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Report of the Standing Committee on Agriculture, Economic Development and Tourism on the 2024/25 Annual Reports of the Department of Economic Development and Tourism; Western Cape Destination Marketing, Investment and Trade Promotion Agency; Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd; and Atlantis Special Economic Zone, for the year ended 31 March 2025

The Standing Committee on Agriculture, Economic Development and Tourism, having deliberated on the Annual Reports of the Department of Economic Development and Tourism and its Entities, for the year ended 31 March 2025, referred to it, reports as follows:

1. Introduction

Section 113(3)(b) of the Constitution requires that “Members of the Executive Council of a province must provide the legislature with full and regular reports concerning matters under their control.” Section 65 of the Public Finance Management Act, 1999 (Act 1 of 1999) requires the Minister of each department and public entity to table an annual report in the legislature within six months of the end of each financial year.

As part of its oversight function, the Standing Committee on Agriculture, Economic Development and Tourism (the Committee) deliberated on the Annual Reports of the Department of Economic Development and Tourism (the Department) and its Entities, Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro); Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd trading as Freeport Saldanha Industrial Development Zone (FSIDZ); and Atlantis Special Economic Zone (ASEZ), on 27 October 2025.

Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their Strategic Plans and Annual Performance Plans.

The Annual Report Programme for the 2024/25 financial year was advertised in various newspapers, inviting stakeholders and members of the public to participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management of the respective Annual Reports.

2. Department of Economic Development and Tourism

2.1 Overview

The Department reported that the 2024/25 financial year was one of transition and renewal, marked by the appointment of a new administration, a new Minister, a new Head of Department, and the continued rollout of the Growth for Jobs (G4J) Strategy.

Despite fiscal constraints and capacity challenges, the Department achieved a clean audit for the fourth consecutive year and attained 94% of its annual performance targets, with minor variances attributed to technical adjustments rather than non-performance. The Department's strategic priorities included promoting economic growth, job creation, energy resilience, trade facilitation, and tourism recovery.

2.2 Key issues discussed

2.2.1 The Department reported a vacancy rate of approximately 38% at the start of the 2024/25 financial year, primarily due to fiscal constraints. The Department indicated that targeted recruitment efforts and ministerial approvals had resulted in a reduction of the vacancy rate to approximately 20%, with five senior management positions successfully filled during the reporting period.

Members expressed concern about the continued impact of staff turnover, limited promotional opportunities, and succession planning gaps on institutional stability and service delivery. The Department confirmed that exit interviews were routinely conducted to identify underlying causes of staff resignations and that a staff development initiative had been introduced to strengthen succession planning and career progression pathways.

The philosophy of impact-driven hiring was reiterated, with an explanation that new appointments would only be made where positions directly contributed to improving the lives of the poor and unemployed. It was further noted that staff retention challenges were a global phenomenon but that the Department remained committed to building a capable, efficient, and purpose-driven public administration.

The Committee acknowledged the Department's progress in reducing vacancy levels but emphasised the importance of maintaining organisational capacity to deliver on key priorities such as visa reform, skills development, renewable energy expansion, and the extension of economic programmes to rural areas.

2.2.2 The Department continued in its efforts to improve visa facilitation processes to enhance tourism, investment, and business travel. A comprehensive benchmarking study was commissioned to identify systemic challenges within South Africa's visa regime and its impact on inward travel and economic growth. The findings were presented to the Provincial Cabinet and subsequently shared with the national Minister of Home Affairs, Dr Leon Schreiber. The Department indicated that several of the study's recommendations were being considered at national level to address structural barriers and modernise the visa system.

A key milestone during the year under review was the implementation of the Trusted Tour Operator Scheme, introduced in January 2025, in collaboration with the Department of Home Affairs. This initiative allowed approved tour operators to issue digital group visas for visitors from key markets such as India and China, simplifying travel procedures and supporting the recovery of the tourism sector. To date, 65 tour operators have been accredited under the scheme, facilitating the entry of more than 11 000 tourists from these markets, particularly during the off-peak tourism season. The Department reported that this initiative has significantly enhanced conference tourism and regional visitor inflows.

