VAAL ECONOMIC CONDITIONS AND MARITIME OPPORTUNITIES

Research 2013
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SECTION 1: INTRODUCTION OF THE PROJECT

1.1 BACKGROUND

The Vaal Triangle economy has always been viewed as one integrated economy, although the area is administrated by two different municipalities (Emfuleni and Metsimaholo local municipalities) and falls within the jurisdiction of two provincial governments (Gauteng and the Free State). Research conducted in the area as well as an Input-Output analysis of the Vaal Triangle confirms this integration. The well developed road and communication network in the area makes the Vaal River only an administrative boundary and not an economic boundary. People residing in the Emfuleni area are working and shopping in the Metsimaholo area and vice versa. The same applies to businesses and firms, supplying inputs to or buying outputs from other firms on the other side of the Vaal River, without giving preference to firms within their own municipality. Although the Vaal River forms the administrative boundary between the Emfuleni and Metsimaholo local municipalities, it is economically not viewed as a boundary, but rather as a mutual resource with a vast economic potential for the Vaal Triangle – flowing through the area.

It is thus more accurate to refer to the area as the Vaal Triangle or the Vaal Area. The dams, rivers in the area can also not be seen as a resource belonging to a specific area but resources shared by all in the region.

The high levels of unemployment and poverty in the Vaal Triangle, combined with the decline of the manufacturing sector in the Vaal Triangle which resulted in large scale job losses over the years, led to a search for a Local Economic Development (LED) strategy or initiatives that would enhance employment creation, income generation and poverty alleviation. By means of an Input-Output analysis of the Vaal economy it was determined that the Tourist & Entertainment sector, built around the waterways, could have a great potential for economic regeneration in the area. This sector has the highest employment and income multipliers of all the sectors in the Vaal economy, and could well be harnessed for job creation, income generation and poverty alleviation.

For Economic Development in Gauteng and the Vaal Area to succeed and to contribute significantly to sustainable economic growth and employment creation, substantial changes are required in the way that National, Provincial, District and Local strategies are aligned and implemented.
In this regard the Vaal River, Vaal Dam and waterways provides ample opportunities for Local Authorities, Entrepreneurs and Institutions etc. to engage in activities/projects that will ensure sustainable economic growth, provide employment opportunities, and lead to the incubation of new businesses in this field.

Whereas opportunities exist and progress was made since 2002, it is evident that Initiatives and Tourism strategies and the implementation thereof still need to mature to a level where they are able to make a significant contribution to economic growth, employment creation, SMME development and community development in general.

The Vaal Economic Advisory Services (VEAS) concurs with statements by the Sedibeng District Municipality that the opportunities offered by Tourism within the district form a strong base for the development of the local economy, and that Tourism should be integrated in development planning. This includes the development of the potential of the Vaal River and waterways in general, including a pool of skilled workers in this field. If implemented in an efficient way it will form a strong base for the development of the regional economy, and that the Vaal River, Vaal Dam and Rivers and should be explored further. It is also important that these initiatives be integrated in economic development planning of Local Authorities etc.

It is also the viewpoint of the VEAS that opportunities exist with regard to the Vaal River, Vaal Dam, other Dams and Waterways in the area that may benefit the poorer part of the population, and may have the potential to benefit all income levels and communities in the Area, directly or indirectly.

With this in mind the outcomes of this document are to:

Investigate the status, prospects and economic opportunities of the Vaal Triangle with focus on but not limited to:

- The historical trajectory of the economic development of the Vaal Area;
- The contribution to the Gross Provincial Product (GPP);
- Key economic drivers and challenges of SME’S;
- The number and use of waterways in the area;
• Profile of ownership of the land around the banks of the waterways in the area and public awareness;
• Develop an understanding of the tourism sector in the area; and to
• Give a situational analysis of the state of tourism, visitor demand, natural assets, tourism activities, attractions, accommodation, product support infrastructure etc in the area.

1.2 PROJECT BRIEF

The VEAS was appointed by the Vaal University of Technology (VUT) to undertake a Demographic and Economic Analysis of the Vaal Triangle.

The aim of the project was:

• To do a Demographic and Economic situational analysis of the area;
• To give an overview of the contribution of the area towards the Gross Provincial Product (GPP);
• To give an overview of Tourism in the area;
• To give an overview of existing projects that may benefit tourism and SMME’S in terms of opportunities etc. and
• To give an overview of all existing projects etc. with regard to waterways in the area.

However, the Demographic and Economic situation analysis will form the key deliverable of this project.

1.3 TERMS OF REFERENCE

The aim of the project is to:

Investigate the status, prospects and economic opportunities of the Vaal Triangle with focus on but not limited to:

• The historical trajectory of the economic development of the Vaal Area;
• The contribution to the Gross Provincial Product (GPP);
• Key Economic drivers and challenges of SMME’S;
• The number and use of water ways in the area;
• Profile of ownership of the land around the banks of the waterways in the area and public awareness;
• Develop an understanding of the tourism sector in the area; and
• Give a situational analysis of the state of tourism, visitor demand, natural assets, tourism activities, attractions, accommodation, product support infrastructure etc in the area;

1.4 STUDY AREA

The Emfuleni Local Municipality is one of the three local municipalities that constitute the Sedibeng District Municipality. The Vaal River forms the southern boundary of the Emfuleni Local Municipality and its strategic location affords it many opportunities together with the Vaal Dam and waterways in the area in terms of SMME development, business opportunities, employment opportunities and business activities in general.

Emfuleni shares boundaries with Metsimaholo Local Municipality in the Free State to the south, Midvaal Local Municipality to the East, the City of Johannesburg Metropolitan area to the north and Westonaria and Potchefstroom Local Municipalities to the west. Emfuleni Local Municipality has two main city/town centers, namely Vereeniging and Vanderbijlpark. It forms the “heartland” of what was formerly known as the Vaal Triangle, renowned for its contribution to the iron and steel industry in South Africa.

Emfuleni also contains approximately six large peri-urban townships, namely Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso. The other ten small settlements in Emfuleni tend to be suburban settlements within six kilometers of the above towns. They are Bonanne, Steel Park, Duncanville, Unitas Park, Arcon Park, Sonland Park, Waldrift, Rust Ter Vaal, Roshnee and Debonairpark.

During the 1990s, population growth was unusually rapid in the area. For example, while the national population growth rate during the 1990s was 2.2% per annum, Emfuleni’s growth rate was about 2.85% during this time. It is estimated that the current growth rate is in the vicinity of 1.95%, about the same as the national growth rate. Map 1 gives a visual presentation of the Vaal Triangle.

As can be seen from map 1.1 the Vaal Triangle Area is primarily formed by Sasolburg, Vanderbijlpark
Clusters of prominent urban development in the Vaal Triangle Area are indicated in Table 1.1. It is important to realize that the Metsimaholo Municipality and Emfuleni Municipality, normally referred to as Vaal Triangle, and other parts of Sedibeng like Midvaal (Meyerton) form an integrated economy.
Boipatong                Sasolburg (Vaal River)
Boitumelo                Sebokeng
Bophelong                Sharpeville (Sharpeville Dam)
Deneysville (Vaal Dam)   Tshepiso
Evaton                   Vaal Oewer (Vaal River)
Loch Vaal and North Vaal rural areas Vanderbijlpark and suburbs (Vaal River)
(Vaal River)             Vereeniging and suburbs (Vaal River)
Refenkgotso             Zamdela

Source: Slabbert & Dorfling, 2001

It is also important to distinguish between what is referred to as the Sedibeng Area and the Vaal Triangle Area. The Vaal Triangle as stated refers thus to Metsimaholo Municipality (Sasolburg area) and the Emfuleni Municipality (Vereeniging and Vanderbijlpark). The Sedibeng District Municipality includes the towns of Vereeniging, Vanderbijlpark, Meyerton and Heidelberg as well as the historic townships of Evaton, Sebokeng, Bophelong, Sharpeville, and Ratanda (Map 1.2).
The Vaal Triangle area (Emfuleni Municipality and Metsimaholo Municipality) urban and economic development manifested geographically in a dualistic manner, as a result of past (apartheid) policies. The spatial economy is characterized by areas of economic activities closely surrounded by medium- to high-income areas, each with comparatively adequate urban facilities and economic centers. Low-income areas are located on the urban boundaries and in some cases isolated in rural areas where limited or no economic development exists.

