate foreign and domestic direct investment into the Western Cape and the City of the Cape Town. The methodology includes:

- Positioning Wesgro as the “first port of call”, both physical and psychological, providing essential knowledge, access and expertise;
- Proactively recruiting investors by assigning sector specific “relationship managers” and carefully managing customer relationships before, during, and after an investment;
- Leveraging relationships with the Sector Development Agencies;
- Taking part in research-driven outward and inward investment missions to promote the region;
- Facilitating and securing investment into the region; and
- Providing business retention and expansion services (aftercare) to existing investors.

#### **Priority sectors:**

The unit has realigned its priority sectors and markets with the national and provincial departments of agriculture. To this end, both the Industrial Policy Action Plan and Project Khulisa strategies were key drivers in the sector selection process to ensure that the focus is aligned with national and provincial strategies. In line with Project Khulisa and national and provincial priorities, the unit will concentrate its efforts and energy on the following sub-sectors:

- Food processing
- Beverages
- Aquaculture
- Agriculture (including ostrich farming, fruit and vegetables, beef and dairy)
- Horticulture (including viticulture and wine production)
- Medicinal, aromatics and flavourants (including essential oils)
- Rooibos and honeybush
- Capital equipment and industrial machinery (including cold storage)



The focus of the sub-sectors listed above will be broad, as opposed to being too narrow and product-specific. Through its core service offering, however, the AIU is strategically positioned to provide impetus to Project Khulisa's implementation plan within the agri-processing sector in the following ways:

- Market the 'Halal Parks' initiative via Wesgro's international investment channels in order to solicit investment into the region. The aim is to increase capacity in the Halal supply chain, thereby growing the Western Cape's Halal market share from 1% to 3%;
- Develop value propositions for multinational corporations to invest in the Western Cape's agri-processing sector in order to increase the local production of beneficiated goods. This will increase demand for entry into the Western Cape's agri-parks; and
- Drive innovation and efficiency into the sector via the identification and attraction of new technologies into the sector.

### Priority markets:

In selecting and preparing for markets to promote the above sectors, as well as to facilitate foreign direct investment the AIU has undertaken the following analysis:

- Analysis of the areas that most investments emanate from – "Source Market Analysis";
- Analysis of the destinations attracting the most investments – "Destination Market Analysis";
- Collate "Market Reports", to understand the history of a market's cross-border investment flows and trends;
- Analysing which businesses are being established by the leading outward investors in foreign markets;
- Industry-analysis by sector i.e. Food and beverage and business activity i.e. retail;
- Identification of the Western Cape's competitive advantages and the benchmarking of those advantages to other emerging markets, based on operating expenditure; and
- Identification of strategic markets and collating a targeted list of leading active outward investors to present the Western Cape value proposition.



When operationalising investment promotion activities, Wesgro presents its strategic value proposition by establishing contact with key decision-makers at the relevant companies responsible for global business development. These global business development individuals or teams can be segmented into regions i.e. Middle East Africa, Asia Pacific (APAC) etc. When meeting the companies in the marketplace, Wesgro obtains and understands the company's expansion strategies and international ambitions to explore emerging markets. Specific focus is then given to South Africa as a potential investment destination. Individuals within the Investment Promotion Unit are trained to interact and discuss international business with high-level executives. The following priority markets have been selected for the financial year under review;

- United Kingdom
- USA
- France

- The Netherlands
- Germany
- Japan
- India
- China

The following markets have been identified for Halal Investment Promotion in the Agribusiness value chain:

- United Arab Emirates
- Qatar

#### 2.2.4.1. strategic objectives:

Strategic objective table	
Strategic objective	Facilitate investment and jobs into the Western Cape.
Objective statement	Recruit and facilitate between R1,4bn and R1,9bn in investment and between 915 and 1 250 jobs into the Western Cape within the next 5 years.
Baseline	A total of R756m investments was committed creating a total of 1 412 jobs during the 2017/18 financial year.
Justification	The facilitation of projects into the Western Cape is a core function of Wesgro and it is imperative that the Agency remain consistent and a leader in investment generation.
Links	The objective is aligned to PSG 1: creating opportunities for economic growth and jobs, and Project Khulisa. Further to this, the objective is aligned to the National Development Plan, Vision 2030 pertaining to economic growth and industry development.

#### 2.2.4.2. programme performance indicators and annual targets

##### Strategic objective annual targets for 2019/20 (Outcome indicators):

No.	Strategic objective indicators	Strategic plan target	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>6</sup>	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
2.4.1	Rand value of committed investments in the agribusiness sector into the province	R1,4bn –R1,9bn	1	R315m	R735m	R756m	R300m- R420m	R400m- R500m
2.4.2	Number of jobs facilitated from committed investments in the agribusiness sector into the province	915-1 250	1	218	275	1 412	200 to 280	200 to 280

##### Annual Performance Targets for 2019/20 (Output indicators):

No.	Programme performance indicators	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>7</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
2.4.1.1	Number of investment projects realised in the agribusiness sector	1	3	3	6	8	8

##### Quarterly targets for 2019/20:

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.4.1.1	Number of investment projects realised in the agribusiness sector	1	Quarterly	8	2	2	2	2

<sup>6</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>7</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

### **2.2.5. special projects: invest sa one stop shop, western cape:**

In order to accelerate the country's competitiveness, the Presidency announced the roll-out of provincial investment One Stop Shops. These facilities operate as investment 'clearing houses' to expedite the resolution of regulatory issues faced by local firms and multinational corporations as they seek to operationalize investment activities in the region.

#### **Situational analysis:**

In line with the national InvestSA initiative, Wesgro is tasked with operating the "Cape Investor Centre" (CIC). The facility serves as a co-location space for services required by investors, aimed at expediting investment facilitation and the commercialisation of bankable investment opportunities. The centre operates as a "one stop shop" for medium to large size investors, allowing them to complete local, provincial and national regulatory processes in a single location, facilitated by a single relationship manager.

The centre hosts relevant government departments and state-owned entities aimed at providing coordinated, efficient services to investors and exporters seeking to decrease the regulatory and administrative cycles for various approvals, licenses, authorisations, registrations and/or permits required. As such, the objective of the CIC is to enhance the ease of doing business regionally, which in turn, will improve global investor confidence in Cape Town and the Western Cape.

In delivering on its mandate, the CIC will seek to support local and foreign investors through coordinating the following activities:

1. Accessible entry point for investors in need of regulatory compliance;
2. Access to incentives;
3. Participate in regulatory reform;
4. Provide pre-approval information to investors (i.e. market data, costs, incentives, project approval, visits, local partners, etc.); AND
5. Provide facilitation services to investors (i.e. permits, approvals, import equipment and raw materials, work permits, etc.).

#### **Investment facilitation services:**

In extending the aforementioned value proposition to the region's investment and trade community, the centre will provide the following services:

- Provision of facilities and departmental representatives to assist investors with:
  - business registration;
  - intellectual property protection;
  - applications for national and local incentives;
  - applications for work visas, temporary and permanent residence;
  - registration for tax purposes; and
  - any other regulatory requirements (licenses, authorisations, registrations, etc.) to do business in South Africa and the Western Cape in particular.

- A front desk, centre manager and office management services.
- High-end, accessible facilities where investors can meet relevant stakeholders to discuss investment opportunities and plans.
- Information on trade and investment in the Western Cape, South Africa and Africa.
- A lead-tracking system to ensure that:
  - prospective investors receive quality service until their project is complete
  - other individuals who approach the centre are referred on to outside entities that can answer their queries.
- Dedicated office space, facilities and office consumables for partner entities.

### **Partner organisations:**

In order to implement the said service offering, the following partners, and their areas of responsibilities, are listed as follows:

- **Department of Trade and Industry:** incentives, policy advocacy and sector specific intelligence.
- **Department of Home Affairs:** immigration services and regulation; and support on general work, corporate and business visas.
- **Department of Labour:** facilitation of the Unemployment Insurance Fund (UIF), Compensation Fund, General Work Visas; Employment Equity (EE); and Sector Education and Training Authority (SETA) grants.
- **National Regulatory Council of South Africa:** support on the administration of compulsory specifications, and other technical regulations with the view of protecting human health, safety, and the environment.
- **South African Revenue Services:** coordination and facilitation of customs and excise duties, corporate tax, VAT, PAYE, UIF and the skills development levy.
- **Green Cape initiative:** investment promotion and regulatory support to incumbents and new entrants in the renewable energy industry.
- **Red Tape Reduction Unit:** assist with unblocking delays with license applications, permits and approvals required to operationalise business in the Western Cape
- **Wesgro:** investment and trade promotion/facilitation for Cape Town and the Western Cape.
- **City of Cape Town:** Access to local incentives, and development facilitation for the City.

### 2.2.5.1.1. programme performance indicators and annual targets

#### Annual Performance Targets for 2019/20 (Output indicators):

No.	Programme performance indicators	PSG	Audited/Actual performance				Estimated performance 2018/19 <sup>8</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18			
2.5.1	Average time taken to respond to investment enquiries from date of receipt	1	-	-	-		3 days	3 days
2.5.2	Number of regulatory issues resolved	1	-	-	-		10	15

#### Quarterly targets for 2019/20:

No.	Programme performance indicator	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.5.1	Average time taken to respond to investment enquiries from date of receipt	1	Quarterly	3 days	3 days	3 days	3 days	3 days
2.5.2	Number of regulatory issues resolved	1	Annually	15	-	-	-	15

<sup>8</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19



## 2.2.6 reconciling performance targets with the budget and mtef

### Summary of payments and estimates: Programme 2: Investment Promotion:

Programme R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited		2019/20	2020/21	2021/22
		2015/16	2016/17	2017/18				
1.	Investment	3 766	4 582	4 329	4 466	5 601	6 103	6 384
	<b>Total payments and estimates</b>	<b>3 766</b>	<b>4 582</b>	<b>4 329</b>	<b>4 466</b>	<b>5 601</b>	<b>6 103</b>	<b>6 384</b>

### Summary of provincial payments and estimates by economic classification: Programme 2: Investment Promotion:

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited		2019/20	2020/21	2021/22
		2015/16	2016/17	2017/18				
	<b>Expenses</b>							
	<b>Current expense</b>	<b>3 766</b>	<b>4 582</b>	<b>4 329</b>	<b>4 466</b>	<b>5 601</b>	<b>6 103</b>	<b>6 384</b>
	Compensation of employees	3 154	3 750	3 113	3 313	4 177	4 401	4 637
	Salary and Wages	2 685	3 274	2 678	2 845	3 786	3 963	4 211
	Basic salary	2 446	3 078	2 475	2 630	3 601	3 768	4 000
	Performance rewards	239	196	203	215	185	195	211
	Service based							
	Periodic Payments							
	Other non-pensionable allowances							
	Social Contributions (employer contributions only)	469	476	436	468	391	438	426
	Pension	373	385	352	373	316	363	351
	Medical	84	79	72	84	60	60	60
	Home owners allowance							
	UIF	12	12	11	11	15	15	15
	Bargaining council							
	Unions							
	Provisions for staff costs							
	Salary related expenses							
	Use of goods and services	612	832	1 216	1 153	1 424	1 702	1 747
	Advertising	45	53	102	20		196	290
	Advertising of posts		6					
	Gifts and Promotional items	45						
	Advertising (marketing)		47	102	20		196	290
	Audit Fees							
	Internal							
	Forensic							
	External							
	Bank charges							
	Board Costs							
	Board – Remuneration							
	Board – Air Tickets							
	Board – Accommodation							
	Board – Subsistence							
	Bursaries (employees)							
	Catering services							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 2: Investment Promotion:**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Communication		3					
	Telephone							
	Cellphones							
	Postage and Courier		3					
	Satellite signals							
	Other							
	Computer services							
	SITA services							
	External service providers							
	Consultants, contractors and special services	5	136	159	175	383	256	288
	Consultants	2	10		85	383	88	95
	Contractors and special services	3	126	159	90		168	193
	Services rendered							
	General Expenses							
	Design Development							
	Logistics							
	Conference Expenditure	3	126	159	90		85	103
	Donations paid							
	Photographic services							
	Venues and facilities						83	90
	Agency Administrative and Support Staff							
	Event Promoters							
	Youth Status Report							
	Transport: Consultants and Contractors							
	Other special services							
	Entertainment							
	Equipment less than Capitalisation threshold							
	Inventory	1	3		3			
	Consumables							
	Food and food supplies							
	Fuel, oil and gas	1						
	Parts and other maintenance material							
	Stationery and printing		3		3			
	Subscriptions							
	Restoration and fittings							
	Other							
	Legal fees							
	Losses / (Profits)							
	Losses due to Fraud							
	On Sale of Assets							
	Forex							
	Loss on stolen fixed asset							
	Other							
	Maintenance and repairs							
	Buildings							
	Infrastructure Assets							
	Equipment							
	Other							
	Operating leases							
	Rent – buildings							
	Rent – equipment							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 2: Investment Promotion:**

Economic classification R'000	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Other							
Owned/leasehold and property exp. (Establishment Costs)							
Transport – Motor Fleet							
Transport – Private Vehicles							
Safeguard and Security							
Printing and publication							
Professional bodies and membership fees							
Travel and Subsistence	561	637	955	955	1 041	1 250	1 169
Air Travel – Air Tickets ( Domestic)	40	65	38	32	101	106	56
Air Travel – Air Tickets ( International)	397	287	388	380	645	754	779
Accommodation – Domestic	16	23	85	85	132	224	162
Accommodation – International	64	116	309	309	118	136	136
Transport: Government Garage							
Motor Finance: Claim above 500 km							
Entertainment							
Other	44	146	134	149	45	30	36
Training and staff development							
Utilities							
Water and electricity							
Item 1							
Item 2							
Venues and facilities							
Item 1							
Item 2							
Other							
Depreciation and amortisation							
Land							
Dwellings							
Non-residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non-regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment							
Other Machinery and equipment							
Crockery and Cutlery							
Transport Assets							
Computer Software							
Valuables (e.g. works of art)							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Unearned reserves (social security funds only)							

<b>Summary of provincial payments and estimates by economic classification:</b> <b>Programme 2: Investment Promotion:</b>								
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Interest, dividends and rent on land							
	Interest							
	Dividends							
	Rent on land							
	<b>Transfers and subsidies</b>							
	Provincial government							
	Municipalities							
	Rates and taxes							
	RSC levies							
	Other							
	Departmental agencies and accounts							
	Universities and technikons							
	Foreign governments							
	International organisations							
	Public and private corporations							
	Non-life insurance							
	Other							
	Non-profit institutions							
	Households							
	Social benefits (social security funds only)							
	Other households							
	<b>Total expenses</b>	<b>3 766</b>	<b>4 582</b>	<b>4 329</b>	<b>4 466</b>	<b>5 601</b>	<b>6 103</b>	<b>6 384</b>

### 2.2.7. performance and expenditure trends:

The current economic climate and budget restrictions have placed tremendous pressure on the unit to achieve its targets, however the unit remains committed to achieving the targets set out in the plan. A number of mitigation strategies have been put in place to ensure that the unit is able to deliver on its targets.