In addition, the Department deployed interns to assist with passenger facilitation at airports and continued collaboration with national authorities on the introduction of electronic gates to improve traveller processing and border efficiency. These interventions formed part of the Department's broader commitment to reducing red tape and enhancing the province's global competitiveness.

The Committee expressed concern about the impact of visa delays on tourism and investment growth but commended the Department for its proactive, evidence-based advocacy and for leading practical reforms through the Trusted Tour Operator Scheme. Members encouraged the Department to expand similar facilitation mechanisms to additional high-potential markets and to monitor the long-term impact of these initiatives on tourism recovery, foreign investment, and the Western Cape's international competitiveness.

2.2.3 During the year under review, more than 11 700 jobs were created through strategic collaborations in the green, digital, and manufacturing sectors. The Department reported an 80% transition rate from internships to full-time employment, supported by significant private-sector investment in accredited training programmes.

Companies partnering with the Department contributed up to R60 000 per learner for specialised skills training and as much as R250 000 per learner for artisanal programmes. These investments reflected a strong private-sector commitment to sustainable employment outcomes, as companies had a vested interest in retaining the skilled employees they trained.

The Department highlighted that this demand-driven approach ensured that training programmes were aligned with the labour market's evolving needs.

In the Business Process Outsourcing sector, approximately 202 500 jobs were reported, contributing an estimated R350 000 per job in foreign revenue and about R2,5 billion to the provincial Gross Domestic Product. The Committee noted ongoing collaboration with companies in the technology, data science, and software development sectors to strengthen the skills pipeline and reduce reduction rates in these high-demand fields.

However, the Department acknowledged persistent challenges, including a shortage of qualified artisans, an aging artisanal workforce (with an average age above 50), and the high cost of training. These factors were identified as potential risks to industrial growth and infrastructure development. The Department has prioritised artisanal and technical training programmes as part of its long-term strategy to enhance youth employability and industrial resilience.

The Committee commended the Department for its strong partnerships with the private sector and its focus on demand-led, sustainable job creation. Members welcomed the high internship-to-employment transition rate and encouraged the continued expansion of artisanal, digital, and technology-related training programmes.

The Committee also expressed concern about the aging artisanal workforce and urged the Department to strengthen its skills pipeline, expand youth-focused training, and further leverage private-sector investment to enhance skills retention and productivity across the provincial economy.

2.2.4 The Energy Resilience and the Just Energy Transition (JET) was a collaborative initiative supported by international partners including the European Union, the United States, and the United Kingdom, representing an investment package of approximately USD 8,5 billion.

The Western Cape Government established an Energy Council and developed a Provincial Energy Plan aligned with the JET framework. The Plan seeked to strengthen the province's energy security, reduce reliance on Eskom, and expand renewable generation capacity.

As part of its energy resilience programme, Riversdale in the Garden Route was identified as the first town to be free from load shedding, with a second town under consideration. The Department clarified that energy independence does not imply complete separation from Eskom but rather a stable, self-sufficient power supply during national outages.

The Committee also noted the use of solar-powered desalination plants, co-funded by French partners, as examples of renewable energy being applied to local infrastructure projects. The Department reaffirmed that energy resilience remained a key pillar of the G4J Strategy, recognising that sustainable economic growth is dependent on reliable energy provision.

The Committee commended the Department for its proactive efforts in developing the Provincial Energy Plan and establishing international partnerships. Members emphasised the importance of ensuring that renewable energy investments benefit rural communities and areas with limited grid access.

Concerns were raised regarding transmission infrastructure constraints, which could hinder the pace of renewable integration. The Committee encouraged greater collaboration with the private sector to accelerate grid expansion, improve energy storage capacity, and enhance local manufacturing within the green economy. The Committee further stressed the need for regular reporting on project implementation, funding utilisation, and measurable outcomes linked to the G4J Strategy to ensure accountability and long-term energy security across the province.