The low-income areas are economically almost totally dependent on the economic activities in the medium- and high-income areas. It is not only the workplaces that are located in the high- and medium-income areas, but also the trade centers.

Between 80 and 90 percent of groceries and clothing are bought in the middle- and high-income areas. This results in a high frequency of commuting between the low-income areas and the high-income areas. People commute daily between the different centers for work and trade. A well developed road and transport system therefore exists in the Vaal Triangle, linking the areas of...
economic activity with its sources of labour, inputs and markets. In Section 2 an overview of Sedibeng Economy (with special emphasis on the Emfuleni economy) and the Metsimaholo economy takes place.

### 1.5 THE APPROACH

The approach of the VEAS is to analyze the current demographic and economic profile of the Vaal Area. The aim of this is to highlight the potential with regard to Tourism Entrepreneurship. In this regard the potential of the Vaal River and waterways in general will be highlighted.

The approach is also to show how existing planning link with regard to waterways and tourism in general with a broader set of strategies that are laid down in the Integrated Development Plan (IDP) of Local Authorities in the area.

### 1.6 METHODOLOGY AND STRUCTURE OF THE REPORT

The methodology for this study includes:

- Surveys by VEAS (2003 TO 2011);
- Tourism surveys by Slabbert and Grobler (2009 and 2010);
- Community surveys by Slabbert from 2003 to 2011;
- Surveys by Grobler in 2010 to 2012;
- A study of relevant projects by the Sedibeng and Emfuleni Local Authority (2013).

This report consists of four sections. The first section is an introductory section that outlines the background, terms of reference and a description of the methodology that was used.

The second section deals with the Demographic and Economic profile of the area. In this part, an overview of the historical development of the area, demographic profile, employment and unemployment, poverty, structural composition of the Economy (2011), sub-regional contribution towards Gauteng Economy and the key sectors contributing towards the economy of the area is given.
The third section analyzes the contribution of tourism (including water tourism). This includes trends in tourism, tourism from Africa and International to the Vaal Area, Segmentation of Tourism in the Vaal, Leisure Tourism, Domestic Tourism to the Vaal, Tourism and Waterways, Vaal Strategies to Promote Tourism and Proposed Strategies to use Waterways as vehicle towards Tourism Growth.

The fourth section gives a description of the status quo of existing projects in Emfuleni that may have a positive impact on tourism in the area, directly or indirectly. Challenges of Entrepreneurs in the area with regard to Tourism Entrepreneurship will also be highlighted. Finally an overview of existing projects and ownership of properties along the Vaal River and Dams will be given.
SECTION 2: DEMOGRAPHIC AND ECONOMIC ANALYSES OF THE VAAL AREA

2.1 INTRODUCTION

The high levels of unemployment and poverty in the Vaal Triangle, combined with the decline of the manufacturing sector in the Vaal Triangle which resulted in large scale job losses over the years, led to a search for a Local Economic Development (LED) strategy that would enhance employment creation, income generation and poverty alleviation. By means of an Input-Output analysis of the Vaal economy it was determined that the Tourist & Entertainment sector, built around the Vaal River, could have a great potential for economic regeneration in the area. This sector has the highest employment and income multipliers of all the sectors in the Vaal economy, and could well be harnessed for job creation, income generation and poverty alleviation. To fully understand the challenges and opportunities in the area it is necessary to analyze the Demographic and Economic profile of the area.

This is done by looking at the historical development in the area, demographic profile, employment, unemployment, household income, expenditure patterns, poverty, sectoral contributions in the economy, contribution of the Vaal economy towards Gauteng economy and key sectors that may contribute significantly towards poverty alleviation.

2.2 HISTORICAL DEVELOPMENT OF THE AREA

Unlike the towns of the Witwatersrand, which owe their development to the discovery of gold, the towns that now form the Vaal Triangle owe their establishment to the discovery of coal deposits in the region.

In 1878, George William Stow discovered deposits of coal, extending 100 kilometers north of Vereeniging and 32 kilometers south, across the Vaal River, totaling an area of approximately 500 square kilometers. On request of Stow, a company known as 'De Zuid Afrikaansche en Oranje Vrijstaatsche Kolen en Mineralen Mijn Vereeniging' was established, which started to operate coal mines in the area. By 1882 there was a large enough population and sufficient development in the area of the coal mines to justify the establishment of a town. The town Vereeniging (after the last word in the company's title) was established in 1889.
The discovery of gold in the Witwatersrand and the accompanied increase in mining and commercial activities, as well as the increase in population, resulted in an increased demand for coal and steel. This placed a greater significance on the coal mines at Vereeniging. The first African steel industry to melt scrap metals, called Union Steel Corporation of South Africa (USCO), was established by 1911, making Vereeniging South Africa's major centre for steel and engineering industries.

The next major development in the area was experienced during the Second World War. South Africa’s contribution to the Allied Forces resulted in a great demand for flat steel products. This resulted in the establishment of a new iron and steel works (Iscor Flat Steel) 16 kilometers west of Vereeniging, which was completed in 1943. A large number of people were employed, and provision had to be made to house all the people. This led to the development of the town Vanderbijlpark. Full municipal status was granted to Vanderbijlpark in 1952. The extensive coal reserves found in the northern Free State, together with the close proximity to the Vaal River, led to the establishment of the South African Synthetic Oil Limited (SASOL) Company in 1950. The establishment of Sasol led to the proclamation of the town Sasolburg in 1954.

Economic development associated with coal mining and iron and steel industries originally dictated the urban development pattern in the area. The spatial structure is characterized by a complex of small- to medium-sized urban areas surrounded by an agricultural hinterland. These urban areas are linked today by well developed roads and rail infrastructure which are, in turn, interlinked with the national infrastructure such as the N1 and R59 freeways, that provide very good access to the large metropolitan areas such as the Witwatersrand and the East Rand. The rail service provides commuter, freight and long distance passenger services.

2.3 HISTORICAL DEVELOPMENT WITH REGARD TO DAMS AND RIVERS IN THE AREA

In 1903, the Rand Water Board (now Rand Water) came into being. The company was given powers for the exploitation of water, as well as the raising and repayment of loans and the setting of tariffs for the sale of water. In September 1913, the Rand Water Board decided to proceed with a scheme to impound water from the Vaal River, purify it and pump it to Johannesburg.

This became known as the Rand Water Board Supplementary Water Supply Act, 1914. The scheme involved the construction of a Barrage, 1 400 feet in length, at the Lindeque’s Drift site, 25
miles downstream from Vereeniging and provision for a river intake station and a purification and pumping station at Vereeniging.

Surprisingly enough, the first proposals to supply the gold mines with water from the Vaal River had been put forward by the Vereeniging Estates company in the late 1890’s but these plans were shelved when the Anglo-Boer War began.

The first damming of the Vaal River was at Vereeniging in 1905 when a weir - known as Leslie’s weir – was constructed. The weir was only five feet above the normal low water level, but it dammed back the Vaal for a distance of eight miles. Although the water was to be used for irrigation and further development of the plantations and farmlands around Maccauvlei, the weir had a great impact on the future of Vereeniging as the continuous supply of water convinced the Victoria Falls and Transvaal Power Company to erect a power station on the north bank of the Vaal River in 1912 and was probably instrumental in the decisions of the Rand Water Board in proceeding with its Barrage scheme.

The First World War (1914 – 1918) held back the proposals and it was only after the war that the scheme was put into operation. Water consumption was increasing rapidly and by 1920 had reached over 13 million gallons. It was with great pride throughout the whole of South Africa that in July 1923, the Barrage was completed.

During the 1914 – 1918 war, the Vaal River rose to flood level in 1917, flooding the town and causing considerable damage. In October 1918, the world-wide Spanish Influenza epidemic struck Vereeniging. During this time, the water supply to the townspeople from the boreholes (which was still unpurified) was often contaminated with mud from the swollen rivers. Even with the building of the Vereeniging purification and pumping station, it was only in 1927 that the residents of Vereeniging were supplied with purified water from the Vereeniging works.

The Rand Water Board reached the limits of its abstraction rights in the early 1930’s at the same time as the government was planning to build a dam at Christiana to provide water for the Vaalharts irrigation scheme. After much debate, it was decided to build a dam, subsequently named the Vaal Dam, at the confluence of the Wilge and Vaal Rivers about 11 miles upstream of the existing storage area.