## **2.3. programme 3: trade promotion**

### **Purpose:**

The purpose of this programme is to promote and facilitate exports of goods and services from qualified companies in the Western Cape and to facilitate and support operations and expansion of qualified Western Cape companies into the rest of Africa through investment.

### **Programme structure:**

The programme is divided into two sub-programmes namely:

- Sub-programme 3.1: Trade Promotion, and
- Sub-programme 3.2: African Expansion (Outward Foreign Direct Investment – OFDI)

In response to the request made by the Minister of Economic Opportunities to explore ways of supporting Western Cape companies with increasing trade and expanding into the rest of the African continent, the Trade Promotion unit changed its strategic direction. The programme will now focus on increasing the Rand value of exports into global markets and the number of jobs resulting export orders, as well as the facilitation, support operations and expansion of qualified Western Cape companies into the rest of Africa.

### **Sub-programme 3.1: Trade Promotion:**

Wesgro will focus on companies that have export experience and capacity to supply a demand for goods or services in global markets. The programme will present proactive client engagement activities.

### **Business facilitation:**

The Agency's facilitation activities include:

- Business agreement facilitation
- Accessing finance
- Investor and company matching
- Market research and information
- Forging strategic collaboration and partnerships

### **Promotion:**

Wesgro offers several promotional services including:

- Buying and selling missions
- Advocacy and specialised advisory services
- Access to strategic networks
- Marketing of value-added goods and services

### **Sub-programme 3.2: African expansion (OFDI):**

Wesgro will focus on Western Cape companies that have export or outward investment experience and have the capacity to expand their operations into the rest of the African market.

#### **Business facilitation:**

The Agency's facilitation activities include:

- Operating business agreement facilitation
- Accessing finance
- Investor and company matching
- Market research and information
- Forging strategic collaboration and partnerships

#### **Promotion:**

Wesgro offers several promotional services including:

- Buying and selling missions
- Advocacy and specialised advisory services
- Access to strategic networks
- Marketing of value-added goods and services

#### **Special projects:**

The aim of the special projects programme is to manage key projects on behalf of our stakeholders. The Trade Promotion unit manages the following projects on behalf of the Western Cape Department of Economic Development and Tourism.

- **Halal export promotion**

The Unit will advance the provincial halal strategy, aimed at increasing the Provinces share of the global halal market. This will be achieved by providing an immediate impact of WC halal exports by gathering marketing intelligence, leading trade delegations and providing assistance through in-house export programmes.

- **Africa halal week**

Under Project Khulisa, the Western Cape Government has committed to growing the Western Cape's halal global market share to at least 2%. Under Wesgro's mandate the intention is to promote halal to international markets in order to position the Western Cape to Muslim consumers and businesses as a place to visit and a place to do business.

Due to the success of Africa Halal Week 2018, this project plan has been developed with the intention of holding Africa Halal Week in 2019, build upon the success of the inaugural event, and open Cape Town and the Western Cape to more delegates to see and experience the opportunities in the destination and the rest of Africa

- **Wine promotion**

The wine promotion project forms part of Khulisa Agri-processing, which seeks to boost agri-processing and other related sectors by, inter alia, promoting wine exports to growth markets being Angola and China. The objective of this project is to align the public sector-funded export promotion agency (Wesgro) with the private sector funded SA Wine promotion specialist entity (WOSA) to increase the awareness, visibility and trial of South African wines in Angola and China as part of Project Khulisa for wine promotion activities in Angola and China.

### **Situational analysis:**

The global economy experienced a cyclical recovery in 2017 and growth is projected to edge up to 3,1% in 2018. The cyclical momentum is expected to continue at a slightly moderate pace to reach an average of 3% in 2019-2020 (World Bank, 2018).

According to the World Bank, global trade growth is estimated to have reached 4,3% in 2017 and this could be attributed to the synchronous recovery in import demand from both the advanced economies and the Emerging Markets and Developing Economies (EMDEs). However, demand decelerated in the Middle East and North Africa, partly reflecting cuts in oil production agreed by OPEC members. Several factors are said to have contributed to the strong growth of trade. In advanced economies, growth (2,3%) was spurred by an increase in global expenditure and an increase in capital expenditure. While growth amongst EMDEs is estimated to have accelerated to 4,3% in 2017. According to the World Bank exports are forecast to rise to 2,7% in 2018 and to an average of 3,1% in 2019-2020, as oil and other commodity prices firm and the effects of the earlier commodity price collapse dissipate. Growth in commodity importers is projected to remain stable, averaging 5,7% in 2018-2020, as a gradual slowdown in China is offset by a pickup in some other large economies.

Within the broader group of EMDEs, growth in low-income countries is projected to rise to 5,4% in 2018 and to 5,6% on average in 2019-2020, as conditions gradually improve in oil and metals-exporting economies. Most EMDE regions benefited from a recovery in exports. The improvement in economic activity among commodity exporters took place as key economies – such as Brazil and the Russian Federation – emerged from recession, prices of most commodities rose, confidence improved, the drag from earlier policy tightening diminished, and investment growth bottomed out after a prolonged period of weakness. Nonetheless, the estimated pace of growth in commodity exporters in 2017 reached 1,8%, which was still subdued and not enough to improve average per capita incomes. Per capita incomes continued to stagnate after two consecutive years of contraction (World Bank, 2018).

- Exports from the Western Cape totalled R124,24bn in 2017, growing by 0,56% from 2016 in Rand values. Decline in growth in 2016 can largely be attributed to the appreciation of the Rand which depreciated from R14,71 to the USD in 2016 to R13,31 in 2017.
- Western Cape imports in 2016 reached R185,01bn, declining by 3,60% from 2016.
- When petroleum oils are excluded from the trade figures, a trade surplus of R1,89bn was recorded in 2017 with exports reaching R111,34bn.
- The Western Cape was the second largest province in terms of total trade flows (R309,25bn), exceeded only by Gauteng (R1,37trln).
- The Western Cape had the second highest average annual export growth in the country of 14,26% and the eighth largest import growth of 0,13% from 2013-2017.
- Africa is still the largest opportunity for Western Cape exports worth an estimated R45bn in 2017. Europe and Asia is second and third, valued at R36bn and R23bn respectively.
- The top three export destinations for the Western Cape in 2017 were Namibia (R11,45bn), the UK (R9,04bn) and the Netherlands (R9,01bn), accounting for a combined 24% of total exports.
- The top exports from the Western Cape in 2017 were crude petroleum oils, citrus fruit, wines, grapes and fresh apples, and pears and quinces. These top five positions have remained unchanged from 2016.



- Of the top 10 products flat-rolled products of iron or non-alloy steel was the leading export growth product from the Western Cape (2015-2017) growing by 57% p.a.
- The Western Cape's total share of South African exports was 10,46% in 2017.

Over the last decade, South African investment abroad has increased significantly, with much of this investment directed towards other African countries. The two main reasons for outward investment into Africa are the availability of newer consumers and access to cheaper labour.

South Africa also has a strong policy framework that supports foreign direct investment outflows into the rest of the African market. The Department of Trade and Industry's (DTI) National Investment Promotion and Facilitation Strategy emphasises the importance of increasing the quality and quantity of foreign direct investment into the rest of Africa. The trade unit's OFDI strategy, which is currently in phase 2, has already set out to develop phase 3 for outward investment into the rest of Africa.

The Foreign Service Management of the DTI also supports investment into Africa and other regions globally as companies have access to the DTI network of 46 foreign economic offices abroad to facilitate business activities. The Western Cape generally follows the national strategy in outward investment promotion efforts despite some investment initiatives within the Trade and Sector Development Programme which are focused on investment promotion.

### **Priority sectors:**

The following key sectors have been identified with regards to trade promotion:

- Agriculture, agri-processing, agribusiness, furniture
- Manufacturing and value-added products
- Green industries
- Cosmetics, natural ingredients, organic
- Services (ICT, BPO, construction)
- Wholesale and retail
- Clothing, textiles, leather, footwear
- Boatbuilding and auxiliary services
- Aerospace
- Infrastructure development (OFDI in Africa)

### **Priority markets:**

The following priority markets have been identified with regards to trade promotion;

- **Africa:** Angola, Botswana, Namibia, Mozambique, Zambia, Nigeria, Ghana, Senegal, Cameroon, Ivory Coast, Kenya, Tanzania, Ethiopia
- **Asia:** China, India, Malaysia, Japan, Singapore, Thailand, Vietnam, Indonesia, South Korea
- **Australasia:** Australia, New Zealand
- **Middle East:** UAE, Saudi Arabia, Qatar
- **Americas:** USA, Canada, Brazil
- **Europe:** United Kingdom, Germany, Belgium, Sweden, Austria, France, Russia, Poland, Czech Republic

### 2.3.1. strategic objectives:

Strategic objective table	
<b>Strategic objective</b>	To promote and facilitate global exports of goods and services from qualified companies in the Western Cape.
<b>Objective statement</b>	To commit an estimated Rand value of between R3,3bn and R5bn trade promotion business deals, facilitating between 718 and 1 343 jobs by the end of the 5-year cycle.
<b>Baseline</b>	A total of R2,83bn worth of trade promotion business deals were committed resulting in 679 jobs.
<b>Justification</b>	By promoting and facilitating exports, the economy of the Western Cape will grow and continuous job creation will be sustained. In addition, exposure to markets will increase demand for brands.
<b>Links</b>	The objective is linked to PSG 1: creating opportunities for economic growth and jobs.

Strategic objective table	
<b>Strategic objective</b>	To facilitate and support operations and expansion of Western Cape companies into the rest of Africa.
<b>Objective statement</b>	To commit a Rand value of between R508m and R1,23bn OFDI into Africa by the end of the 5-year cycle.
<b>Baseline</b>	A total of R190m worth of OFDI was committed during the 2017/18 financial year.
<b>Justification</b>	Africa has significant market opportunities for investment. This is as a result of increased urbanisation and growing consumer demands. To this end, there are great opportunities for Western Cape companies to successfully grow their outward investments in the broader African market.
<b>Links</b>	Alignment with PSG 1 and investment initiatives from the DTI's and financial institutions such as the Industrial Development Corporation, as they both actively promote investment into Africa. In addition, it is aligned with the Development Bank of Southern Africa's (DBSA) economic growth and investment initiatives into Africa.