2.2.5 In terms of export promotion related to Small, Medium, and Micro Enterprises (SMMEs) Development, the Department highlighted its initiatives to strengthen export capacity, promote inclusive entrepreneurship, and enhance market access, particularly for those operating in rural and township economies. These initiatives formed part of the Department's broader objective to stimulate economic participation and support enterprise growth through targeted funding and capacity-building programmes.

The Department reported that 97 businesses were supported during the year under review. Of these, 61 enterprises successfully pitched to funders, resulting in R25 million in approved funding. A further seven businesses advanced to the accelerator phase, collectively creating jobs and raising an additional R40 million in investment. The Programme placed a strong emphasis on women-owned, youth-led, and rural-based enterprises, linking high-potential companies with investors and development partners.

The Department also highlighted the success of the SMME Booster Fund, which provided financial and technical support to township-based enterprises through partnerships with intermediary organisations. Approximately 80% of supported businesses were black-owned, and 44% were women-owned, reflecting the Department's commitment to equitable and broad-based economic empowerment.

In response to queries from Members, the Department confirmed that selection criteria and monitoring processes were clearly defined and that regular site visits and monthly engagements were conducted with intermediary organisations to ensure compliance and evaluate impact. The Committee welcomed these measures but emphasised the need for continuous tracking of long-term outcomes, particularly in relation to job creation, business sustainability, and market expansion.

The Committee commended the Department for its efforts to promote entrepreneurship, investment readiness, and export growth, noting that such initiatives played a vital role in supporting inclusive economic development and enhancing the province's competitiveness in domestic and international markets.

3. Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO)

3.1 Overview

Wesgro, the official tourism, trade, and investment promotion agency for the Western Cape, presented its 2024/25 Annual Report outlining strong performance and sound governance. The agency achieved a clean audit for the second consecutive year, reflecting robust internal controls and effective financial management.

Wesgro operated in a dynamic global trade environment characterised by shifting economic alliances, ongoing geopolitical tensions in Europe and the Middle East, and evolving international policy frameworks. Despite these uncertainties, the agency reported growing investor and visitor confidence in the Western Cape, supported by a stable governance environment, clear economic leadership, and strong public-private collaboration.

The agency's achievements during the year under review included the facilitation of R14,6 billion in new investments, R5,38 billion in trade declarations, and the execution of 45 international trade missions. Over 1 500 active exporters were registered on the Cape Trade Portal, while 36 business event bids were secured, with a projected economic impact of R745,1 million.

In addition, the agency reported R390 million in private-sector funding and R46,5 million in Corporate Social Investment (CSI) commitments through the EduInvest initiative, which supported the construction of four new schools.

Wesgro also facilitated 86 cruise ship calls, generating an estimated R1,32 billion in economic impact, and successfully supported the expansion of international air connectivity through Cape Town Air Access, adding one new airline, four new international routes, and ten route expansions.

The Committee commended Wesgro for its continued role in promoting the Western Cape as a leading destination for investment, trade, and tourism.

3.2 Key issues discussed

3.2.1 EduInvest was described as a private-sector investment vehicle in education, enabling the replication of catalytic delivery models that support inclusive economic growth and align with Wesgro's broader mandate to enhance provincial competitiveness. By leveraging business partnerships, the initiative has helped to reduce infrastructure backlogs, stimulate local construction and employment, and improve educational outcomes in under-served communities.

During the year under review, four new schools were built through the EduInvest partnership model, attracting approximately R390 million in private investment and securing an additional R46,5 million in CSI commitments from participating companies. The schools developed under this initiative included Spark Primary (Blue Downs), Crystal House (Paarl), and Epics School (Kayamandi, Stellenbosch), each designed to serve areas of high learner demand and promote access to quality, affordable education.

The Committee commended Wesgro for the tangible impact achieved through the EduInvest initiative and noted its value as a model for future private-sector collaboration in public service delivery.