The task, which was a joint project between Rand Water and the then Department of Irrigation (now the Department of Water Affairs and Forestry), began in 1934 and was completed in 1937. During the construction of the Vaal Dam, a small village named Deneysville after Deneys Reitz who was the
minister of Water Affairs at the time of the Dam’s construction, was founded. Today it is the centre of activity for the marinas and boating facilities that hug the shores of the Dam.

Further additions to both the Vereeniging and Zuikerbosch works continued as the demand for water escalated. The importance of the Vaal Dam as the central storage reservoir for the Vaal River System Supply area (Gauteng and the surrounding provinces) could never be overemphasized as these areas generated more than 50% of South Africa’s gross geographical product (GGP), and more than 80% of the country’s electricity.

2.4 DEMOGRAPHIC PROFILE

Any change in the economy of a region will have an effect on its population in terms of employment opportunities, income (remuneration), expenditure patterns, the level of poverty and social services.

This chapter gives a general overview of the demographic profile of the area in terms of population size, historic growth figures, dependency ratio, literacy, household ownership, employment profile of the area, income and expenditure patterns, the sources of household income, poverty profiles of the Vaal Triangle and an overview of the structural composition of the Vaal Triangle economy.

2.4.1 POPULATION SIZE

There are various opinions regarding the size of the actual population in the Vaal Triangle. For the purposes of this study, however, the 2007 Community Survey (Stats SA, 2007) and Census 2012, Sedibeng Municipality Integrated Development Plan (Sedibeng Municipality: 2010) and Emfuleni Municipality Integrated Development Plan (Emfuleni Municipality, 2010) will be used to estimate the 2012 population figures for Emfuleni. The population figures for Metsimaholo were estimated for 2010 by using 2007 figures provided by Metsimaholo municipality (2010) and the Community Survey of 2007 (Stats SA, 2007) and Census 2012 figures. The results are shown in Table 2.1.
If Table 2.1 is compared with the figures of the 2001 census, the population of the Emfuleni area increased marginally from 658 422 in 2001 to 679 325 in 2012, which represents an increase of 9.60% from 2001 to 2012. This growth rate in the population corresponds with similar findings in the Integrated Development Plan of Sedibeng (Sedibeng Municipality, 2010:25). In this report it is also indicated that the population growth rate in the Sedibeng area decreased from 0.5% per annum in 2001 to 0.1% in 2010. The population figures for the Metsimaholo area increased from 134 000 in 2001 to 163 500 in 2012.

When looking at the number of households, the number of households increased in the Emfuleni area from 187 043 households in 2001 to 206 918 households in 2012. The number of households in the Metsimaholo area increased from 32 264 households in 2001 to 38 250 households in 2012.

### 2.4.2 HISTORIC GROWTH PATTERNS

In contrast to a high average annual population growth rate for the Emfuleni area before 2001, the Emfuleni area has experienced a rather moderate to low annual population growth rate in the past few years. According to the Integrated Development Plan (IDP) of Sedibeng Municipality (Sedibeng Municipality, 2010:25) the population growth rate in the Sedibeng area, including Emfuleni area, decreased from 0.5% per annum in 2001 to 0.1% in 2010.

The Economic Outlook Report 2010 (Gauteng Provincial Government, 2010) shows that between 2002 and 2009, the Gauteng provincial population growth rate was higher than the national growth rate, at average annual rates of about 2% and 1.2% respectively. For the period 2006 to 2010

<table>
<thead>
<tr>
<th></th>
<th>Emfuleni</th>
<th>Metsimaholo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>721663</td>
<td>163 500</td>
<td>885163</td>
</tr>
<tr>
<td>Households</td>
<td>206 918</td>
<td>38 250</td>
<td>245 168</td>
</tr>
</tbody>
</table>
both population growth rates increased, but at a declining rate, with the provincial growth rate falling by 0.2 percentage points in 2006 to register 1.8% in 2007. The declining population growth rate can be linked to faster growth in death than birth rates in Gauteng and South Africa. In Gauteng Province all municipalities experienced substantial increases in population growth rates with the exception of Sedibeng (Emfuleni area is 80 percent of Sedibeng area) whose population grew by only 1% per annum since 2006 (Gauteng Provincial Government, 2010).

2.4.3 HOUSEHOLD SIZE

Based on data from a household survey towards the end of 1999, the average household size in the Emfuleni area was estimated at 4.60 members. In 2010, this figure decreased to 3.28 members. However, in a recent survey done by Grobler (2011), the average household size in the Bophelong area (a poor area in the Emfuleni area), was 4.30. The total number of households in the Emfuleni area is currently estimated at 206 918.

In 2000 the average household size in Metsimaholo was estimated at 4.33 members per household, and the total number of households at 27 164. In 2010 the average household size in Metsimaholo decreased to 4.27, while the number of households increased to 38 250 households. The total estimated number of households in the Vaal Triangle was 245 168 in 2010.

2.4.4 DEPENDENCY RATIO

Dependency ratios are usually calculated by dividing the total number of non-income earners by the total number of income earners. Based on the household survey, the dependency ratio was determined at 3.41 for the Emfuleni area and 3.09 for the Metsimaholo area (about 3.37 for the Vaal Triangle as a whole), if informal earners are included in the number of income earners. The dependency ratio in the Vaal Triangle was about 2.51 in 1991, then increased to 2.77 in 1994 (Slabbert, 1997) and to 3.37 in 2000 because of the increase in unemployment combined with a relatively high population influx. This was a 34.3% increase over a 9 year period. This means that in 2000 the income earners had to sustain 34.3% more dependents than in 1991.

When looking at the 2012 dependency ratio for the Emfuleni area, it is estimated at 3.58 for the Emfuleni area and 3.24 for the Metsimaholo area. This change can be attributed to the marginal increase in the
population size, decrease in the labour force and an increase in unemployment figures for the area (Grobler and Sekhampu, 2011).

2.4.5 HOME OWNERSHIP

When looking at home ownership, the percentage people in the Emfuleni area who lived in formal dwellings increased from 81.8 percent in 2001 to 83 percent in 2007 (Community Survey, 2007). According to Statistics South Africa (Community survey, 2007), approximately 83.2 percent of the population has access to formal housing and 14.1 percent has access to informal housing. The majority of new low cost housing developments in the Sedibeng area in the last years are located in the Emfuleni area.

The number of people who lived in formal dwellings in the Metsimaholo area increased from 63.6 percent in 2001 to 80.3 percent in 2007 (Community survey, 2007). However, when looking at those who live in the former township areas mostly rent the structure in which they stay. The type of dwellings in the township areas ranged from formal dwellings (45.9 percent) to informal dwellings (54.1 percent) in 2007. Home ownership, however, changed drastically with the building of RDP houses. About 55 000 RDP houses were built in the Emfuleni area up to 2010 (IDP, Emfuleni, 2010). The construction of middle- and higher-income houses, however, declined to a very low level due to an increased supply of houses, resulting from especially White, Asian and Coloured home owners leaving the Vaal Triangle.

2.4.6 LITERACY

According to the Sedibeng Integrated Development Plan (Sedibeng Municipality, 2010), there is a 29 percent of non-attendance of school or other educational facilities in Sedibeng. In 2003, however, 19.5 percent of the total Emfuleni population and 19.0 percent of the Metsimaholo population had no education (Survey data, 2003). There are 148 primary schools and 88 secondary schools in Sedibeng. Of the total 236 schools within Sedibeng, 90.3 percent are public schools and the remaining 9.7 percent are either private or semi-private schools. Some of the schools, especially those in the previously disadvantaged township areas and the rural areas, have various upgrading needs, e.g. more teachers, access to water and sewerage, access to electricity, road access, and upgrading of buildings.
On the whole it can be concluded that the level of illiteracy in the Vaal Triangle decreased since 2003 with similar decreases noticed nationally.

2.5 UNEMPLOYMENT

For the purpose of this report, the expanded definition for unemployment is used. Table 2.2 & 2.3 and Figure 2.1 & 2.2 show the population data for the Emfuleni area and the Metsimaholo area as derived from survey data, and estimated by looking at the Integrated Development Plans of Metsimaholo, Sedibeng and Emfuleni Municipalities.