### 2.3.2. programme performance indicators and targets

#### Strategic objective annual targets for 2019/20 (Outcome indicators):

##### Sub-programme 3.1: Trade Promotion

No.	Strategic objective indicator	Strategic plan target	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>9</sup>	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
3.1.1	Estimated Rand value business agreements signed	R3,3bn – R5bn	1	-	R9,05bn	R2,83bn	R1,1bn-R2bn	R2,15bn-R2,8bn
3.1.2	Number of jobs facilitated from business agreements signed	718 -1 343	1	-	781	679	250-460	258-483

##### Sub-programme 3.2: African Expansion (OFDI):

No.	Strategic objective indicator	Strategic plan target	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>10</sup>	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
3.2.1	Rand value of committed outward foreign direct investment (OFDI) declarations signed	R508m-R1,2bn	1	-	R507m	R190m	R200m-R500m	R206m-R525m

<sup>9</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>10</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

## Annual targets for 2019/20 (Output indicators)

### Sub-programme 3.1: Trade Promotion:

No.	Programme performance indicators	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>11</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
3.1.1.1	Number of business agreements signed	1	-	41	53	25	40

### Sub-programme 3.2: African Expansion (OFDI):

No.	Programme performance indicators	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>12</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
3.2.1.1	Number of outward foreign direct investment (OFDI) declarations signed	1	-	3	6	6	7

## Quarterly targets for 2019/20 (Output indicators):

No.	Programme performance indicators	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
3.1.1.1	Number of business agreements signed	1	Quarterly	40	10	15	5	10
3.2.1.1	Number of outward foreign direct investment (OFDI) declarations signed	1	Quarterly	7	1	2	2	2

<sup>11</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>12</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

### 2.3.3. reconciling performance targets with budget and the mtef

#### Summary of payments and estimates: Programme 3: Trade Promotion

Programme R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1.	International Trade Promotion	4 515	6 934	9 709	7 224	8 027	8 320	8 936
	Total payments and estimates	4 515	6 934	9 709	7 224	8 027	8 320	8 936

Summary of provincial payments and estimates by economic classification: Programme 3: Trade Promotion									
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate			
		Audited	Audited	Audited					
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21	2021/22
	<b>Expenses</b>								
	<b>Current expense</b>	<b>4 515</b>	<b>6 934</b>	<b>9 709</b>	<b>7 224</b>	<b>8 027</b>	<b>8 320</b>	<b>8 936</b>	
	Compensation of employees	2 743	4 817	5 516	5 841	5 440	5 736	6 049	
	Salary and Wages	2 473	4 507	5 118	5 426	5 122	5 488	5 790	
	Basic salary	2 345	4 226	4 723	5 006	4 834	5 227	5 515	
	Performance rewards	128	281	396	420	288	261	275	
	Service based								
	Periodic Payments								
	Other non-pensionable allowances								
	Social Contributions (employer contributions only)	270	310	397	415	318	248	259	
	Pension	235	270	345	366	254	184	195	
	Medical	23	25	36	33	48	48	48	
	Home owners allowance								
	UIF	12	15	16	16	16	16	16	
	Bargaining council								
	Unions								
	Provisions for staff costs								
	Salary related expenses								
	Use of goods and services	1 772	2 117	4 193	1 383	2 587	2 584	2 887	
	Advertising	5	234	232		50	55	40	
	Advertising of posts								
	Gifts and Promotional items								
	Advertising (marketing)	5	234	232		50	55	40	
	Audit Fees								
	Internal								
	Forensic								
	External								
	Bank charges								
	Board Costs								
	Board – Remuneration								
	Board – Air Tickets								
	Board – Accommodation								
	Board – Subsistence								
	Bursaries (employees)								

**Summary of provincial payments and estimates by economic classification:**  
**Programme 3: Trade Promotion**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Catering services		1					
	Communication	12	4	7	4			
	Telephone							
	Cellphones							
	Postage and Courier	12	4	7	4			
	Satellite signals							
	Other							
	Computer services							
	SITA services							
	External service providers							
	Consultants, contractors and special services	81	338	1 450	150	240	406	370
	Consultants	78	123	681	150	180	190	150
	Contractors and special services	3	215	769		60	216	220
	Services rendered							
	General Expenses							
	Design Development							
	Logistics							
	Conference Expenditure	3	215	769		40	85	90
	Donations paid							
	Photographic services							
	Venues and facilities					20	131	130
	Agency Administrative and Support Staff							
	Event Promoters							
	Youth Status Report							
	Transport: Consultants and Contractors							
	Other special services							
	Entertainment							
	Equipment less than Capitalisation threshold							
	Inventory	1	44		2			
	Consumables							
	Food and food supplies							
	Fuel, oil and gas	1	1					
	Parts and other maintenance material							
	Stationery and printing		43		2			
	Subscriptions							
	Restoration and fittings							
	Other							
	Legal fees							
	Losses / (Profits)							
	Losses due to Fraud							
	On Sale of Assets							
	Forex							
	Loss on stolen fixed asset							
	Other							
	Maintenance and repairs							
	Buildings							
	Infrastructure Assets							
	Equipment							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 3: Trade Promotion**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Other							
	Operating leases							
	Rent – buildings							
	Rent – equipment							
	Other							
	Owned/ leasehold and property exp. (Establishment Costs)			1				
	Transport – Motor Fleet			1				
	Transport – Private Vehicles							
	Safeguard and Security							
	Printing and publication							
	Professional bodies and membership fees							
	Travel and Subsistence	1 673	1 496	2 504	1 227	2 297	2 123	2 477
	Air Travel – Air Tickets ( Domestic)	42	29	72	45	115	128	195
	Air Travel – Air Tickets ( International)	696	1 064	692	559	1 424	1 102	1 314
	Accommodation – Domestic	41	24	78	78	340	400	528
	Accommodation – International	461	296	885	485	373	413	380
	Transport: Government Garage							
	Motor Finance: Claim above 500 km							
	Entertainment							
	Other	433	83	777	60	45	80	60
	Training and staff development							
	Utilities							
	Water and electricity							
	Item 1							
	Item 2							
	Venues and facilities							
	Item 1							
	Item 2							
	Other							
	Depreciation and amortisation							
	Land							
	Dwellings							
	Non-residential Buildings							
	Investment Property							
	Other Structures (Infrastructure Assets)							
	Mineral and Similar Non-regenerative Resources							
	Capital Work in Progress							
	Heritage Assets							
	Biological Assets							
	Computer equipment							
	Furniture and Office equipment							
	Other Machinery and equipment							
	Crockery and Cutlery							
	Transport Assets							
	Computer Software							
	Valuables (e.g. works of art)							
	Mastheads and Publishing titles							



**Summary of provincial payments and estimates by economic classification:  
Programme 3: Trade Promotion**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited		2019/20	2020/21	2021/22
		2015/16	2016/17	2017/18				
	Patents, Licences, Copyrights, Brand names and Trademarks							
	Recipes, Formulae, Prototypes, Designs and Models							
	Service and Operating Rights							
	Other Intangibles							
	Unearned reserves (social security funds only)							
	Interest, dividends and rent on land							
	Interest							
	Dividends							
	Rent on land							
	<b>Transfers and subsidies</b>							
	Provincial government							
	Municipalities							
	Rates and taxes							
	RSC levies							
	Other							
	Departmental agencies and accounts							
	Universities and technikons							
	Foreign governments							
	International organisations							
	Public and private corporations							
	Non-life insurance							
	Other							
	Non-profit institutions							
	Households							
	Social benefits (social security funds only)							
	Other households							
	<b>Total expenses</b>	<b>4 515</b>	<b>6 934</b>	<b>9 709</b>	<b>7 224</b>	<b>8 027</b>	<b>8 320</b>	<b>8 936</b>

**2.3.4. performance and expenditure trends:**

The current economic climate and budget restrictions have placed tremendous pressure on the unit to achieve its targets, however the unit remains committed to achieving the targets set out in the plan. A number of mitigation strategies have been put in place to ensure that it is able to deliver on its targets.

## **2.4. programme 4: wesgro research:**

### **Purpose:**

The purpose of the programme is to provide tourism, trade and investment research to inform the Agency's goals and strategy as well as provide evidence based research to augment the Agency's promotion activities.

### **2.4.1 programme structure:**

The Wesgro Research unit is not divided into sub-programmes.

### **Situational analysis:**

The Wesgro Research unit is the custodian of intelligence related to the Agency's core business. It is important, therefore, that this unit provide relevant, evidence based, and strategic information to the Agency. In addition, the unit needs to provide a supportive programme to ensure that market and sector knowledge is presented to potential exporters and prospective investors as well as tourism research on the Western Cape's tourism sector. Thus, the Wesgro Research unit executes two main functions:

- Driving the strategy of the Agency, and
- Augmenting the promotion activities of the Agency through evidence based research.

### **Driving the strategy of the Agency:**

The unit analyses global tourism, trade and investment trends to drive the strategy of the agency. This is done through the provision of strategic intelligence to assist the Agency in making informed business decisions with regards to its activities. Opportunities significant to the Agency will be identified and disseminated during internal workshops with the relevant Wesgro units.

The Wesgro Research unit aims to provide an enabling environment for the development of the strategy of the Agency by providing the necessary research to meet the goals and support the vision of the Agency. The research of the unit also informs the Annual Performance Plans of the Agency as strategic publications are created to provide a sound base for the identification of key sectors and markets for tourism, trade and investment promotion activities.

### **Enhancing the promotion activities of Wesgro:**

The unit supports the Agency's tourism, trade and investment promotion activities by providing intelligence on key sectors and foreign markets with a specific focus on tourism, trade and investment and the underlying objective of promoting Cape Town and the Western Cape as a business destination.

The research prepared for the purpose of enhancing the promotion activities of Wesgro will be revised on a quarterly basis to ensure that the unit remains responsive to the changing needs of the Agency. It is also important that the research products of the unit are positively received by Wesgro clients and that the clients also benefit from the research products provided. To this end, a survey will be conducted to determine the effectiveness of the research.

**Priority sectors:**

The Wesgro Research unit does not focus on priority sectors or markets per se. The unit will either present priority sectors to the Investment Promotion unit for their future strategy and activities through a thorough research process prior to setting the deliverables to the APP or alternatively refine sector research in support of the priority sectors selected by the Investment Promotion team.

Selection of priority sectors for research purposes would take place according to the methodology.

**Priority markets:**

The unit does not focus on priority sectors or markets per se. The unit will either present priority market to the Trade promotion unit for their future strategy and activities through a thorough research process prior to setting the deliverables to the APP, or alternatively refine market research in support of the priority market selected by the Trade Promotion team.

Selection of priority sectors for research purposes would take place according to the methodology.

**2.4.2. strategic objectives:**

Strategic objective table	
<b>Strategic Objective</b>	Develop relevant tourism, trade and investment publications.
<b>Objective statement</b>	Develop content for publications relevant to the priority sectors and markets of Wesgro, informative publications on the Western Cape and City of Cape Town as an investment and business destination, tourism publications, as well as recent trends in tourism, trade and investment nationally and provincially.
<b>Baseline</b>	A total of 119 publications were completed during the 2017/18 financial year.
<b>Justification</b>	Publications inform and guide the Agency, exporters and investors.
<b>Links</b>	The objective is linked to the Agency's 5-year Strategic Plan 2015-2020.

Strategic objective table	
<b>Strategic Objective</b>	Provide customised research and information in support of the core functions of the Agency.
<b>Objective statement</b>	Supportive functions will be provided through customised research such as research assistance through enquiries and presentations developed and delivered to delegations. Ensure that research requestors receive the research products positively and that most clients benefit from the research. Ensure that Wesgro is known as a thought leader through positively received presentations on issues pertaining to tourism, trade and investment.
<b>Baseline</b>	A total of 173 customised information requests were addressed with an average turnaround time of 1,5 days.
<b>Justification</b>	Providing Wesgro clients and potential with the necessary research and information ensures the required information for tourism, trade and investment initiatives is received.
<b>Links</b>	The objective is linked to the Agency's 5-year Strategic Plan 2015-2020.

### 2.4.3. Programme performance indicators and annual targets

#### Strategic objective annual targets for 2019/20 (Outcome indicators):

No.	Strategic objective indicator	Strategic plan target	PSG <sup>13</sup>	Audited/Actual performance			Estimated performance 2018/19 <sup>14</sup>	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
4.1	Turnaround time to provide customised research and information in support of the core functions of the Agency	3 days	-	2 days	2,4 days	1,5 days	3 days	3 days

#### Annual targets for 2019/20 (Output indicators):

No.	Programme performance indicator	PSG <sup>5</sup>	Audited/Actual Performance			Estimated performance 2018/19 <sup>16</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
4.1.1	Number of relevant tourism, trade and investment publications developed	-	115	115	119	100	100
4.2.1	Average turnaround time to complete research requests from date of receipt	-	2 days	2,4 days	1,5 days	3 days	3 days

#### Quarterly targets for 2019/20 (Output indicators):

No.	Programme performance indicator	PSG <sup>17</sup>	Reporting period	Annual target 2019/20	Quarterly targets		
					1st	2nd	4th
4.1.1	Number of relevant tourism, trade and investment publications developed	-	Bi-annually	100	-	50	-
4.2.1	Average turnaround time to complete research requests from date of receipt	-	Quarterly	3 days	3 days	3 days	3 days

<sup>13</sup> Wesgro research supports the core functions of the Agency through the provision of customised research and information. In light of this, the strategic objectives and annual performance targets are linked to the 5-Year Strategy of the Agency and indirectly linked to the PSG 1.

<sup>14</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>15</sup> Wesgro research supports the core functions of the Agency through the provision of customised research and information. In light of this, the strategic objectives and annual performance targets are linked to the 5-Year Strategy of the Agency and indirectly linked to the PSG 1.

<sup>16</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>17</sup> Wesgro research supports the core functions of the Agency through the provision of customised research and information. In light of this, the strategic objectives and annual performance targets are linked to the 5-Year Strategy of the Agency and indirectly linked to the PSG 1.