3.2.2 The Committee raised questions regarding Wesgro's support for rural exporters, particularly those located in regions such as the Central Karoo, where limited infrastructure, connectivity, and market access continue to hinder participation in international trade. The Committee emphasised the importance of ensuring that the province's trade promotion efforts and export development programmes are inclusive and accessible to businesses across all districts.

Wesgro outlined its continued efforts to broaden export participation through the Cape Trade Portal, a digital platform that connected Western Cape exporters to global buyers, facilitated product showcasing, and simplified trade promotion processes. The agency reported that more than 1 500 exporters were currently registered on the platform, including an increasing number of small and emerging enterprises from rural districts.

To strengthen inclusion beyond digital engagement, Wesgro implemented district outreach campaigns in collaboration with the Department and local municipalities. These initiatives focused on training and mentorship in export readiness, compliance, logistics, and digital marketing, thereby equipping rural entrepreneurs with the skills and tools necessary to compete internationally.

Wesgro further confirmed its plans to enhance digital accessibility by improving user experience on the Cape Trade Portal and by expanding its regional outreach programmes to under-served areas. The agency reaffirmed its commitment to ensuring that export growth was inclusive, contributing to both provincial competitiveness and the economic empowerment of rural communities.

The Committee commended Wesgro for its proactive approach and encouraged the agency to continue strengthening partnerships with district chambers of commerce, business support organisations, and development agencies to deepen the impact of export facilitation across all regions of the Western Cape.

4. Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd Trading as Freeport Saldanha Industrial Development Zone (FSIDZ)

4.1 Overview

The FSIDZ continued to position itself as a strategic industrial and logistics hub for the region, with a focus on maritime services, energy production, oil and gas, and offshore manufacturing. During the year under review, FSIDZ reported an improvement in financial and operational governance, including the stabilisation of management structures and stronger performance oversight.

Investment promotion activities were intensified, with a growing pipeline of investors in energy, logistics, and marine-related industries. FSIDZ's rebranding and targeted marketing campaigns contributed to renewed investor confidence. Freeport Saldanha also continued to collaborate closely with the Department, Transnet, and Eskom to support the development of enabling infrastructure and grid capacity in the Saldanha Bay region, aligning with the province's Just Energy Transition objectives.

The entity highlighted ongoing efforts to attract both local and international investors to projects focusing on green hydrogen, renewable energy, and industrial diversification, positioning the zone as a catalyst for sustainable regional development and job creation.

FSIDZ achieved a clean audit for the year under review. Four of five previously vacant factories had been successfully leased. Several high-impact projects, particularly in the green hydrogen and steel manufacturing sectors, were in advanced feasibility or early implementation stages, with construction expected to commence within the next six to 12 months. FSIDZ also confirmed the establishment of new governance structures, including the reconstitution of its Board and Audit Committee, aimed at improving oversight and investor confidence.

4.2 Key issue discussed

The Committee noted the significant progress made in stabilising governance and improving operational performance through the implementation of a structured Recovery Plan. The Committee acknowledged FSIDZ's growing contribution to the Western Cape's industrial and energy development agenda, noting its strategic role in advancing the province's Just Energy Transition objectives.

However, Members expressed concern regarding delays in securing port access and the slow pace of engagement with the Transnet National Ports Authority, which continued to constrain project implementation and investor commitments. The Minister confirmed that the matter had been escalated to Transnet's national leadership and that ongoing advocacy efforts were underway to unlock the required infrastructure access and operational approvals.

The Committee also raised questions about investment traction, governance reforms, and infrastructure readiness, urging FSIDZ to accelerate collaboration with the Department, Transnet, and Eskom to ensure the SEZ's long-term sustainability. The entity assured Members that corrective measures, enhanced oversight mechanisms, and a strengthened investment facilitation framework had been implemented to address these challenges.

The Committee encouraged FSIDZ to ensure that the economic benefits of its projects extend to surrounding communities through skills development programmes, local procurement, and employment opportunities, particularly in alignment with the province's Growth for Jobs (G4J) Strategy. Members requested regular updates on the SEZ's investment pipeline, public–private partnerships, and progress in advancing the province's renewable energy goals.