### TABLE 2.2 LABOUR FORCE OF EMFULeni (2010)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Numbers</th>
<th>Percentage distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Population</td>
</tr>
<tr>
<td>POPULATION</td>
<td>679 325</td>
<td>100.0%</td>
</tr>
<tr>
<td>Less: Persons 0-14 years &amp; 65+ years of age &amp; the disabled &amp; economically non-active population</td>
<td>371 594</td>
<td>54.7%</td>
</tr>
<tr>
<td>ECONOMICALLY ACTIVE</td>
<td>307 731</td>
<td>45.3%</td>
</tr>
<tr>
<td>Employed</td>
<td>114 806</td>
<td>16.9%</td>
</tr>
<tr>
<td>Informally employed</td>
<td>36 004</td>
<td>5.3%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>156 924</td>
<td>23.1%</td>
</tr>
</tbody>
</table>


When looking at the population figures of the Emfuleni area it shows that the economically active part of the population is 45.3 percent of the total population compared to 46.6 percent in 2000. The number employed as a percentage of the total population is 16.9 percent compared to 16.3 percent in 2000. The number employed as a percentage of the total economically active population is 37.3 percent compared to 35.0 percent in 2000. The number unemployed as a percentage of the economic active population is 51.0 percent compared to 51.3 percent in 2000. It can thus be seen that unemployment marginally decreased in...
the past ten years in the Emfuleni area. A visual presentation of the Labour Force in the Emfuleni area is given below in terms of population employed, unemployed, economically active and economically non-active.

**FIGURE 2.1 LABOUR FORCE OF EMFULeni (2010)**

The unemployment rate in the Emfuleni area is determined at 51.0 percent for the year 2010 and for the Metsimaholo area at 35.2 percent indicating a much higher unemployment in the Emfuleni area compared to the Metsimaholo area. The official national figure for the second quarter of 2011 is 25.7 percent (Stats SA:2011).

**TABLE 2.3 LABOUR FORCE OF METSIMAHOLO (2010)**
When looking at the population figures of the Metsimaholo area, it shows that the economically active part of the population is 37.3 percent of the total population compared to 42.6 percent in 2000. The number employed as a percentage of the total population is 22.3 percent compared to 19.3 percent in 2000. The number employed as a percentage of the total economic active population is 59.9 percent compared to 45.3 percent in 2000. The number unemployed as a percentage of the economic active population is 35.2 percent compared to 42.7 percent in 2000. It can thus be seen that unemployment decreased in the past ten years in the Metsimaholo area more than in the Emfuleni area.

A visual presentation of the Labour Force in the Metsimaholo area is given below in terms of population employed, unemployed, economically active and economically non-active.

### Population vs. Economically Active Population

<table>
<thead>
<tr>
<th>Description</th>
<th>Population</th>
<th>Economically active</th>
</tr>
</thead>
<tbody>
<tr>
<td>POPULATION</td>
<td>163 500</td>
<td>100.0%</td>
</tr>
<tr>
<td>Less: Persons 0-14 years &amp; 65+ years of age &amp; the disabled &amp; economically non-active population</td>
<td>102 553</td>
<td>62.7%</td>
</tr>
<tr>
<td>ECONOMICALLY ACTIVE</td>
<td>60 947</td>
<td>37.3%</td>
</tr>
<tr>
<td>Employed</td>
<td>36 491</td>
<td>22.3%</td>
</tr>
<tr>
<td>Informally employed</td>
<td>3 000</td>
<td>1.8%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>21 456</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

A problem affecting the accuracy of the unemployment rate is the **multiplying effect**. This is the effect of high levels of unemployment on involuntary unemployment. For instance: a mother and grown-up daughter from the same family are unemployed and both express a desire to take up employment. However, if one of them is successful in obtaining employment, the other will no longer be available for employment. It is not possible to correct or adjust the results for the impact of this multiplying effect.

Since 2003 up to 2010 the Vaal Triangle economy has registered only a marginal employment growth in certain sectors, and a negative growth in other sectors. The net effect has been a loss of employment opportunities.
Table 2.4 and Figure 2.3 show the trends in unemployment in the Vaal Triangle (VT) Former Black Townships (FBT) from 1989 until 2009. As the majority of the unemployed reside in the Former Black Townships, this trend (though the actual figures for the VT as a whole will be lower) will be roughly the same for the VT as a whole.

TABLE 2.4 TRENDS IN UNEMPLOYMENT IN THE FORMER BLACK TOWNSHIPS OF THE VT (% OF POPULATION AND UNEMPLOYMENT RATES) (1989-2009)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed as % of population</td>
<td>13.5</td>
<td>14.5</td>
<td>20.0</td>
<td>24.5</td>
<td>28.0</td>
<td>27.5</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>33.3</td>
<td>35.0</td>
<td>48.4</td>
<td>54.5</td>
<td>60.7</td>
<td>62.2</td>
</tr>
</tbody>
</table>


The unemployment rate increased especially in the years 1991 – 1994 (after the abolition of the Group Areas Act). From 1991 to 2000, a 56% increase in the unemployment rate was experienced.

The unemployment rate for the Emfuleni area (Former Black Townships and Former White Areas combined) in 2010 was estimated at 51.0 percent. For the Metsimaholo area this figure was estimated at 35.2 percent. It can be seen that the unemployment rate in the Emfuleni area is significantly higher than in the Metsimaholo area. The unemployment rate for the Vaal Triangle as a whole is estimated at 48.4 percent by looking at the economically active population and employment in the Emfuleni area and the Metsimaholo area.

FIGURE 2.3 TRENDS IN THE UNEMPLOYMENT RATE, FORMER BLACK TOWNSHIPS OF THE VT (1989-2009)
2.6 EMPLOYMENT

The potential labour force, or economically active population (persons in the age between 15 and 64 years, minus the economically non-active population which includes housewives, the disabled and those who prefer not to work), of the Emfuleni area is in the order of 45.3 percent of the total population of the Emfuleni area or 307,731 persons in 2010. For the Metsimaholo area it is 37.3 percent of the total population 60,947 persons in 2010.

The employment profile in the Vaal Triangle is largely influenced by the economic structure of the area. The area is characterized by specialisation in certain sectors, namely:

- The Manufacturing of basic Metals and Metal Products in Emfuleni;

- The Manufacturing of Chemical Products in Metsimaholo; and

- Trade and Services activities.

Table 2.5 and Figure 2.4 show the formal employment profile of the Vaal Triangle. The table shows a high occurrence of labour involved in Manufacturing (28.0 percent), Trade (15.0 percent) and Service oriented activities (18.7 percent). In the years 2000 to 2010 formal employment in the Manufacturing sector decreased from 32.3 percent in 2000 to 28.0 percent in 2010. This corresponds...
with the national employment trend in the Manufacturing sector, where similar losses were recorded in employment opportunities over the last years.

**TABLE 2.5  FORMAL EMPLOYMENT PROFILE OF THE VAAL TRIANGLE (2010)**

<table>
<thead>
<tr>
<th>Economic sector</th>
<th>Employment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2,825</td>
<td>1.9</td>
</tr>
<tr>
<td>Mining</td>
<td>1,255</td>
<td>0.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>42,369</td>
<td>28.0</td>
</tr>
<tr>
<td>Electricity / Gas / Water</td>
<td>3,138</td>
<td>2.1</td>
</tr>
<tr>
<td>Construction</td>
<td>10,200</td>
<td>6.7</td>
</tr>
<tr>
<td>Trade</td>
<td>22,754</td>
<td>15.0</td>
</tr>
<tr>
<td>Transport</td>
<td>7,846</td>
<td>5.2</td>
</tr>
<tr>
<td>Financing</td>
<td>14,751</td>
<td>9.7</td>
</tr>
<tr>
<td>Services</td>
<td>28,246</td>
<td>18.7</td>
</tr>
<tr>
<td>Tourism &amp; Entertainment</td>
<td>3,138</td>
<td>2.1</td>
</tr>
<tr>
<td>Other</td>
<td>20,400</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>151,297</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Survey data, 2009, Global insight 2009, IDP Sedibeng 2010 (adapted and updated)

Seen against the background of large multiplier impacts in Tourism a mere 3,138 people were employed in this sector.