## 2.4.4. reconciling performance targets with the budget and mtef

### Summary of payments and estimates:

#### Programme 4: Wesgro Research

Programme R'000		Outcome			Estimated outcome 2018/19	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
1.	Intelligence	2 073	3 342	3 506	3 454	3 394	3 954	3 991
	<b>Total payments and estimates</b>	<b>2 073</b>	<b>3 342</b>	<b>3 506</b>	<b>3 454</b>	<b>3 394</b>	<b>3 954</b>	<b>3 991</b>

### Summary of provincial payments and estimates by economic classification: Programme 4: Wesgro Research

Economic classification R'000		Outcome			Estimated outcome 2018/19	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
	<b>Expenses</b>							
	<b>Current expense</b>	<b>2 073</b>	<b>3 342</b>	<b>3 506</b>	<b>3 454</b>	<b>3 394</b>	<b>3 954</b>	<b>3 991</b>
	Compensation of employees	808	2 087	2 139	2 288	1 672	1 763	1 858
	Salary and Wages	699	1 765	2 029	2 151	1 495	1 579	1 667
	Basic salary	642	1 615	1 866	1 978	1 414	1 491	1 575
	Performance rewards	57	150	163	173	81	88	92
	Service based							
	Periodic Payments							
	Other non-pensionable allowances							
	Social Contributions (employer contributions only)	109	322	110	137	177	184	191
	Pension	86	259	91	96	130	137	144
	Medical	19	49	10	34	39	39	39
	Home owners allowance							
	UIF	4	14	9	7	8	8	8
	Bargaining council							
	Unions							
	Provisions for staff costs							
	Salary related expenses							
	Use of goods and services	1 265	1 255	1 367	1 166	1 722	2 191	2 133
	Advertising			3				
	Advertising of posts							
	Gifts and Promotional items							
	Advertising (marketing)			3				
	Audit Fees							
	Internal							
	Forensic							
	External							
	Bank charges							
	Board Costs							
	Board – Remuneration							
	Board – Air Tickets							
	Board – Accommodation							
	Board – Subsistence							
	Bursaries (employees)							
	Catering services							
	Communication							
	Telephone							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 4: Wesgro Research**

Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Cellphones							
Postage and Courier							
Satellite signals							
Other							
Computer services							
SITA services							
External service providers							
Consultants, contractors and special services	31		( 139 )				
Consultants	27		( 139 )				
Contractors and special services	4						
Services rendered							
General Expenses							
Design Development							
Logistics							
Conference Expenditure	4						
Donations paid							
Photographic services							
Venues and facilities							
Agency Administrative and Support Staff							
Event Promoters							
Youth Status Report							
Transport: Consultants and Contractors							
Other special services							
Entertainment							
Equipment less than Capitalisation threshold							
Inventory	1 210	1 230	1 485	1 166	1 668	2 111	2 050
Consumables							
Food and food supplies							
Fuel, oil and gas							
Parts and other maintenance material							
Stationery and printing	1	1					
Subscriptions	1 209	1 229	1 485	1 166	1 668	2 111	2 050
Restoration and fittings							
Other							
Legal fees							
Losses / (Profits)							
Losses due to Fraud							
On Sale of Assets							
Forex							
Loss on stolen fixed asset							
Other							
Maintenance and repairs							
Buildings							
Infrastructure Assets							
Equipment							
Other							
Operating leases							
Rent – buildings							
Rent – equipment							
Other							
Owned/ leasehold and property exp. (Establishment Costs)							
Transport – Motor Fleet							
Transport – Private Vehicles							



**Summary of provincial payments and estimates by economic classification:**  
**Programme 4: Wesgro Research**

Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Safeguard and Security							
Printing and publication	6						
Professional bodies and membership fees							
Travel and Subsistence	18	25	4		54	80	83
Air Travel – Air Tickets (Domestic)	10	11	4		48	68	70
Air Travel – Air Tickets (International)							
Accommodation – Domestic	3	9			4	10	11
Accommodation – International							
Transport: Government Garage							
Motor Finance: Claim above 500 km							
Entertainment							
Other	5	5			2	2	2
Training and staff development			15				
Utilities							
Water and electricity							
Item 1							
Item 2							
Venues and facilities							
Item 1							
Item 2							
Other							
Depreciation and amortisation							
Land							
Dwellings							
Non-residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non-regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment							
Other Machinery and equipment							
Crockery and Cutlery							
Transport Assets							
Computer Software							
Valuables (e.g. works of art)							

**Summary of provincial payments and estimates by economic classification:  
Programme 4: Wesgro Research**

Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18				
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Unearned reserves (social security funds only)							
Interest, dividends and rent on land							
Interest							
Dividends							
Rent on land							
<b>Transfers and subsidies</b>							
Provincial government							
Municipalities							
Rates and taxes							
RSC levies							
Other							
Departmental agencies and accounts							
Universities and technikons							
Foreign governments							
International organisations							
Public and private corporations							
Non-life insurance							
Other							
Non-profit institutions							
Households							
Social benefits (social security funds only)							
Other households							
<b>Total expenses</b>	<b>2 073</b>	<b>3 342</b>	<b>3 506</b>	<b>3 454</b>	<b>3 394</b>	<b>3 954</b>	<b>3 991</b>

#### 2.4.5. performance and expenditure trends:

The unit faces enormous strain particularly due to the depreciating exchange rate significantly increasing the cost of international databases. These databases are at the epicentre of investment intelligence and global sector intelligence in particular.

Wesgro, through the tourism offices, is responsible for the Western Cape's tourism research. This is a costly exercise and budget constraints impact on this function. As a result, the research unit relies on the goodwill of the reciprocal relationships it has with the tourism offices and various tourism establishments of the province to deliver.

In light of this, the Agency has implemented mitigation strategies to ensure that the unit is able to deliver on its targets.

## **2.5. programme 5: marketing and communication**

### **Purpose:**

To conduct the marketing and communication for Wesgro corporate and the trade, investment, film and media and research business units for Wesgro.

### **2.5.1. programme structure**

The programme is divided into two sub-programmes namely:

#### **Sub-programme 5.1: Positioning of the Agency and the destination:**

To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses:

- Assistance with and/or hosting of and/or the logistical management of strategic corporate and external events with partners;
- Marketing campaigns via social media, digital and traditional media channels;
- Creation of bespoke content (audio, visual and printed) for Wesgro and the destination to be used in marketing campaigns; and
- Customer relationship marketing.

#### **Sub-programme 5.2: Management of the reputation of the Agency and the destination:**

To manage the reputation of the Agency and destination through media opportunities:

- Writing and distribution of op-ed pieces;
- Writing and distribution of media releases;
- Website management;
- Hosting of strategic media engagements;
- Distribution of research publications via media opportunities; and
- Monthly tracking of Advertising Value Equivalent (AVE) generated

### **Special projects:**

The aim of the special projects programme is to manage key projects on behalf of our stakeholders.

### **Project Good Hope:**

The objective of Project Good Hope is to instil investor confidence in the economy of Cape Town & the Western Cape. This is done through digital marketing in key source markets, as well as through direct engagements with influential business people in South Africa and abroad who act as investment ambassadors. It also provides for designed collateral that can be used by government and economic agencies in promoting the destination to investors.

### Situational analysis:

In Wesgro's role to manage and drive the reputation of both the Agency and the business brand for Cape Town and the Western Cape, there are various internal and external factors that influence the unit.

While the 'traditional' media environment continues to fragment resulting in a lower reach, online and digital platforms provide new and exciting opportunities for communication and brand management.

The Rand depreciation can also place pressure on the marketing budget with regards to international media spend.

The overall perception of the country has a direct impact on the brand of Cape Town and the Western Cape. This can have both a positive and negative effect, depending on the issue at hand. Other regional factors, such as the devastating drought and local political developments, can also shape how the destination is viewed at home and abroad.

### Priority sectors:

The Marketing and Communication unit does not focus on priority sectors per se. The unit will support the priority sectors and activities identified by the Agency through a thorough research process prior to setting the deliverables to the APP.

### Priority markets:

The unit does not focus on priority markets per se. The unit will support the priority markets and activities identified by the Agency through a thorough research process prior to setting the deliverables to the APP.

## 2.5.2 strategic objectives

Strategic objective table	
Strategic objective	To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.
Objective statement	To improve the position of the Agency and destination by implementing the new corporate marketing campaign, bespoke content creation, customer relationship marketing and the hosting and sponsorship of strategic agency events.
Baseline	31 strategic events hosted and 5 strategic events sponsored during the 2017/18 financial year.
Justification	By improving the position of the Agency and the destination, we will be able to attract more trade, investment and film business leads for the Agency that can be converted into economic growth and jobs.
Links	This objective is linked to the Agency's 5-year Strategic Plan.

Strategic objective table	
<b>Strategic objective</b>	Profile and position the Agency through its core mandates of tourism, trade and investment.
<b>Objective statement</b>	To manage the reputation of the Agency and destination through the distribution of media releases, strategic media engagements and other tactical media opportunities.
<b>Baseline</b>	R72,2m in AVE was generated during the 2017/18 financial year.
<b>Justification</b>	By positively managing the reputation of the Agency and the destination we will attract more interest in the Cape and help improve economic growth and job creation.
<b>Links</b>	This objective is linked to the Agency's 5-year Strategic Plan.

### 2.5.3. programme performance indicators and annual targets

#### Strategic objective annual targets for 2019/20 (Outcome indicators):

No.	Strategic objective indicator	Strategic plan target	PSG <sup>18</sup>	Audited / actual performance			Estimated performance 2018/19 <sup>19</sup>	Medium – term targets 2019/20
				2015/16	2016/17	2017/18		
5.1	Rand value of the advertising value equivalent (AVE) generated for the Agency	R120m	-	R16,5m	R37,6m	R72,2m	R30m	R35m

#### Annual targets for 2019/20 (Output indicators)

No.	Programme performance indicator	PSG <sup>20</sup>	Audited / actual performance			Estimated performance 2018/19 <sup>21</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
5.1.1	Number of strategic media engagements hosted	-	7	12	46	8	16
5.1.2	Number of strategic corporate Agency events hosted	-	14	30	31	8	20
5.1.3	Number of relevant industry events sponsored	-	2	6	5	5	6

<sup>18</sup> The Marketing and Communication unit is responsible for the management of the reputation of the Agency and the destination. In light of this, the strategic objectives and performance indicators are linked to the 5-year Strategic Plan of the Agency and indirectly linked to PSG 1.

<sup>19</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>20</sup> The Marketing and Communication unit is responsible for the management of the reputation of the Agency and the destination. In light of this, the strategic objectives and performance indicators are linked to the 5-year Strategic Plan of the Agency and indirectly linked to PSG 1.

<sup>21</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

**Quarterly targets for 2019/20 (Output indicators):**

No.	Programme performance indicator	PSG <sup>22</sup>	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
5.1.1	Number of strategic media engagements hosted	-	Quarterly	16	4	4	4	4
5.1.2	Number of strategic corporate Agency events hosted	-	Quarterly	20	4	5	5	6
5.1.3	Number of relevant industry events sponsored	-	Annually	6	-	-	-	6

<sup>22</sup> The Marketing and Communication unit is responsible for the management of the reputation of the Agency and the destination. In light of this, the strategic objectives and performance indicators are linked to the 5-year Strategic Plan of the Agency and indirectly linked to PSG 1.



## 2.5.4. reconciling performance targets with the budget and mtef

### Summary of payments and estimates:

#### Programme 5: Marketing and Communication

Programme R'000		Outcome			Estimated outcome 2018/19	Medium-term estimate		
		Audited	Audited	Audited		2019/20	2020/21	2021/22
		2015/16	2016/17	2017/18				
1.	Marketing and Communication	4 365	5 141	4 873	4 658	5 823	6 203	6 608
	<b>Total payments and estimates</b>	<b>4 365</b>	<b>5 141</b>	<b>4 873</b>	<b>4 658</b>	<b>5 823</b>	<b>6 203</b>	<b>6 608</b>

### Summary of provincial payments and estimates by economic classification: Programme 5: Marketing and Communication

Economic classification R'000		Outcome			Estimated outcome 2018/19	Medium-term estimate		
		Audited	Audited	Audited		2019/20	2020/21	2021/22
		2015/16	2016/17	2017/18				
	<b>Expenses</b>							
	<b>Current expense</b>	<b>4 365</b>	<b>5 141</b>	<b>4 873</b>	<b>4 659</b>	<b>5 823</b>	<b>6 203</b>	<b>6 608</b>
	Compensation of employees	2 308	1 615	2 088	2 250	3 457	3 643	3 840
	Salary and Wages	2 005	1 403	1 881	1 994	3 298	3 478	3 669
	Basic salary	1 892	1 345	1 798	1 906	3 134	3 305	3 486
	Performance rewards	113	58	84	88	164	173	183
	Service based							
	Periodic Payments							
	Other non-pensionable allowances							
	Social Contributions (employer contributions only)	303	212	207	256	159	165	171
	Pension	246	172	164	174	112	118	124
	Medical	45	31	33	72	36	36	36
	Home owners allowance							
	UIF	12	9	10	10	11	11	11
	Bargaining council							
	Unions							
	Provisions for staff costs							
	Salary related expenses							
	Use of goods and services	2 057	3 526	2 785	2 409	2 366	2 560	2 768
	Advertising	920	1 028	823	210	1 651	1 337	1 572
	Advertising of posts							
	Gifts and Promotional items		227			200	286	297
	Advertising (marketing)	920	801	823	210	1 451	1 051	1 275
	Audit Fees							
	Internal							
	Forensic							
	External							
	Bank charges							
	Board Costs							
	Board – Remuneration							
	Board – Air Tickets							
	Board – Accommodation							
	Board – Subsistence							
	Bursaries (employees)							
	Catering services							
	Communication	9						
	Telephone							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 5: Marketing and Communication**

Economic classification R'000	Outcome			Estimated outcome 2018/19	Medium-term estimate		
	Audited	Audited	Audited		2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Cellphones							
Postage and Courier	9						
Satellite signals							
Other							
Computer services							
SITA services							
External service providers							
Consultants, contractors and special services	917	2 061	1 761	1 770	371	533	631
Consultants	809	1 576	98	1 540	42	129	133
Contractors and special services	108	485	1 662	230	329	404	498
Services rendered							
General Expenses							
Design Development							
Logistics							
Conference Expenditure	108	427	1 662	230	110	114	158
Donations paid							
Photographic services		58			60	80	90
Venues and facilities					159	210	250
Agency Administrative and Support Staff							
Event Promoters							
Youth Status Report							
Transport: Consultants and Contractors							
Other special services							
Entertainment				8			
Equipment less than Capitalisation threshold							
Inventory		14	14	59	140	500	350
Consumables							
Food and food supplies							
Fuel, oil and gas							
Parts and other maintenance material							
Stationery and printing							
Subscriptions		14	14	44	140	500	350
Restoration and fittings				15			
Other							
Legal fees							
Losses / (Profits)							
Losses due to Fraud							
On Sale of Assets							
Forex							
Loss on stolen fixed asset							
Other							
Maintenance and repairs							
Buildings							
Infrastructure Assets							
Equipment							
Other							
Operating leases							
Rent – buildings							
Rent – equipment							
Other							
Owned/ leasehold and property exp. (Establishment Costs)							
Transport – Motor Fleet							
Transport – Private Vehicles							
Safeguard and Security							