5. Atlantis Special Economic Zone (ASEZ)

5.1 Overview

The purpose of the ASEZ was to establish a sustainable Greentech Special Economic Zone that fostered a supportive business environment for the green economy, promoted integrated economic growth, and generated employment opportunities. The entity was partially owned by the City of Cape Town and the Department of Economic Development and Tourism. It leveraged relationships with external academic institutions and international communities to fulfill its mandate effectively.

The ASEZ showed continued success in attracting renewable energy and component manufacturing investors, with notable growth in private-sector participation. The entity achieved a clean audit, underscoring sound governance and effective financial management practices.

Key achievements included increased investor commitments within the renewable energy, waste management, and green technology sectors. The ASEZ secured additional funding from the Department of Trade, Industry and Competition amounting to R400 million for infrastructure development and was pursuing further support through the Budget Facility for Infrastructure and partnerships with Infrastructure South Africa.

5.2 Key issues discussed

5.2.1 The Committee raised concerns regarding funding limitations, delays in top-structure development, infrastructure readiness, and high rates and taxes imposed by the City of Cape Town. These factors were identified as potential barriers to scaling investment activity and improving the Zone's financial sustainability. The Committee emphasised the importance of diversifying funding sources through the Budget Facility for Infrastructure (BFI) and private-sector partnerships, as well as exploring incentives to attract and retain investors.

Approximately 90% of the ASEZ's developed land parcels had been allocated to investors, with 94 hectares still available for future development. However, limited funding for top-structure development and delayed environmental approvals had affected timelines for investor occupation. Engagements with potential tenants and public infrastructure partners were ongoing to mitigate these challenges.

5.2.2 The Committee noted that the ASEZ was actively engaging with the BFI as part of its strategy to unlock alternative infrastructure funding. The ASEZ applied to Infrastructure South Africa to be included in the Infrastructure Fund pipeline, aiming to receive project preparation support and assistance in packaging bankable projects.

The BFI engagement was intended to diversify funding sources beyond the government budget for top structures and civil infrastructure in zones 2 and 3; attract private-sector investment by making projects investment-ready; and accelerate infrastructure delivery, supporting the transition from planning to operational phases.

5.2.3 The Committee acknowledged challenges affecting ASEZ’s financial sustainability, including delays in tenant lease agreements, slow infrastructure rollout, and reliance on government funding. The Committee also noted ongoing efforts to engage Infrastructure South Africa and private developers, with optimism that BFI support will unlock additional capital for development.

6. Resolutions/Actions

6.1. The Committee RESOLVED that it would undertake a follow-up oversight visit to:

6.1.1 Atlantis Special Economic Zone to track progress on infrastructure development and tenant uptake; and

6.1.2 Freeport Saldanha Industrial Development Zone to assess investment traction and governance improvements.

6.2 The Committee REQUESTED that WESGRO provides it with a detailed report on the four schools built under the EduInvest initiative, with specific reference to the scope and objectives of each project; the impact of the projects on the respective communities; and the materials and infrastructure used in the construction of the schools.

7. Conclusion

The Committee recognised the challenges experienced during the year and congratulated the Department and its entities on sterling work under difficult circumstances. The Committee was satisfied that the predetermined objectives for the 2024/25 financial year were adequately achieved and that they were accurately reported.

Furthermore, The Committee extended its congratulations to the Department of Economic and its Entities on the preparation and presentation of their respective Annual Reports. The Committee commended the high standard of reporting, the clarity of performance information, and the evident commitment to transparency and good governance reflected in the documents. Members acknowledged the consistent efforts in driving economic growth, investment promotion, and tourism development within the Western Cape.

While acknowledging progress, the Committee emphasised the need for continued focus on delivery, accountability, and inclusive growth.

MR NP MASIPA, MPP

CHAIRPERSON: STANDING COMMITTEE ON AGRICULTURE, ECONOMIC DEVELOPMENT AND TOURISM

DATE: 12 November 2025