**FIGURE 2.4  FORMAL EMPLOYMENT PROFILE OF THE VAAL TRIANGLE (2010)**
Most (64.2 percent) of the employed population in the VT is involved in artisan, services, production and clerical related occupations (Survey data, 2009). These occupations are typical for a region with a strong industrial base such as the economy of the Vaal Triangle. Almost 10.7 percent is involved in professional and managerial occupations (Table 2.6 and Figure 2.5).
### TABLE 2.6 OCCUPATIONAL PROFILE OF THE ECONOMICALLY ACTIVE POPULATION, VAAL TRIANGLE (2010)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional / Technical</td>
<td>8.0</td>
</tr>
<tr>
<td>Managerial</td>
<td>2.7</td>
</tr>
<tr>
<td>Clerical</td>
<td>13.2</td>
</tr>
<tr>
<td>Transport</td>
<td>5.6</td>
</tr>
<tr>
<td>Service</td>
<td>17.0</td>
</tr>
<tr>
<td>Farmer</td>
<td>4.0</td>
</tr>
<tr>
<td>Artisan</td>
<td>14.5</td>
</tr>
<tr>
<td>Product./supervisor</td>
<td>19.5</td>
</tr>
<tr>
<td>Unspecified</td>
<td>15.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
</tr>
</tbody>
</table>


### FIGURE 2.5 OCCUPATIONAL PROFILE OF THE ECONOMICALLY ACTIVE POPULATION OF THE VAAL TRIANGLE (2010)

Table 2.7 shows the monetary and percentage contribution of the different sectors of the Vaal Triangle economy to the total remuneration in the Vaal Triangle for the year 2010. The largest percentage (35.5 percent) of remuneration is paid by the Manufacturing sector and the second largest (14.2 and 14.1 percent respectively) by the Services & Trade sectors.

**TABLE 2.7 TOTAL REMUNERATION PER SECTOR FOR THE VAAL TRIANGLE (2010)**

<table>
<thead>
<tr>
<th>Sector of the economy</th>
<th>Total annual remuneration R'000</th>
<th>Percentage</th>
<th>Average wage per worker per month (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>52 989</td>
<td>0.5</td>
<td>1 563</td>
</tr>
<tr>
<td>Mining</td>
<td>105 379</td>
<td>0.8</td>
<td>6 997</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4 740 384</td>
<td>35.5</td>
<td>9 323</td>
</tr>
<tr>
<td>Electricity/Gas/Water</td>
<td>433 344</td>
<td>3.3</td>
<td>11 508</td>
</tr>
<tr>
<td>Construction</td>
<td>553 741</td>
<td>4.1</td>
<td>4 524</td>
</tr>
<tr>
<td>Trade</td>
<td>1 885 063</td>
<td>14.1</td>
<td>6 903</td>
</tr>
<tr>
<td>Transport</td>
<td>1 005 195</td>
<td>7.5</td>
<td>10 676</td>
</tr>
<tr>
<td>Financing</td>
<td>1 206 384</td>
<td>9.0</td>
<td>6 851</td>
</tr>
<tr>
<td>Services</td>
<td>1,901 361</td>
<td>14.2</td>
<td>5 609</td>
</tr>
<tr>
<td>Tourism &amp; Entertainment</td>
<td>247 077</td>
<td>1.9</td>
<td>6 561</td>
</tr>
<tr>
<td>Other</td>
<td>1 218 114</td>
<td>9.1</td>
<td>6 872</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>13 349 031</strong></td>
<td><strong>100.0</strong></td>
<td><strong>7 032</strong></td>
</tr>
</tbody>
</table>


Figure 2.6 below gives a visual presentation of the total remuneration per sector of the Vaal Triangle in 2010.
2.8.1 AVERAGE MONTHLY INCOME

The average household income for 2010 is estimated at R5,241 per household per month for the Emfuleni area and R6,016 for the Metsimaholo area, with an average of R5,628 for the Vaal Triangle as a whole (Survey data, 2003 and 2009 - updated). The average formal wage per worker was R7,032 per worker per month (Table 2.7). The average wage per formal sector worker has increased substantially during the 1990s. The reduced number of workers in the Vaal Triangle therefore earns higher nominal wages on average. A reason for this higher average wage per worker can be labour union actions, resulting in higher wages then the average inflation rate per annum for their members. However, as firms are cutting back on labour, fewer workers have employment in the Vaal Triangle. The result of this is that a rather skew distribution in personal income exists in the Vaal Triangle, showing that a relatively large group of the community earns a relatively small portion of the total income in 2010.

This can be summarized as follows:

- About 80 percent of the less affluent households earn 40 percent of the total income in the Vaal Triangle.

- About 20 percent of the more affluent households earn 60 percent of the total
When looking at the GINI coefficient for the Vaal Triangle, a coefficient of 0.64 is estimated for the area (Global Insight, 2009-adapted). The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing).

### 2.8.2 SOURCES OF HOUSEHOLD INCOME

Table 2.8 and Figure 2.7 & 2.8 show the sources of household income in the Vaal Triangle. Salaries and wages contribute the most (71.2 percent and 78.2 percent respectively for the Emfuleni area and the Metsimaholo area) to the average household income.

<table>
<thead>
<tr>
<th>Source of household income</th>
<th>Emfuleni</th>
<th>Metsimaholo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>71.2%</td>
<td>78.2%</td>
</tr>
<tr>
<td>Informal / self-employed</td>
<td>5.6%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Pensions</td>
<td>9.0%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Remittances/social grants</td>
<td>2.1%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other</td>
<td>9.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: Survey data, 2003 and 2009 (adapted).

**FIGURE 2.7 SOURCES OF HOUSEHOLD INCOME IN EMFULENI (2010)**
2.9 EXPENDITURE

The expenditure profile for households in the Vaal Triangle is shown in Table 2.9 and Figure 2.9 &
2.10. The highest expenditure items of households (apart from income tax) are food (23.9 percent for Emfuleni and 21.6 percent for Metsimaholo) and housing expenditure (11.8 percent for Emfuleni and 14.3 percent for Metsimaholo).

| TABLE 2.9 | EXPENDITURE PROFILE OF HOUSEHOLDS IN THE VAAL TRIANGLE 2010 |
|-----------|
|            |                                                       |


<table>
<thead>
<tr>
<th>Expenditure item</th>
<th>% of total household expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Emfuleni</td>
</tr>
<tr>
<td>Housing rent/bond</td>
<td>11.8</td>
</tr>
<tr>
<td>Water</td>
<td>2.5</td>
</tr>
<tr>
<td>Electricity</td>
<td>5.5</td>
</tr>
<tr>
<td>Food</td>
<td>23.9</td>
</tr>
<tr>
<td>Transport</td>
<td>13.4</td>
</tr>
<tr>
<td>Clothing</td>
<td>4.6</td>
</tr>
<tr>
<td>School</td>
<td>2.6</td>
</tr>
<tr>
<td>Investments</td>
<td>4.9</td>
</tr>
<tr>
<td>Gambling</td>
<td>1.1</td>
</tr>
<tr>
<td>Savings</td>
<td>1.9</td>
</tr>
<tr>
<td>Licenses</td>
<td>1.5</td>
</tr>
<tr>
<td>Property rates &amp; taxes</td>
<td>1.7</td>
</tr>
<tr>
<td>Income tax</td>
<td>12.1</td>
</tr>
<tr>
<td>Housekeeping services</td>
<td>1.9</td>
</tr>
<tr>
<td>Telephone</td>
<td>2.4</td>
</tr>
<tr>
<td>Car repayment</td>
<td>3.9</td>
</tr>
<tr>
<td>Loans</td>
<td>3.4</td>
</tr>
<tr>
<td>Other exp.</td>
<td>1.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: VRG, 2010

**FIGURE 2.9 EXPENDITURE PROFILE OF HOUSEHOLDS IN EMFULENI 2010**
The simplest method of measuring poverty is to express the number of poor people as a proportion of the population. This is called the headcount index (World Bank, 1990: 27). Following the guidelines of the...
World Bank, a poor household in this report is defined as a household of which the combined income of all its members is less than the Household Subsistence Level (HSL) as determined for the specific household. The headcount index is normally defined as the fraction of the population below the poverty line (Deaton, 1994: 122). In this report the headcount index is adapted to indicate the fraction of households that fall below their individual poverty lines.