**Summary of provincial payments and estimates by economic classification:**  
**Programme 5: Marketing and Communication**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited		2019/20	2020/21	2021/22
		2015/16	2016/17	2017/18	2018/19			
	Printing and publication	147	349		240	190	180	205
	Professional bodies and membership fees							
	Travel and Subsistence	64	74	186	122	14	10	10
	Air Travel – Air Tickets ( Domestic)	10	16	185	120	9	9	9
	Air Travel – Air Tickets ( International)	51	32					
	Accommodation – Domestic		2					
	Accommodation – International		24					
	Transport: Government Garage							
	Motor Finance: Claim above 500 km							
	Entertainment							
	Other	3		1	2	5	1	1
	Training and staff development							
	Utilities							
	Water and electricity							
	Item 1							
	Item 2							
	Venues and facilities							
	Item 1							
	Item 2							
	Other							
	Depreciation and amortisation							
	Land							
	Dwellings							
	Non-residential Buildings							
	Investment Property							
	Other Structures (Infrastructure Assets)							
	Mineral and Similar Non-regenerative Resources							
	Capital Work in Progress							
	Heritage Assets							
	Biological Assets							
	Computer equipment							
	Furniture and Office equipment							
	Other Machinery and equipment							
	Crockery and Cutlery							
	Transport Assets							
	Computer Software							
	Valuables (e.g. works of art)							
	Mastheads and Publishing titles							
	Patents, Licences, Copyrights, Brand names and Trademarks							
	Recipes, Formulae, Prototypes, Designs and Models							
	Service and Operating Rights							
	Other Intangibles							
	Unearned reserves (social security funds only)							
	Interest, dividends and rent on land							
	Interest							
	Dividends							
	Rent on land							
	<b>Transfers and subsidies</b>							
	Provincial government							
	Municipalities							
	Rates and taxes							
	RSC levies							

Summary of provincial payments and estimates by economic classification: Programme 5: Marketing and Communication								
Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Other							
	Departmental agencies and accounts							
	Universities and technikons							
	Foreign governments							
	International organisations							
	Public and private corporations							
	Non-life insurance							
	Other							
	Non-profit institutions							
	Households							
	Social benefits (social security funds only)							
	Other households							
	<b>Total expenses</b>	<b>4 365</b>	<b>5 141</b>	<b>4 873</b>	<b>4 659</b>	<b>5 823</b>	<b>6 203</b>	<b>6 608</b>

### 2.5.5. Performance and expenditure trends:

The current economic climate and budget restrictions have placed tremendous pressure on the unit to achieve its targets, however the unit remains committed to achieving the targets set out in the plan. A number of mitigation strategies have been put in place to ensure that the unit is able to deliver on its targets.

## **2.6. programme 6: destination marketing organisation (dmo):**

### **Purpose:**

The programme structure has been aligned to Project Khulisa: Tourism Activity Dashboard as approved by Cabinet and is made up of three sub-programmes. 2019/20 is the final year of Project Khulisa and the sub-programmes will work off the foundation built in 2016/17.

### **2.6.1. programme structure**

#### **Sub-programme 6.1: Heighten awareness of the Western Cape in key markets and sectors**

This sub-programme will be made up of the following strategic initiatives:

- Competitive identity
- Partnership growth strategies in key markets
- Digital management
- Grow business tourism
- Stakeholder management

#### **Sub-programme 6.2: Improve accessibility to Cape Town and the regions**

This sub-programme will be made up of the following strategic initiatives:

- Air Access, through the Cape Town Air Access initiative
- InvestSA One Stop Shop (Cape Investor Centre) (which forms part of Wesgro's Trade and Investment Unit)

#### **Sub-programme 6.3: Enhance the attractiveness of the Cape through a competitive offering**

This sub-programme will be made up of the following strategic initiatives:

- Cape Cycle Routes network promotion
- Madiba legacy route promotion
- Gastronomy tourism promotion
- Cape of Great Events promotion
- Service level improvement promotion

### **Situational analysis**

To attract a greater number of visitors, a destination has to maintain its past levels of tourism marketing and constantly increase the quality and quantity of its tourism marketing offering.

In order to ensure that our tourism destination marketing efforts are most impactful, there needs to be focused domestic and international marketing campaigns. These, in turn, are based on quality market research and a clearly defined competitive identity that distinguishes Cape Town and the Western Cape as a brand among so many other similar brands internationally.

**Priority sectors:**

Priority is given to business events (e.g. corporate meetings, conferences, exhibitions etc.) that focus on sectors that align with the Western Cape Government and Wesgro's strategic approach:

- Agri-processing
- Energy-renewable
- Real-estate and tourism infrastructure
- ICT
- Manufacturing
- Health and pharmaceuticals

**Priority markets:**

Priority is given to markets that focus on the province's key source markets (these drive volume), emerging markets (these show potential to grow during our low season of April-September) and our tactical markets (high value tourist).

Emphasis is placed on markets where South African Tourism has a presence and provides on the ground marketing support to Wesgro through joint marketing initiatives and hosting opportunities.

The markets are segmented into:

- High season and volume: these markets travel during the high season and are seen as volume markets. We need to maintain and protect them through on the ground support and partnerships with South African Tourism, media and the trade (e.g. Airlines and operators) and digital marketing. Our marketing message focuses on promoting the attractiveness of the province by promoting our niche tourism activities such as cycling, gastronomy and culture and heritage. The markets are the UK, Germany, France and the Netherlands.
- Low season and promote: these markets travel during our low season (April – September) and we need to focus on promoting more actively there to increase volume. We implement joint marketing campaigns, hosting with partners and digital marketing campaigns. Our marketing message focuses on promoting the attractiveness of the province by promoting our niche tourism activities such as cycling, gastronomy and culture and heritage. These markets are the US, Australia, China, India and Namibia.
- Tactical: these markets align with Project Khulisa and have the propensity to grow quickly and offer a high value tourist. Our focus is mainly on the tourism trade to educate them on the destination. Our marketing message focusses on the positioning of the destination through unique offers such as a family-friendly destination for the Halal market.

## 2.6.2. strategic objectives:

Strategic objective table	
Strategic objective	Enhance the attractiveness, awareness and accessibility of the of region and drive conversion.
Objective statement	To heighten the awareness of the region through competitive product offerings and compelling marketing.
	To enhance the attractiveness of the region in key markets and sectors that drive conversion.
Baseline	An estimated value of R454,4m was generated from tourism initiatives supported for the 2017/18 financial year.
Justification	Wesgro's strategic mandate is to conduct tourism marketing and promotion for Cape Town and the Western Cape.
Links	The objective is linked to PSG 1: creating opportunities for growth and jobs, Project Khulisa and the strategic plan of the Department of Economic Development and Tourism.

### 2.6.3. programme performance indicators and targets

#### Strategic objective annual targets for 2019/20 (Outcome indicator):

No.	Strategic objective indicator	Strategic plan target	PSG	Audited / actual performance			Estimated performance 2018/19 <sup>23</sup>	Medium-term targets 2019/20
					2016/17	2017/18		
6.1	Total estimated economic value of tourism destination marketing initiatives supported	R641m	1	-	R428,3m	R454,4m	R171,6m	R188,7m

#### Annual targets for 2019/20 (Output indicators):

No.	Programme performance indicator	PSG	Audited/actual performance			Estimated performance 2018/19 <sup>24</sup>	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
6.1.1	Number of tourism destination marketing initiatives supported	1	-	14	32	13	13
6.1.2	Number of joint marketing agreements secured	1	12	14	15	17	19
6.1.3.	Number of bids secured	1	17	33	33	24	26
6.1.4	Economic impact of bids secured	1	R374,1m	R425,3m	R453,3m	R260m	R280m
6.1.5	Number of leisure events supported	1	48	56	51	35	35
6.1.6	Rand value of AVE generated	1	R16,5m	R20,4 m	R29,08m	R20m	R22m

<sup>23</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

<sup>24</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.



### Quarterly targets for 2019/20 (Output indicators)

No.	Programme performance indicator	PSG	Reporting period	Annual Target 19/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
6.1.1	Number of tourism destination marketing initiative supported	1	Annually	13	-	-	-	13
6.1.2	Number of joint marketing agreements (JMA) secured	1	Quarterly	19	3	6	6	4
6.1.3.	Number of bids secured	1	Quarterly	26	5	8	7	6
6.1.4	Economic impact of bids secured	1	Quarterly	R280	R70m	R70m	R70m	R70m
6.1.5	Number of leisure events supported	1	Quarterly	35	10	15	3	7
6.1.6	Rand value of AVE generated	1	Annually	R22m	-	-	-	R22m

## 2.6.4. reconciling performance targets with the budget and mtef

### Summary of payments and estimates: Programme 6: Destination Marketing

Sub-programme R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1.	Leisure Tourism	6 074	2 986	1 853	2 164	2 641	2 786	2 940
2.	Convention Buro	6 907	4 447	4 364	3 594	4 153	4 381	4 622
3.	Events Tourism	3 145						
4.	Khulisa			14 607				
	Total payments and estimates	16 126	7 433	20 824	5 758	6 794	7 167	7 562

### Summary of provincial payments and estimates by economic classification: Programme 6: Destination Marketing Organisation

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Expenses							
	Current expense	12 766	7 433	20 824	5 758	6 794	7 167	7 562
	Compensation of employees	5 463	4 346	6 211	5 758	6 794	7 167	7 562
	Salary and Wages	4 764	4 148	5 362	5 454	6 632	6 982	7 381
	Basic salary	4 296	4 126	5 022	5 323	6 255	6 586	6 963
	Performance rewards	468	22	339	130	377	396	418
	Service based							
	Periodic Payments							
	Other non-pensionable allowances			1				
	Social Contributions (employer contributions only)	699	198	849	305	162	185	181
	Pension	591	131	720	225	109	115	122
	Medical	89	50	105	57	24	44	32
	Home owners allowance							
	UIF	19	17	23	23	29	26	27
	Bargaining council							
	Unions							
	Provisions for staff costs							
	Salary related expenses							
	Use of goods and services	7 303	3 087	14 613				
	Advertising	720	56	6 810				
	Advertising of posts							
	Gifts and Promotional items	279						
	Advertising (marketing)	441	56	6 810				
	Audit Fees							
	Internal							
	Forensic							
	External							
	Bank charges							
	Board Costs							
	Board – Remuneration							
	Board – Air Tickets							
	Board – Accommodation							
	Board – Subsistence							
	Bursaries (employees)							
	Catering services	1						

**Summary of provincial payments and estimates by economic classification:  
Programme 6: Destination Marketing Organisation**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Communication	3		6				
	Telephone			6				
	Cellphones							
	Postage and Courier	3						
	Satellite signals							
	Other							
	Computer services							
	SITA services							
	External service providers							
	Consultants, contractors and special services	4 181	2 790	4 615				
	Consultants(including Joint Marketing Agreements)	3 914	2 787	4 615				
	Contractors and special services	267	3					
	Services rendered							
	General Expenses							
	Design Development							
	Logistics							
	Conference Expenditure	267	3					
	Donations paid							
	Photographic services							
	Venues and facilities							
	Agency Administrative and Support Staff							
	Event Promoters							
	Youth Status Report							
	Transport: Consultants and Contractors							
	Other special services							
	Entertainment(Hosting)	16	103					
	Equipment less than Capitalisation threshold							
	Inventory	134	102	415				
	Consumables							
	Food and food supplies							
	Fuel, oil and gas	1						
	Parts and other maintenance material							
	Stationery and printing	112	2					
	Subscriptions	21	100	415				
	Restoration and fittings							
	Other							
	Legal fees							
	Losses / (Profits)							
	Losses due to Fraud							
	On Sale of Assets							
	Forex							
	Loss on stolen fixed asset							
	Other							
	Maintenance and repairs							
	Buildings							
	Infrastructure Assets							
	Equipment							
	Other							
	Operating leases	33						
	Rent – buildings							
	Rent – equipment	33						
	Other							

**Summary of provincial payments and estimates by economic classification:  
Programme 6: Destination Marketing Organisation**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Owned/leasehold and property exp. (Establishment Costs)	1 123	67					
	Transport – Motor Fleet							
	Transport – Private Vehicles							
	Safeguard and Security							
	Printing and publication	233	67					
	Professional bodies and membership fees	890						
	Travel and Subsistence	1 092	( 31 )	2 767				
	Air Travel – Air Tickets ( Domestic)	214	6					
	Air Travel – Air Tickets ( International)	299	101					
	Accommodation – Domestic	88	2					
	Accommodation – International	245	13					
	Transport: Government Garage							
	Motor Finance: Claim above 500 km							
	Entertainment							
	Other	246	( 153 )	2 767				
	Training and staff development				15			
	Utilities							
	Water and electricity							
	Item 1							
	Item 2							
	Venues and facilities							
	Item 1							
	Item 2							
	Other							
	Depreciation and amortisation							
	Land							
	Dwellings							
	Non-residential Buildings							
	Investment Property							
	Other Structures (Infrastructure Assets)							
	Mineral and Similar Non-regenerative Resources							
	Capital Work in Progress							
	Heritage Assets							
	Biological Assets							
	Computer equipment							
	Furniture and Office equipment							
	Other Machinery and equipment							
	Crockery and Cutlery							
	Transport Assets							
	Computer Software							
	Valuables (e.g. works of art)							
	Mastheads and Publishing titles							
	Patents, Licences, Copyrights, Brand names and Trademarks							
	Recipes, Formulae, Prototypes, Designs and Models							
	Service and Operating Rights							
	Other Intangibles							
	Unearned reserves (social security funds only)							
	Interest, dividends and rent on land							
	Interest							
	Dividends							
	Rent on land							
	Transfers and subsidies	3 360						

**Summary of provincial payments and estimates by economic classification:  
Programme 6: Destination Marketing Organisation**

Economic classification R'000		Outcome			Estimated outcome	Medium-term estimate		
		Audited	Audited	Audited				
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Provincial government							
	Municipalities							
	Rates and taxes							
	RSC levies							
	Other							
	Departmental agencies and accounts							
	Universities and technikons							
	Foreign governments							
	International organisations							
	Public and private corporations							
	Non-life insurance							
	Other							
	Non-profit institutions	3 360						
	Households							
	Social benefits (social security funds only)							
	Other households							
	<b>Total expenses</b>	<b>16 126</b>	<b>7 433</b>	<b>20 824</b>	<b>5 758</b>	<b>6 794</b>	<b>7 167</b>	<b>7 562</b>

**2.6.5. performance and expenditure trends:**

The current economic climate and budget restrictions have placed tremendous pressure on the unit to achieve its targets, however the unit remains committed to achieving the targets set out in the plan. A number of mitigation strategies have been put in place to ensure that the unit is able to deliver on its targets.