The purpose of the headcount index is therefore to quantify the number of households that fall below their poverty line. The headcount index for the Vaal Triangle for the year 2010 is 0.39. This implies that 39.0 percent of the household had an income that was below their respective poverty lines (survey data, 2009 – updated). The headcount index in 2000 was 0.43. No earlier data are available for the Vaal Triangle as a whole, but for the former black townships (FBT) data are available for the years 1991, 1994 and 2000. In 1991 the headcount index for the former black townships was 0.30, for the year 1994 this was 0.42 (Slabbert, 1997) and for the year 2000 it was 0.53. This means that in 1991 30% of all households in the former black townships were poor, compared to 53% in 2000, which is a percentage increase of 77% over a 9 year period! As the population in the former black townships is much more than in the former white towns and rural areas combined (according to Urban Econ, 70% of the population lived in the former black townships in 1998), it can be assumed that this trend gives an indication for the VT as a whole.

By calculating each household's poverty line (called the household's HSL) and comparing that with its own income, the distribution of households below (and above) their poverty lines can be determined. The results are listed in Table 2.10.

<table>
<thead>
<tr>
<th>Household income as percentage of the HSL</th>
<th>Percentage households</th>
<th>Cumulative percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Household Subsistence Level (HSL) only covers the basic items like food, clothing, rent, transport, etc. However, it is estimated that on average households spend two thirds of their income on these basic items, while one third is spent on other necessary items like medicine etc. If this is included, one speaks of the Household Effective Level (HEL), which is one and a half times the HSL (Potgieter, 1980). Table 2.10 also shows the distribution of households in different income/HSL categories for the entire population. Rows A and B in Table 2.10 indicate the percentage of households earning an income below or equal to the HSL (i.e. households living in poverty). Row C indicates the percentage of households earning an income above the HSL, but below or equal to the HEL threshold. Rows D to I indicate the percentage of households earning an income above the HEL threshold. The table shows the distribution for all households. Household incomes are expressed as a percentage of their specific HSL. If a household’s income is greater than its HSL, the household falls in the income/HSL categories above 100 per cent. Table 2.10 illustrates that:

- The percentage of households receiving an income less than their respective HSLs (households living in poverty) is 39.3 (row B);
- The percentage of households receiving an income above their respective HSLs, but less than the HEL is 7.5 (row C); and
- The percentage of households receiving an income above the HEL-level is 53.2.
2.10.2 The Poverty Gap of Poor Households in the Vaal Triangle

The headcount index alone is a limited measure of poverty. It does not take into account the degree of poverty. In order to capture the degree (or magnitude) of poverty, the poverty gap measure is used in conjunction with the headcount index. The poverty gap measures the average shortfall of the income of the poor from the poverty line.

The poverty gap index for the Vaal Triangle for the year 2009 is calculated at 0.40 (survey data, 2003, 2009 – updated). This means that on average the poor households have a shortage equal to 40.0 percent of their specific poverty lines. For example: If a household's own poverty line is R1 000, and the total income of the household is only R600, then the shortfall is R400 (a poverty gap ratio of 0.40). As no data is available for the Vaal Triangle as a whole for earlier years, the available data for the former black townships is used to compare the current situation with that of 1991 and 1994. In 1991 the poverty gap index for the former black townships was 0.58, in 1994 it was 0.60 (Slabbert, 1997), which means that the depth of poverty increased in this period. In 2000 the poverty gap index for the former black townships was 0.47, indicating that even though the number of poor households increased, the depth of poverty in the period 1994 – 2000 relatively decreased. In 2010 the poverty gap index for the VT is estimated at 0.49 which represents a marginal deterioration since 2001. The number of households below their respective poverty lines is estimated at 96 351. That is 39.3 percent of all the households in the Vaal Triangle. The average shortfall per poor household amounted to R566.62 per month (R6 799 per year). The average shortfall for 2010 is estimated at R 615.00 per month. The combined monthly shortfall of income (poverty gap) of these households amounts to R59.2 million per month (R711.1 million per year) in 2010.

Table 2.11 shows the poverty gap calculated for the total population of the Vaal Triangle.

<table>
<thead>
<tr>
<th>Table 2.11 Poverty Gap Analysis of Poor Households in the Vaal Triangle (2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of poor households</td>
</tr>
<tr>
<td>Monthly poverty gap amount of poor households</td>
</tr>
<tr>
<td>Yearly poverty gap amount of poor households</td>
</tr>
</tbody>
</table>
Average poverty gap per household per month \( \text{R 615.00} \)

Average poverty gap per household per year \( \text{R 7 380.00} \)

Source: Survey Data

2.10.3 THE IMPACT OF EMPLOYMENT ON THE LEVEL OF POVERTY

It was determined that 39.3 per cent of the households’ incomes are below their respective poverty lines. One of the main reasons that the incomes of these households are less than the amount required by their poverty lines is the lack of employment opportunities in the Vaal Triangle. The unemployment rate for poor households in the Vaal Triangle is estimated at 66.2 percent (62.8 percent in 2001), compared to 37.0 percent for non-poor households.

The poor employed occupied only 17.1 percent of the formal employment opportunities and 27.8% of all (formal and informal) employment opportunities of the local economy in 2001. The poor were therefore dependent on the incomes of a relatively small number of formally employed persons, as well as on a number of informally employed persons. Informal remuneration, however, is usually much lower than formal remuneration. Employment creation aimed at the poor unemployed should therefore potentially have a major impact on the level of poverty in the Vaal Triangle.

A study was undertaken by Slabbert & Slabbert (2002) to calculate the impact of employment creation at different wage levels on poverty in Emfuleni. The results are shown in Table 2.12 and Figure 2.11. It can be assumed that the same trend applies to the Vaal Triangle as a whole in 2013.

<table>
<thead>
<tr>
<th>Wage paid to all poor unemployed persons per month (Rand)</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TABLE 2.12 THE IMPACT OF EMPLOYMENT CREATION AT DIFFERENT WAGE LEVELS ON POVERTY IN EMFULENI (2000)
If all the poor unemployed in Emfuleni could get jobs with a monthly wage of R500, the poverty rate would decrease to 21.1%. A monthly wage of R750 – R1000 for all unemployed persons from poor households would have the greatest effect on the poverty rate. At a wage of R1 000 per month, the poverty rate would decrease to 14.3. If inflation would have been 6% p.a. the necessary wages would be between R 213 and R2133.

2.11 STRUCTURAL COMPOSITION OF THE VAAL ECONOMY

In this section the economic base of the Vaal Triangle is analysed. The structural composition of the Vaal economy can be described in terms of the main economic sectors (primary, secondary and tertiary) and the trends experienced by these sectors. It is important to note that the economies of the Emfuleni area
and Metsimaholo area are to a very great extent integrated. The economic structure of the Vaal Triangle (in terms of GGP contribution) for 2010 is set out in Table 2.13 and Figure 2.12. The Vaal Triangle experienced an average annual growth between 1990 and 2000 of 4.2 percent and an annual growth rate of 4.4 percent between 2003 and 2006 (IDP Sedibeng, 2010). From 1996 to 1999 the VT had an estimated average annual real growth rate of -3.4 percent. However, this growth is a nominal growth, where the influence of inflation is not excluded. In real terms, where the effect of inflation is eliminated, the Vaal Triangle economy had a negative growth rate. The average annual growth rate at constant prices for 2003-2009 is estimated at -2.2 percent.