## **2.7. programme 7: film and media promotion**

### **Purpose:**

Establish a globally competitive film sector by 2020 in Cape Town and the Western Cape.

### **2.7.1. programme structure:**

The programme is not divided into sub-programmes.

### **Situational analysis:**

The Western Cape and the City of Cape Town research baseline was completed recently, setting out that the size of the film and media industry in the Western Cape in 2015 was R3,9bn, of which R3,5bn was based in Cape Town. Television productions formed the largest component in the Western Cape, at R1,3bn, followed by commercials (all types collectively) at R949m and feature films at R800m. Documentaries amounted to R300m and stills production R298m. Short films and animation contributed R100m each and gaming R62m. The subsector distribution in Cape Town was little different to that in the province. The Western Cape film industry contributed:

- R1,6bn to direct GVA, R4,4bn to total South African GDP and R3,6bn to Western Cape GGP.
- 7 380 direct and 6 180 indirect provincial jobs. This is a total of 13 560 jobs.
- R565m in taxes.
- R980m in net direct foreign exchange. Commercials generated the most foreign exchange.

The Cape Town film and media industry, which forms a subset of the Western Cape industry, contributed:

- R1,38bn to direct GVA, R3,91bn to total South African GDP and R2,63bn to Cape Town GGP.
- 6 550 direct and 2 940 indirect city jobs. This is a total of 9 490 jobs.
- R501m in taxes.
- R886m in net foreign exchange.

The production multiplier is defined as the increase in total production across the economy as a result of expenditure in the film industry. For the film and media industry, the production multipliers vary between 2,46 (for documentaries and feature films) and 2,72 (for commercials), with a weighted average multiplier of 2,56 for the film and media industry as a whole.

A value chain analysis was conducted on the industry. Production costs formed the highest component at between 41% and 72% of production expenses, with pre-production and post production costs constituting the remainder, for all forms except for documentaries and feature films. For documentaries and feature films, pre-production costs formed the highest component at 56%, while production and post production expenses formed the remainder. A similar pattern was observed for job creation.

Lastly, an analysis was done to understand which economic sectors (including labour) benefitted most from expenditure by the film and media industry. In nearly all cases wages and business services benefitted most. These accounted for 43% and 27% of value chain expenditures respectively. This was followed by general expenditure (10%) and electronic equipment (7%). All the other items were individually 3% or less and collectively contributed the remaining 13%.

Film and media marketing collateral is developed and being expanded to promote marketing opportunities in the annual business plan under the auspice of the 5-year strategic plan. These include representing the City of Cape Town, and Western Cape region as a film location at annual film and media markets such as the established

major market events attached to festivals at Berlin, Cannes, American Film Market or Toronto and for the emerging BRICS areas the Rio Content Market, Beijing and Hong Kong markets to name a few.

Supporting outward missions in collaboration with partners to activate the exporter growth of companies in the Western Cape has been identified as an important intervention in the 5-year strategic plan. The support of the businesses going on these outward led missions is combined from a number of sources including the National Film and Video Foundation (NFVF), the DTI and its EMIA and SAAS schemes, and/or from foreign markets, festivals and governments who invite the Cape Town and Western Cape film industry to partake in their festivals and markets as experts and participants.

Film festivals and markets do far more than just promote movies, they serve to enhance culture by widening the scope of movies that are known and available to the world. Especially in the early days of film festivals, it was difficult – if not impossible – for the majority of people to experience foreign films. The film cultures of other countries simply weren't accessible to the general public. Film festivals played a major role in changing this. Their attached markets are where producers find funding to grow their next projects and/or where the Cape's locations are shopped to international producers.

Programmes for film and media are run in collaboration with national and regional partners and other opportunities as presented in the annual business plan under the auspice of the 5-year strategic plan. These programmes assist participants to be more internationally competitive, and facilitate new business opportunities and qualified leads in markets outside of South Africa and the Western Cape. These include NFVF, the DTI, and national partners from industry such as the Independent Producers Organisation, Writers Guild of South Africa, Animation South Africa, Make Games South Africa, Interactive Entertainment South Africa, Documentary Filmmaker Association, Writers Guild of South Africa, Commercials Producers Association, South African Association of Stills Producers.

An additional intervention identified is inward missions to activate film and media companies through business-to-business meetings and hosting familiarisation tours. The inbound missions lead to new contracts, and the expansion of prospects for company growth and help the development of markets. Business-to-business activations are included around film, animation and new media, areas that should bring job growth. The nascent drones industry is predicted to grow from a R0 to a R300m industry and it is one strongly associated with film and media work.

### **Priority sectors:**

The priority sectors are long form TV series, such as attracting another 'Homeland' or 'Black Sails' to the region along with supporting local industry to create their own TV series such as 'Suidooster', now the most watched soapie on kykNET, and shooting at the new Atlantic Film Studios. These successful TV series become the anchor tenants of expanded studios, such as the Cape Town Film Studios, which can then host feature films in the TV shooting breaks.

The following sectors would follow in priority:

- Independent feature films;
- Expanding and increasing studios;
- The intangible asset manufacturing of animations (tv, feature, games); and
- Post production.

## Priority markets:

Wesgro's film and media strategy mapped the following priority markets to grow:

- Any co-production company (recently increased to nine co-production treaty countries: Canada, Germany, France, Ireland, New Zealand, Australia, Italy, the UK and the Netherlands).
- The BRICS countries are also important due to the large potential cultural links, natural unofficial co-productions and future official co-production potential.
- The USA is the largest producer of content (studio model drives this) and the largest consumer market (although China is growing). So our producers need to co-produce and/or distribute in the USA.
- The Wesgro strategy also includes helping companies expand into the rest of Africa and this Pan-African potential is being worked on via trade and investment missions into the continent and the occasional film and media invitation, such as Tunisia in 2015 and Egypt in 2017. This was expanded in 2018 with the Africa Halal Week supported inbound buyers mission of Middle East and North Africa (MENA) producers from Egypt, Tunisia and the Kingdom of Saudi Arabia.

### 2.7.2. strategic objectives:

Strategic objective table	
Strategic Objective	To firmly establish a globally competitive film sector by 2020.
Objective statement	To attract R1,5bn to R2,5bn worth of film and media productions and facilitate 2 500 to 3 500 full time equivalent (FTE) jobs.
Baseline	A total of R1,92bn worth of investment was committed in the film and media sector, creating a total of 2 449 FTE jobs during the 2017/18 financial year.
Justification	Film is an important sector in the Western Cape and major contributor to economic growth and jobs.
Links	The objective is linked to PSG 1: create opportunities for economic growth and jobs. Furthermore, the objective is linked to Department of Economic Development and Tourism's 5-year film and media strategy, the Cape Town Arts and Culture 10-year strategy and the Cape Town Film Studios.



### 2.7.3. programme performance indicators and annual targets

#### Strategic objective annual targets for 2019/20 (Outcome indicators):

No.	Strategic objective Indicators	Strategic plan target	PSG	Audited/Actual performance			Estimated performance 2018/19 <sup>25</sup>	Medium-term targets 2019/20
				2015/16	2016/17	2017/18		
7.1	Rand value of film and media productions brought into the province	R3,08bn-R5,12bn	1	-	R1,52bn	R1,92bn	R1,5bn-R2,5bn	R1,54bn-R2,62bn
7.2	Number of jobs facilitated through the productions brought into the province	5 210-7 175 FTE jobs	1	-	3 271 FTE jobs	2 444 FTE jobs	2 500-3 500 FTE jobs	2 575-3 675 FTE jobs

#### Annual targets for 2019/20 (Output indicators)

No.	Programme performance indicators	PSG	Audited/Actual performance			Estimated performance 2018/19	Medium-term targets 2019/20
			2015/16	2016/17	2017/18		
7.1	Number of film and media productions brought into the province	1	-	5	9	7	8

#### Quarterly targets for 2019/20 (Output indicators):

No.	Programme performance indicators	PSG	Reporting period	Annual target 2019/20	Quarterly targets			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
7.1	Number of film and media productions brought into the province	1	Annually	8	-	-	-	8

<sup>25</sup> The estimated performance 2018/19, refers to the target set for the financial year in the APP2018/19.

West Coast Nature Reserve, near Langebaan, Western Cape



### **3. part c: links to other plans:**

#### **Links to long-term infrastructure and other capital plans**

Not applicable

#### **Conditional grants**

Not applicable

#### **Public entities**

Not applicable

#### **Public private partnerships**

Not applicable

Barrydale, nestled between the Tradouw Valley and the Klein Karoo



#### **4. part d: changes to the strategic plan**

N/A



Knysna Lagoon in the Garden Route



## 5. part e: technical performance indicator descriptions

### Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over 5 years.

### Strategic objective performance indicators (outcome indicators)

#### Sub-programme 1.1: Financial management

Strategic objective indicator	1.1. Enhance financial accountability through compliance with all prescribed financial regulations and guidelines
Short definition	To ensure compliance with all prescribed financial regulations and guidelines through the submission of the relevant documentation as legislatively prescribed and the implementation of systems and process to ensure the adherence to the various regulatory prescripts and guidelines.
Purpose/importance	To enhance financial accountability.
Source/collection of data	Signed financial statements, ACCPAC reports, Workflow system reports.
Method of calculation	The percentage achieved is calculated based on the average per output indicator listed under sub-programme 1.1. In order to achieve 100% compliance the Agency has to achieve all the targets within the sub-programme.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide first class IT and administration services to the employees of the Agency.

### Strategic objective performance indicators (outcome indicators)

#### Sub-programme 1.2: IT and Administration Services

Strategic objective indicator	1.2 Maintain and enable a reliable and stable network infrastructure through a maximum of four hours of downtime during working hours
Short definition	To ensure that the network, internet and shared drive is stable to avoid downtime on the network.
Purpose/importance	To ensure a high level of productivity and performance is maintained.
Source/collection of data	IT reports from the relevant server
Method of calculation	The number of hours downtime experienced is calculated to determine the total.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Financial Officer



## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide world class human resources support and services by recruiting, maintaining and developing a competent, motivated workforce in the department, while complying with all HR and Agency policies and procedures.

### Strategic objective performance indicators (outcome indicators)

#### Sub-programme 1.3: Human Resource Management

Strategic Objective Performance Indicator	1.3 Management of staff morale within the Agency by conducting regular climate surveys
Short definition	To monitor staff morale and implement the necessary strategies to ensure that employees remain motivated and performance driven.
Purpose/importance	To enhance employee satisfaction.
Source/collection of data	Internal climate survey report signed by the Chief Executive Officer.
Method of calculation	The results are derived from the surveys conducted.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated
Indicator responsibility	Manager: Human Resource Management

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To ensure that an effective monitoring and evaluation system is implemented aligned to the legislative and regulatory prescripts pertaining to performance management.

### Strategic objective performance indicators (outcome indicators)

#### Sub-programme 1.4: Monitoring and Evaluation

Strategic objective indicator	1.4 Compliance with all legislative and regulatory prescripts pertaining to performance management through the submission of performance reports
Short definition	The delivery of quarterly and annual reports to stakeholders and legislatively required.
Purpose/importance	To ensure compliance to all legislature pertaining to performance management.
Source/collection of data	Acknowledgements of receipt or emails of the submission of the performance report as per the deadlines legislatively stipulated.
Method of calculation	The number of reports submitted will be calculated to determine the total.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over five years.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.1: Financial Management

Performance indicator	1.1.1 Number of revenue and projection reports submitted to stakeholders
Short definition	The number of monthly assessment of revenue and projections submitted to the relevant stakeholders.
Purpose/importance	To ensure effective cash flow management.
Source/collection of data	Acknowledgement of receipt or emails of the submission of the report to the Department of the Economic Development and Tourism (DEDAT) and the City of Cape Town.
Method of calculation	The number of reports submitted will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over five years.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.1: Financial Management

Performance indicator	1.1.2 Number of days taken to process payments made to creditors from date of receipt
Short definition	To ensure that creditors are paid within 30 days as prescribed by the Treasury Regulations.
Purpose/importance	To ensure effective cash flow management and adherence to the relevant regulatory prescripts.
Source/collection of data	ACCPAC reports
Method of calculation	The number of days taken to process the payment of creditors will be calculated.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial Controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over five years.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.1: Financial Management

Performance indicator	1.1.3 Average turnaround time for approval of workflows from the date of receipt
Short definition	To ensure that all workflows are timeously approved aimed at inhibiting process delays.
Purpose/importance	To enhance supply chain management within the Agency.
Source/collection of data	Workflow system reports
Method of calculation	The total number of days taken to process submissions/number of submissions completed without queries is used to calculate the average
Data limitations	System and process glitches.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial Controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over five years.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.1: Financial Management

Performance indicator	1.1.4 Outcome of external audit for the previous financial year
Short definition	To measure the reliability and accuracy of the financial and performance information produced by the Agency and test the controls implemented.
Purpose/importance	To ensure the reliability and accuracy of the financial and performance information and the viability of the controls in place.
Source/collection of data	External audit report produced by the Auditor General
Method of calculation	One report is delivered by the Auditor General.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial Controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide first class IT and administration services to the employees of the Agency.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.2: IT and Administrative Support

Performance indicator	1.2.1 Maximum downtime during working hours
Short definition	To ensure that the network, internet and shared drive is stable to avoid downtime on the network.
Purpose/importance	To ensure a high level of productivity and performance is maintained.
Source/collection of data	IT reports from the relevant server
Method of calculation	The number of hours downtime experienced during working hours is added to calculate the total number of hours.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial Controller

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide first class IT and administration services to the employees of the Agency.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.2: IT and Administrative Support

Performance indicator	1.2.2 Average turnaround time for responding to logged desktop support IT queries
Short definition	To ensure that logged IT queries are timeously attended to.
Purpose/importance	To ensure a high level of productivity and performance is maintained.
Source/collection of data	IT reports from the relevant server
Method of calculation	The total number of days taken to respond to logged queries (the number of queries received is used to calculate the average)
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Financial Controller



## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide world class human resources support and services by recruiting, maintaining and developing a competent, motivated workforce in the department, while complying with all HR and Agency policies and procedures.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.3: Human Resource Management

Performance indicator	1.3.1 Results achieved based on the outcome of the climate and employee satisfaction surveys conducted
Short definition	To conduct climate and employee satisfaction surveys to monitor staff morale and implement the necessary strategies to ensure that employees remain motivated and performance driven
Purpose/importance	To enhance employee satisfaction.
Source/collection of data	Internal climate survey report signed by the Chief Financial Officer
Method of calculation	The results are derived from the survey conducted. The employee climate survey is conducted on-line and upon completion the system generates a percentage. The survey consists of various sections, which staff have to complete. Each section is weighted accordingly.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Manager: Human Resource Management

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide world class human resources support and services by recruiting, maintaining and developing a competent, motivated workforce in the department, while complying with all HR and Agency policies and procedures.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.3: Human Resource Management

Performance indicator	1.3.2 Implementation of the staff performance management system
Short definition	To ensure that staff performance agreements are signed and implemented as prescribed by the performance management policy.
Purpose/importance	To ensure the effective management of individual performance.
Source/collection of data	Database of performance agreements signed and reviews conducted on the respective dates signed by the Manager: Human Resources and the Chief Financial Officer
Method of calculation	The number of performance agreements signed and reviews conducted on the respective dates will be calculated.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Manager: Human Resource Management

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide world class human resources support and services by recruiting, maintaining and developing a competent, motivated workforce in the department, while complying with all HR and Agency policies and procedures.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.4: Monitoring and Evaluation

Performance indicator	1.4.1 Number of performance reports submitted by the deadline as legislatively required
Short definition	The delivery of quarterly and annual reports to stakeholders and legislatively required.
Purpose/importance	To ensure compliance to all legislature pertaining to performance management.
Source/collection of data	Acknowledgements of receipt or emails of the submission of the performance report as per the deadlines legislatively stipulated.
Method of calculation	The number of reports submitted will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Manager: Monitoring and Evaluation

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To provide world class human resources support and services by recruiting, maintaining and developing a competent, motivated workforce in the department, while complying with all HR and Agency policies and procedures.

### Annual programme performance indicators (output indicators)

#### Sub-programme 1.4: Monitoring and Evaluation

Performance indicator	1.4.2 Number of corporate plans submitted by the deadline as legislatively required
Short definition	The delivery of all corporate plans to stakeholders as legislatively required.
Purpose/importance	To ensure compliance to all legislature pertaining to performance management.
Source/collection of data	Acknowledgements of receipt or emails of the submission of the corporate plans as per the legislated deadlines.
Method of calculation	The number of reports submitted will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Manager: Monitoring and Evaluation

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over five years.

### Annual Programme Performance Indicators (Output indicators)

#### Sub-programme 1.5: Strategic projects

Performance indicator	1.5.1 Number of performance reports for active projects submitted by the deadlines stipulated in the signed agreement/s
Short definition	The delivery of quarterly progress reports to stakeholders as contractually required.
Purpose/importance	To ensure compliance with the conditions stipulated in the signed agreement/s.
Source/collection of data	Acknowledgement of receipt or emails of the submission of the report to the relevant stakeholders.
Method of calculation	The number of reports submitted will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Strategic Projects

## Programme 1: Corporate Services

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Attain and maintain a high-level Financial Management Capability over five years.

### Annual Programme Performance Indicators (Output indicators)

#### Sub-programme 1.5: Strategic projects

Performance indicator	1.5.2. Number of project plans submitted for active projects
Short definition	The delivery of projects plans to stakeholders as contractually required.
Purpose/importance	To ensure compliance with the conditions stipulated in the signed agreement/s.
Source/collection of data	Acknowledgement of receipt or emails of the submission of the project plans to the relevant stakeholders.
Method of calculation	The number of plans submitted will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Strategic Projects

## Programme 2: Investment Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	2.1 Rand value of committed investments into the province
Short definition	The Rand value of committed investment projects for the financial year. Committed investments are classified as those projects where the investor has already incurred substantial expenditure towards the implementation of the investment project in the Western Cape.
Purpose/importance	The Rand value of committed projects is a good indicator of the impact of committed investment projects facilitated by Wesgro into the Western Cape; contributing to economic growth.
Source/collection of data	1. Signed investor declaration, and 2. Signed and verified database.
Method of calculation	Wesgro only claims the deal once a record of decision has been taken by the client. Upon completion of the project an investor declaration is signed by investors and the date on which it was signed is used as the date of realisation. The committed investment figures are derived from all the investor declarations for the financial year and are added together to give the overall total. The variance is calculated using the lower band.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Investment Promotion

## Programme 2: Investment Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	2.2 Number of jobs facilitated from committed investments into the province
Short definition	Number of jobs created via the committed investment projects for the financial year. Committed investments are classified as those projects where the investor has already incurred substantial expenditure towards the implementation of the investment project in the Western Cape.
Purpose/importance	Employment is a good indicator of a committed investment on the economy of the Western Cape.
Source/collection of data	1. Signed investor declaration, and 2. Signed and verified database.
Method of calculation	The number of jobs indicated in the investor declarations is calculated to determine the total. Wesgro only counts direct permanent jobs. The variance is calculated using the lower band.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Investment Promotion



## Programme 2: Investment Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

### Annual programme performance indicators (output indicators)

Performance indicator	2.1.1 Number of investment projects realised
Short definition	Refers to the number of confirmed direct international investment projects in productive assets by a foreign or local company, as opposed to investments in shares. The point of realisation is the point of first flow of funds and/or the point at which physical activity on the project commences.
Purpose/importance	For a host country or the firm which receives the investment, it can provide a source of new technologies, capital, processes, products, organisational technologies and management skills, and as such can provide a strong impetus to economic development.
Source/collection of data	1. Signed investor declaration, and 2. Signed and verified database.
Method of calculation	The number of signed investor declarations is calculated to determine the number of projects realised.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Investment Promotion

## Programme 2: Investment Promotion

### Special projects: Agribusiness Investment Unit

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

#### Strategic objective indicators (outcome indicators)

Strategic objective indicator	2.4.1 Rand value of committed investments in the agribusiness sector into the province
Short definition	The Rand value of committed investment projects for the financial year. Committed investments are classified as those projects where the investor has already incurred substantial expenditure towards the implementation of the investment project in the Western Cape.
Purpose/importance	The Rand value of committed projects is a good indicator of the impact of committed investment projects facilitated by Wesgro into the Western Cape; contributing to economic growth.
Source/collection of data	1. Signed investor declaration, and 2. Signed and verified database.
Method of calculation	Wesgro only claims the deal once a record of decision has been taken by the client. Upon completion of the project an investor declaration is signed by investors and the date on which it was signed is used as the date of realisation. The committed investment figures are derived from all the investor declarations for the financial year and are added together to give the overall total. The variance is calculated using the lower band.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Agribusiness

## Programme 2: Investment Promotion

### Special projects: Agribusiness Investment Unit

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

#### Strategic objective indicators (outcome indicators)

Strategic objective indicator	2.4.2 Number of jobs facilitated from committed investments in the agribusiness sector into the province
Short definition	Number of jobs created via the committed investment projects for the financial year. Committed investments are classified as those projects where the investor has already incurred substantial expenditure towards the implementation of the investment project in the Western Cape.
Purpose/importance	Employment is a good indicator of a committed investment on the economy of the Western Cape.
Source/collection of data	1. Signed investor declaration, and 2. Signed and verified database.
Method of calculation	The number of jobs indicated in the investor declarations is calculated to determine the total. Wesgro only counts direct permanent jobs. The variance is calculated using the lower band.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Agribusiness

## Programme 2: Investment Promotion

### Special projects: Agribusiness Investment Unit

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

#### Annual programme performance indicators (output indicators)

Performance indicator	2.4.1.1 Number of investment projects realised in the agribusiness sector
Short definition	Refers to the number of confirmed direct international investment projects in productive assets by a foreign or local company, as opposed to investments in shares. The point of realisation is the point of first flow of funds and/or the point at which physical activity on the project commences.
Purpose/importance	For a host country or the firm which receives the investment, it can provide a source of new technologies, capital, processes, products, organisational technologies and management skills, and as such can provide a strong impetus to economic development.
Source/collection of data	1. Signed investor declaration, and 2. Signed and verified database.
Method of calculation	The number of signed investor declarations is calculated to determine the number of projects realised.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Agribusiness

## Programme 2: Investment Promotion

### Special projects: Special Projects: Invest SA One Stop Shop, Western Cape

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

#### Annual Programme Performance Indicators (Output indicators)

Performance indicator	2.5.4 Average time taken to respond to investment enquiries from date of receipt
Short definition	To ensure the timeous response to investment queries.
Purpose/importance	To meet customer requirements and expectations for information needs in order to expedite the closure of investment projects.
Source/collection of data	Enquiry log
Method of calculation	The number of days taken/number of requests received is used to calculate the average days
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Invest SA One Stop Shop, Western Cape

## Programme 2: Investment Promotion

### Special projects: Special Projects: Invest SA One Stop Shop, Western Cape

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Facilitate investment and jobs into the Western Cape.

#### Annual programme performance indicators (output indicators):

Performance indicator	2.5.3 Number of regulatory issues resolved
Short definition	Number of regulatory issues resolved for the financial year are classified as those where the Invest SA One Stop Shop in the Western Cape fast tracks investment regulatory issues for new and existing investors, thereby enhancing Wesgro's role in expediting approvals.
Purpose/importance	Number of regulatory issues resolved is a good indicator to determine the Invest SA One Stop Shop's ability to enhance the region's Ease of Doing Business (EoDB).
Source/collection of data	A signed database of issues received.
Method of calculation	The number of issues resolved will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Invest SA One Stop Shop, Western Cape

## Programme 3: Trade Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To promote and facilitate global exports of goods and services from qualified companies in the Western Cape.

**Strategic objective:** To facilitate and support operations and expansion of Western Cape companies into the rest of Africa.

### Sub-programme 3.1: Trade Promotion

#### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	3.1.1 Estimated Rand value of business agreements signed
Short definition	The estimated value of trade business agreements signed.
Purpose/importance	To measure monetary inflows into the province.
Source/collection of data	1. Signed trade declarations, and 2. Signed and verified database.
Method of calculation	The figure for the projected Rand value is derived from the signed trade declarations and is added together to give the overall total. The variance is calculated using the lower band.
Data limitations	Non-disclosure of third-party information
Type of indicator	Outcome
Calculation type	Non-Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Trade Promotion

### Programme 3: Trade Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To promote and facilitate global exports of goods and services from qualified companies in the Western Cape.

**Strategic objective:** To facilitate and support operations and expansion of Western Cape companies into the rest of Africa.

#### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	3.1.2 Number of jobs facilitated from the business agreements signed
Short definition	Number of jobs created via the business deals signed for the financial year.
Purpose/importance	Employment is a good indicator of the increase in exports on the economy of the Western Cape.
Source/collection of data	1. Signed trade declarations, and 2. Signed and verified database.
Method of calculation	The number of jobs indicated in the signed trade declarations is calculated to determine the total. The variance is calculated using the lower band.
Data limitations	Non-disclosure of third-party information
Type of indicator	Outcome
Calculation type	Non-Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Trade Promotion



## Programme 3: Trade Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To promote and facilitate exports of goods and services from qualified companies in the Western Cape.