<table>
<thead>
<tr>
<th>Economic sector</th>
<th>2000</th>
<th>%</th>
<th>2010</th>
<th>%</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td>Value</td>
<td>Growth</td>
<td>Contribution</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>---------</td>
<td>--------</td>
<td>--------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>314</td>
<td>1.4</td>
<td>566</td>
<td>1.8</td>
<td>-3.3</td>
</tr>
<tr>
<td>Mining</td>
<td>265</td>
<td>1.2</td>
<td>94</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9,857</td>
<td>42.8</td>
<td>12,836</td>
<td>40.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Electricity/Gas/Water</td>
<td>1,085</td>
<td>4.7</td>
<td>1,038</td>
<td>3.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Construction</td>
<td>551</td>
<td>2.4</td>
<td>1,101</td>
<td>3.5</td>
<td>13.9</td>
</tr>
<tr>
<td>Trade</td>
<td>1,584</td>
<td>6.9</td>
<td>2,328</td>
<td>7.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Transport</td>
<td>2,023</td>
<td>8.8</td>
<td>1,384</td>
<td>4.4</td>
<td>6.0</td>
</tr>
<tr>
<td>Financing</td>
<td>2,717</td>
<td>11.8</td>
<td>5,034</td>
<td>16.0</td>
<td>20.2</td>
</tr>
<tr>
<td>Services &amp; Other</td>
<td>4,087</td>
<td>17.8</td>
<td>6,072</td>
<td>19.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Tourism &amp; Entertainment *</td>
<td>523</td>
<td>2.3</td>
<td>1,007</td>
<td>3.2</td>
<td>5.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23,006</td>
<td>100.0</td>
<td>31,461</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**FIGURE 2.12 ECONOMIC STRUCTURE OF THE VAAL TRIANGLE: GGP CONTRIBUTION (2009)**
2.11.1 PRIMARY SECTOR

The primary economic sector consists of two sub-sectors, namely Agriculture and Mining. The Agricultural and Mining sectors offer a relatively small degree of economic activity in the Vaal Triangle, with a relative contribution to the GGP of the Vaal Triangle of 1.8 percent and 0.3 percent respectively for the year 2010.

2.11.2 SECONDARY SECTOR

Secondary economic activities in the Vaal Triangle consist of three sub-sectors, namely Manufacturing, Electricity/Gas/Water and Construction. The Vaal Triangle area has a wide range of industrial activities. The industrial activities are recorded in Table 2.14 and Figure 2.13, with their share in the Manufacturing sector's GGP contribution (WEFA, 1999 and Emfuleni Municipality IDP, 2010).

### TABLE 2.14  INDUSTRIAL ACTIVITIES, VAAL TRIANGLE (2010)
<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage share in Manufacturing’s GGP contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, drink and tobacco</td>
<td>3.5</td>
</tr>
<tr>
<td>Textiles, clothing and footwear</td>
<td>1.8</td>
</tr>
<tr>
<td>Fuel, petroleum and rubber products</td>
<td>29.5</td>
</tr>
<tr>
<td>Other non-metallic mineral products</td>
<td>5.5</td>
</tr>
<tr>
<td>Metal, metal products and machinery</td>
<td>54.5</td>
</tr>
<tr>
<td>Electrical machinery &amp; electronic appliances</td>
<td>2.9</td>
</tr>
<tr>
<td>Transport equipment</td>
<td>1.3</td>
</tr>
<tr>
<td>Furniture</td>
<td>1.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: WEFA, 1999 and Emfuleni Municipality IDP, 2010 adapted.

The relative contribution of Manufacturing towards the GGP of the Vaal Triangle has decreased from 49.9 percent in 1990 to 42.8 percent in 2000 and 40.8 percent in 2009. This also corresponds with the relative employment and remuneration figures which showed a decline in the same period from 2000 to 2009. However, the Manufacturing sector can still be regarded as the dominant economic activity in the Vaal Triangle.

The manufacturing of metal, metal products and machinery dominates the Manufacturing sector in Emfuleni (80.6 percent of all manufacturing activities in Emfuleni) (IDP Emfuleni, 2010:119), while the fuel, petroleum and rubber products sector dominates the Manufacturing sector of Metsimaholo (89.1 percent of all manufacturing activities in Metsimaholo). The industrial base of Emfuleni therefore lies in the manufacturing of metal (basic iron and steel) as well as the manufacturing of a wide range of metal products and machinery, while the industrial base of Metsimaholo lies in the manufacturing of fuel, petroleum and rubber products.
The GGP contribution of Construction activities and Electricity/Gas/Water to the economy of the Vaal Triangle is relatively small with a relative contribution to the GGP of the Vaal Triangle of 3.5 percent and 3.3 percent respectively (2010).

2.11.3 TERTIARY SECTOR

Tertiary activities consist of a number of sectors such as Trade, Transport, Financing, Services (including government services) and Tourism & Entertainment. Combined, this sector registered a GGP contribution of 32.3 percent in 1990 to the Vaal Triangle. Towards 1995 this figure increased to 33.7 percent. By 2000 the figure was 47.6 percent, which indicates a relative growth of 47.1 percent in the contribution of the tertiary sector between 1990 and 2000. In 2010 the contribution of this sector was 50.3 percent. For Tourism & Entertainment the contribution in 2000 was 2.3 percent and in 2010 it was recorded at 3.2 percent. This sector presently thus contributes 3.2 percent to the GGP of the Vaal Triangle.

2.12 SUB REGIONAL CONTRIBUTION TOWARDS THE GAUTENG ECONOMY

The Gauteng Province is the smallest province in South Africa of the total land area, but represents the largest economic sub region in South Africa: it accommodates 18 percent of the total population of the
country (Stats SA, 2000) and accounts for 38 percent of the national product (Geda, 1998). The Vaal economy forms an integral part of this economic sub region. It is characterised by a high degree of interdependence with the other subsystems housed by the Gauteng metropolitan complex. **Table 2.15** and **Figure 2.14** show the sub regional contribution of different regions in Gauteng as a percentage of the total GGP of Gauteng.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vaal Triangle</td>
<td>9.1</td>
<td>7.6</td>
<td>8.3</td>
<td>8.4</td>
<td>7.8</td>
<td>5.5</td>
</tr>
<tr>
<td>Pretoria</td>
<td>17.3</td>
<td>19.6</td>
<td>21.0</td>
<td>21.6</td>
<td>22.3</td>
<td>26.6</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>33.0</td>
<td>33.1</td>
<td>32.5</td>
<td>32.9</td>
<td>35.9</td>
<td>48.6</td>
</tr>
<tr>
<td>Rest of Gauteng.</td>
<td>40.6</td>
<td>39.7</td>
<td>38.2</td>
<td>37.1</td>
<td>34.0</td>
<td>19.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


**FIGURE 2.14  SUB-REGIONAL % CONTRIBUTION OF THE VAAL TRIANGLE TO THE GGP IN GAUTENG (2008)**
The economy of the Emfuleni area contributed 6.0 percent to the GGP of the Gauteng province in 2000. With the Metsimaholo area included this figure is 7.8 percent. The contribution of the Vaal Triangle to the national economy is estimated at about 3 percent.

The Vaal Triangle experienced an increase of 25.4 percent between 1970 and 1995 in importance in the economy of the Gauteng province. This was partly due to the decrease in mining activities in the Witwatersrand, which resulted in a relative increase in importance of the Vaal economy. Table 2.15 shows that the Vaal Triangle contribution to the Gauteng economy decreased to 5.5 percent in 2008.

Table 2.16 and Figure 2.15 show the contribution by sector of the Vaal Triangle to Gauteng's GGP, compared to Pretoria, Johannesburg and the rest of Gauteng. (In this report the whole of the Vaal Triangle is treated as being part of the Gauteng economy.) The Vaal Triangle’s economy was 7.8 percent of the total GGP of Gauteng in 2000 compared to 5.5 percent in 2008. For the Tourism & Entertainment sector no separate data was available. This sector was included in the Trade and Services sectors.

The shaded area in Table 2.16 shows the area of specialisation of the Vaal Triangle, namely Manufacturing. Taking into account that the Manufacturing sector of Gauteng contributes 23.0 percent (the largest contributing sector) to the total GGP of Gauteng (Gauteng Provincial Government, 2010:27), it is evident that the Manufacturing sector of the Vaal Triangle, as a supplier of intermediate inputs, has a significant role to play in the Gauteng economy.
The Vaal Triangle's contribution to the total Agricultural production of Gauteng is 17.2 percent and to the Electricity/Gas/Water production 16.2 percent. Both sectors have a relatively modest role in the Vaal economy. They contribute only 1.8 percent and 3.3 percent respectively to the GGP of the Vaal Triangle, whereas Manufacturing contributes 40.8 percent (See Table 2.13).