**Strategic objective:** To facilitate and support operations and expansion of Western Cape companies into the rest of Africa.

### Sub-programme 3.2: African Expansion

#### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	3.2.1 Rand value of committed outward foreign direct investment (OFDI) declarations signed
Short definition	The Rand value of OFDI declarations signed for the financial year.
Purpose/importance	The Rand value of the signed OFDI business agreements is a good indicator of the impact of the committed business deals facilitated by Wesgro; contributing to economic growth. The variance is calculated using the lower band.
Source/collection of data	1. Signed OFDI declarations signed, and 2. Signed and verified database.
Method of calculation	The figure for the projected Rand value is derived from the OFDI declarations signed and is added together to give the overall total.
Data limitations	Non-disclosure of third-party information
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Trade Promotion

### Programme 3: Trade Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To promote and facilitate exports of goods and services from qualified companies in the Western Cape.

**Strategic objective:** To facilitate and support operations and expansion of Western Cape companies into the rest of Africa.

#### Sub-programme 3.1: Trade Promotion

##### Annual programme performance indicators (output indicators)

Performance indicator	3.1.1.1 Number of business agreements signed
Short definition	Refers to the number of confirmed trade transactions facilitated.
Purpose/importance	For the business that receives revenue from sales, it can provide a source of new technologies, capital, processes, products, organisational technologies and management skills, and as such can provide a strong impetus to economic development.
Source/collection of data	1. Signed trade declarations and 2. Signed and verified database
Method of calculation	The number of signed business is calculated to determine the number of projects realised.
Data limitations	Non-disclosure of third-party information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Trade Promotion

## Programme 3: Trade Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To promote and facilitate exports of goods and services from qualified companies in the Western Cape.

**Strategic objective:** To facilitate and support operations and expansion of Western Cape companies into the rest of Africa.

### Sub-programme 3.2: African Expansion

#### Annual programme performance indicators (output indicators)

Performance indicator	3.2.1.1 Number of outward foreign direct investment (OFDI) declarations signed
Short definition	Refers to the number of confirmed direct outward investments facilitated on the African continent.
Purpose/importance	For a host country or the firm which receives the investment, it can provide a source of new technologies, capital, processes, products, organisational technologies and management skills, and as such can provide a strong impetus to economic development.
Source/collection of data	1. Signed OFDI declarations signed and 2. Signed and verified database
Method of calculation	The number of signed business agreements is calculated to determine the number of projects realised.
Data limitations	Non-disclosure of third-party information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Senior Manager: Trade Promotion

## Programme 4: Wesgro Research

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Develop relevant tourism, trade and investment publications.

**Strategic objective:** Provide customised research and information in support of the core functions of the Agency.

### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	4.1 Turnaround time to provide customised research and information in support of the core functions of the Agency
Short definition	To ensure the timeous response to customised research queries.
Purpose/importance	To meet customer requirements and expectations for information needs.
Source/collection of data	Enquiry log
Method of calculation	The number of days taken/number of requests received is used to calculate the average days
Data limitations	Information requested may not be freely available
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Research Officer

## Programme 4: Wesgro Research

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Develop relevant tourism, trade and investment publications.

**Strategic objective:** Provide customised research and information in support of the core functions of the Agency.

### Annual programme performance indicators (output indicators)

Performance indicator	4.1.1 Number of relevant tourism, trade and investment publications developed
Short definition	Publications refer to research and information products which are developed both internally and externally by and for the Agency, as per the set out criteria.
Purpose/importance	To make specific information available to the public.
Source/collection of data	Publication control sheet signed by the researcher and approved by the Head: Wesgro Research.
Method of calculation	The number of publications is used to determine the number produced.
Data limitations	Information requested may not be freely available.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Bi-annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Research Officer

## Programme 4: Wesgro Research

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape province.

**Strategic objective:** Develop relevant tourism, trade and investment publications.

**Strategic objective:** Provide customised research and information in support of the core functions  
Of the Agency.

### Annual programme performance indicators (output indicators)

Performance indicator	4.2.1 Average turnaround time to complete research requests from date of receipt
Short definition	To ensure the timeous response to customised research queries.
Purpose/importance	To meet customer requirements and expectations for information needs.
Source/collection of data	Enquiry log
Method of calculation	The number of days taken/number of requests received is used to calculate the average days
Data limitations	Information requested may not be freely available
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Research Officer

## Programme 5: Marketing and Communication

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.

**Strategic objective:** Profile and position the Agency through its core mandates of tourism, trade and investment.

### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	5.1 Rand value of the advertising value equivalent (AVE) generated for the Agency
Short definition	AVE is the measure used in public relations to 'measure' the benefit to the Agency and destination from media coverage received via media release, campaigns, sponsorships, events, partnerships and other marketing activities undertaken by Wesgro.
Purpose/importance	To manage and measure the reputation of the Agency and destination through media opportunities
Source/collection of data	A monthly media monitoring report
Method of calculation	The Rand value of AVE generated through various marketing and promotion activities will be calculated to determine the total.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Communications Officer

## Programme 5: Marketing and Communication

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.

**Strategic objective:** Profile and position the Agency through its core mandates of tourism, trade and investment.

### Annual programme performance indicators (output indicators)

Performance indicator	5.1.1 Number of strategic media engagements hosted
Short definition	Engagements with the media via events, interviews, engagements, meetings, emails, telephone or social media that assist in the positioning of Wesgro and/or the destination.
Purpose/importance	To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.
Source/data collection	Invite to media event, proof of meeting request, email, article published, social media coverage received, radio interview and/or TV interview
Method of calculation	The number of media engagements will be added to calculate the total.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Communications Officer



## Programme 5: Marketing and Communication

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.

**Strategic objective:** Profile and position the Agency through its core mandates of tourism, trade and investment.

### Annual programme performance indicators (output indicators)

Performance indicator	5.1.2 Number of strategic corporate Agency events hosted
Short definition	To host, assist with hosting, facilitate elements of an event for partners or provide collateral to a partner event.
Purpose/importance	To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.
Source/data collection	Invite to the event or an email documenting type of assistance to partners.
Method of calculation	The number of events hosted will be added to calculate the total.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Communications Officer

## Programme 5: Marketing and Communication

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.

**Strategic objective:** Profile and position the Agency through its core mandates of tourism, trade and investment.

### Annual programme performance indicators (output indicators)

Performance indicator	5.1.3 Number of relevant industry events sponsored
Short definition	To provide financial or non-financial support to industry events that help promote Wesgro and the destination.
Purpose/importance	To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.
Source/data collection	Contract, email, joint marketing agreement or programme from the event.
Method of calculation	The number of events hosted will be added to calculate the total.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Communications Officer

## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the of region and drive conversion.

### Strategic objective performance indicators (outcome indicators)

Strategic objective indicator	6.1 Total estimated economic value of tourism destination marketing initiatives supported
Short definition	To measure the economic value of the tourism destination marketing initiatives supported by means of joint marketing agreements secured, conference bids secured, events supported and the amount of AVE (advertorial value equivalent) generated.
Purpose/importance	To drive geographic spread, improve seasonality, job creation and the stimulation of economic growth.
Source/data collection	1. Signed and verified database of the economic value of the tourism initiatives supported; 2. Evidence substantiating the economic value of the tourism initiatives supported, which may include; <ul style="list-style-type: none"> <li>• Signed joint marketing agreements and/or</li> <li>• Signed service level agreement and/or</li> <li>• Bid communique confirming that the bids have been secured (emails, signed letter or venue confirmation) and/or</li> <li>• Signed events marketing agreements</li> </ul>
Method of calculation	The total economic value will be calculated by the addition of the economic value of the initiatives supported.
Data limitations	No control over data provided by third parties or the timing of the submission thereof.
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Chief Marketing Officer

## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the of region and drive conversion.

### Annual programme performance indicators (output indicators)

Performance indicator	6.1.1 Number of tourism destination marketing initiatives supported
Short definition	To measure the number of tourism destination marketing initiatives supported.
Purpose/importance	To drive geographic spread, improve seasonality, job creation and the stimulation of economic growth.
Source/data collection	1. Signed progress report for the initiatives supported and estimated economic value of initiatives supported, and 2. Evidence substantiating the initiatives supported.
Method of calculation	The number of tourism destination marketing initiatives supported will be calculated to determine the total.
Data limitations	Dependency on partnerships
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated
Indicator responsibility	Chief Marketing Officer

## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the of region and drive conversion.

### Annual programme performance indicators (output indicators)

Performance indicator	6.1.2 Number of joint marketing agreements (JMA) secured
Short definition	Collaborating with various stakeholders (including tour operators, media or airlines) to market Cape Town and the Western Cape.
Purpose/importance	To minimise the cost of marketing and allow Wesgro to gain maximum access to potential clients.
Source/data collection	Copy of signed JMA between the Agency and the stakeholder.
Method of calculation	The number of JMA's will be added to get the total.
Data limitations	Dependency on partnerships
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Achieve targets as indicated
Indicator responsibility	Chief Marketing Officer

## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the of region and drive conversion.

### Annual programme performance indicators (output indicators)

Performance indicator	6.1.3 Number of bids secured
Short definition	Number of bids secured by the Agency from businesses or organisations or association bodies to host meetings, incentive, conference/conference or exhibitions in the destination.
Purpose/importance	To attract international and domestic business tourism delegates who contribute towards the economic impact and the profiling of the destination.
Source/data collection	Copy of signed letter from the organisation or business or an email confirming the decision and first two pages of the bid book or presentation.
Method of calculation	The number of conference bids secured will be added to calculate the total.
Data limitations	Dependency on partnerships
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Achieve targets as indicated
Indicator responsibility	Head: Convention Bureau

## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the of region and drive conversion.

### Annual programme performance indicators (output indicators)

Performance indicator	6.1.4 Economic impact of bids secured
Short definition	Estimated economic impact of the bids secured by the Conventions Bureau to host their meeting, incentive, congress/conference or exhibition in the destination.
Purpose/importance	To measure the economic impact of the bids secured and the profiling of the destination by international and domestic business tourism delegates.
Source/data collection	Economic impact report signed by the Head: Convention Bureau and approved by the Chief Marketing Officer.
Method of calculation	The economic impact is calculated by the addition of the value of number of bids secured.
Data limitations	No control over the data provided by the event owner or association bodies and lack of accurate data.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Achieve targets as indicated
Indicator responsibility	Head: Convention Bureau

## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the region and drive conversion.

### Annual programme performance indicators (output indicators)

Performance indicator	6.1.5 Number of leisure events supported
Short definition	Supporting leisure events aimed at increasing awareness of the destination and increases the number of visitor arrivals to the destination.
Purpose/importance	To drive geographic spread and reduce the impact of seasonality.
Source/data collection	A copy of the signed Events Marketing Agreement (EMA).
Method of calculation	The number of events supported is added to calculate the total.
Data limitations	Lack of funding to support events.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Achieve targets as indicated
Indicator responsibility	Chief Marketing Officer



## Programme 6: Destination Marketing

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** Enhance the attractiveness and awareness of the of region and drive conversion.

### Annual programme performance indicators (output indicators)

Performance indicator	6.1.6 Rand value of AVE generated
Short definition	The branding value is the publicity in media measured through the AVE.
Purpose/importance	To build the prominence of the Agency and the destination in international and domestic markets.
Source/data collection	A media monitoring report signed by the Chief Marketing Officer
Method of calculation	The Rand value of AVE generated through various marketing and promotion activities will be calculated to determine the total.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Achieve targets as indicated
Indicator responsibility	Chief Marketing Officer

## Programme 7: Film and Media Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To firmly establish a globally competitive film sector by 2020.

### Strategic objective indicators (outcome indicators)

Strategic objective indicator	7.1 Rand value of film and media productions brought into the province
Short definition	The Rand value of committed film and media productions for the financial year.
Purpose/importance	The Rand value of committed projects is a good indicator of the impact of committed investment projects facilitated by Wesgro into the Western Cape; contributing to economic growth.
Source/data collection	Signed investor declaration.
Method of calculation	The committed investment figures are derived from all the investor declarations for the financial year and are added together to give the overall total.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Film and Media Promotion

## Programme 7: Film and Media Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To firmly establish a globally competitive film sector by 2020.

### Strategic objective indicators (outcome indicators)

Strategic objective indicator	7.2 Number of jobs facilitated through the productions brought to the province
Short definition	Number of FTE jobs facilitated via the committed investment projects for the financial year.
Purpose/importance	Employment is a good indicator to review the impact of a committed investment on the economy of the Western Cape.
Source/data collection	Signed investor declaration
Method of calculation	The number of FTE jobs indicated in the investor declarations is calculated to determine the total.
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Film and Media Promotion

## Programme 7: Film and Media Promotion

**Strategic outcome oriented goal:** The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape Province.

**Strategic objective:** To firmly establish a globally competitive film sector by 2020.

### Annual programme performance indicators (output indicators)

Performance indicator	7.1.1 Number of film and media productions brought into the province
Short definition	Refers to the number of confirmed direct international investment in film and media production by a company, as opposed to investments in shares. The point of realisation is the point of first flow of funds and/or the point at which physical activity on the production begins.
Purpose/importance	For a host country or the firm which receives the investment, it can provide a source of new technologies, capital, processes, products, organisational technologies and management skills, and thereby it can provide a strong impetus to economic development. The transfer of skills, and for co-production or local production the ownership of Intellectual Property can give a long tail return on investment for the creative firms working regionally.
Source/data collection	Signed investor declaration
Method of calculation	The number of signed investor declarations is calculated to determine the number of projects realised.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To achieve the target as indicated.
Indicator responsibility	Head: Film and Media Promotion







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