**TABLE 2.16 PERCENTAGE CONTRIBUTION OF THE VAAL ECONOMY TO THE GGP OF GAUTENG (2008)**

<table>
<thead>
<tr>
<th>Economic sector</th>
<th>Vaal Triangle</th>
<th>Pretoria</th>
<th>Johannesburg</th>
<th>Rest of Gauteng</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>17.2</td>
<td>18.2</td>
<td>7.5</td>
<td>57.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Mining</td>
<td>1.8</td>
<td>1.9</td>
<td>5.3</td>
<td>91.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>18.2</td>
<td>15.6</td>
<td>31.5</td>
<td>34.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Electricity/Gas/Water</td>
<td>16.2</td>
<td>13.8</td>
<td>29.2</td>
<td>40.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Construction</td>
<td>6.0</td>
<td>21.8</td>
<td>40.1</td>
<td>32.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Trade</td>
<td>4.7</td>
<td>23.5</td>
<td>45.5</td>
<td>26.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Transport</td>
<td>5.1</td>
<td>24.4</td>
<td>34.8</td>
<td>35.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Financing</td>
<td>3.6</td>
<td>22.1</td>
<td>48.3</td>
<td>26.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Services &amp; Other</td>
<td>7.1</td>
<td>35.5</td>
<td>26.5</td>
<td>30.9</td>
<td>100.0</td>
</tr>
<tr>
<td>% Contribution of the VT to GGP of Gauteng</td>
<td>5.5</td>
<td>26.6</td>
<td>48.6</td>
<td>19.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Calculated from statistics by Gauteng Provincial Government and IDP of Sedibeng, Emfuleni and Metsimaholo 2010
The Vaal Triangle has the highest unemployment and poverty rates in the Gauteng province. Furthermore, the Vaal Triangle houses 8.5 percent of the Gauteng population vs. a 5.5 percent contribution to the Gauteng economy. This confirms the fact that the Vaal Triangle has a higher degree of poverty as Gauteng as a whole.

### 2.13 DECLINE OF THE MANUFACTURING SECTOR

As indicated in **Table 2.13** the relative contribution of the Manufacturing sector in the Vaal Triangle decreased from 42.8 percent in 2000 to 40.8 percent in 2010, while especially the tertiary sectors (like Trade, Finances and Services) increased in importance.

Although steel production provides an economic base to the Emfuleni economy, and the production of chemical products provides an economic base for Metsimaholo, it poses two threats to the local economy. The excessive dependency of the Emfuleni economy on the production of steel, and of the Metsimaholo economy on the production of chemical products, makes the economy vulnerable to changes in steel prices and prices of chemical products internationally. Steel production especially, but also the production of chemical products, is related to air pollution that poses a major threat to the Tourism & Entertainment sector, which could widen and diversify the base of the local economy.

Whereas Manufacturing has been the major employer in the 1980s, employment in this sector decreased by just over 39 000 people between 1991 and 1996 (employment in all sectors decreased with a total of 54 000 in 2000). (DBSA, 1998; Stats Sa, 1999; Bloch & Dorfling, 2000: 15.) The Manufacturing sector
showed a negative real growth rate until 2002, resulting in ample idle industrial infrastructure and floor space.

2.14 KEY SECTORS FOR STIMULATING THE ECONOMY

Table 2.17 gives an indication of the Income, Labour and Remuneration multipliers of the different sectors of the Vaal economy. For a R1.00 change in the final demand\(^1\) of the different sectors’ products/services, the change in GGP income is given in column 2 and the change in Remuneration in column 4. Column 3 gives the employment multiplier. For every R1 million change in the final demand for a sector’s products/services, the number change in employment is indicated in column 3.

<table>
<thead>
<tr>
<th>Economic sector</th>
<th>Income (GGP)</th>
<th>Labour (per R’million)</th>
<th>Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.230</td>
<td>6.980</td>
<td>0.101</td>
</tr>
<tr>
<td>Sector</td>
<td>Employment Multiplier</td>
<td>Remuneration Multiplier</td>
<td>GGP Multiplier</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------------</td>
<td>-------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Mining</td>
<td>0.248</td>
<td>4.517</td>
<td>0.099</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.377</td>
<td>4.980</td>
<td>0.210</td>
</tr>
<tr>
<td>Electricity/Gas/Water</td>
<td>0.785</td>
<td>7.890</td>
<td>0.414</td>
</tr>
<tr>
<td>Construction</td>
<td>0.443</td>
<td>7.230</td>
<td>0.280</td>
</tr>
<tr>
<td>Trade</td>
<td>0.877</td>
<td>14.430</td>
<td>0.577</td>
</tr>
<tr>
<td>Transport</td>
<td>0.298</td>
<td>2.980</td>
<td>0.178</td>
</tr>
<tr>
<td>Financing</td>
<td>0.335</td>
<td>4.360</td>
<td>0.155</td>
</tr>
<tr>
<td>Services &amp; Other</td>
<td>0.876</td>
<td>20.350</td>
<td>0.328</td>
</tr>
<tr>
<td>Tourism &amp; Entertainment</td>
<td><strong>0.955</strong></td>
<td><strong>14.155</strong></td>
<td><strong>0.690</strong></td>
</tr>
</tbody>
</table>

Source: Calculated by Vaal Research Group, 2000, recalculated in 2010.

The Tourism & Entertainment, Trade and Services sectors have the highest Employment, Remuneration and GGP-income multipliers. However, the Trade and Services sectors’ growth is mainly dependent on the overall growth of the Vaal economy and could therefore not be considered as key sectors to stimulate the economy, but Tourism & Entertainment has a great potential for attracting people (and therefore money) from outside the region.

The Manufacturing sector has moderate multipliers, but they are not low. However, because the Manufacturing sector is the largest economic sector in Emfuleni, a small percentage increase in the demand for the products of this sector will have a considerable effect on the economy of the Vaal Triangle as a whole. In addition has this sector ample existing, idle infrastructure and floor space available. A well formulated marketing strategy, coupled with proper incentive packages from Local Government, may provide the stimulus for attracting manufacturing operations to the region which will result in job creation and income generation.

Although Agriculture has a high employment multiplier, it has very low income and remuneration multipliers. However, taking into account the low level of skills of the poor unemployed as well as the relatively low capital inputs needed to create employment opportunities, this sector is ideally suited to be
used to alleviate severe poverty and to act as a safety net in the absence of other employment opportunities.

The Tourism & Entertainment and Manufacturing sectors of the VT can be regarded as the key economic sectors to be used for income generation, employment creation and poverty alleviation. These sectors have a large potential to increase exports and therefore to bring ‘new’ income into the region. This will in turn automatically stimulate the other sectors (service providing sectors) like Trade, Services, Financing and Construction, which again will lead to greater income for the Local Councils.

The development of these key sectors is the main issue in the LED strategies of both Emfuleni and Metsimaholo. Both envisage stimulating the Manufacturing sector, the Tourism & Entertainment sector and the Agricultural sector wherever possible, with Metsimaholo also stressing the importance of developing SMME’s (Emfuleni local municipality, 2002; Metsimaholo local municipality, 2003).

2.15 CONCLUSION

The most important facts and conclusions to be drawn from this section are:

- The Vaal Triangle had a marginal increase in the annual population growth rate from 2001 to 2010 of only 3.17 percent. This corresponds to similar findings that the Vaal Triangle population growth rate is below the national average.

- The dependency ratio for the Vaal Triangle was 3.37 in 2001 which means that on average 3.37 persons are economically dependent on each earning person. This ratio increased to 3.58 in Emfuleni and 3.24 in Metsimaholo in 2010.

- The population of the Vaal Triangle has a slightly higher literacy rate than the average of the RSA.

- 48.4 percent of the economically active population (those willing and able to work) was unemployed in 2010. Over the past ten years this figure slightly decreased from 50.4 percent to 48.4 percent. There is a considerable difference in the unemployment rates of Emfuleni and Metsimaholo, where the former has an
unemployment rate of 51.0 percent and the latter of 35.2 percent.

- The Manufacturing, Trade, Service and Other sectors of the economy are responsible for 71.5 percent of the formal employment in 2010 compared to 75.3 percent in 2000. The percentage formal employment in the Manufacturing sector decreased also from 2000 to 2010, while it increased in the Service and Others sectors. The Tourism & Entertainment sector is responsible for 2.1 percent in 2010 compared to 1.4 percent in 2000.

- The highest average monthly wages are paid by the Transport, Electricity/Gas/Water and the Manufacturing sector. The average monthly wages paid by the Tourism & Entertainment sector are slightly below the average monthly wages. This was also the case in 2000.

- The average monthly income per worker is estimated at R7,032. The average monthly household income for 2010 is estimated at R5241.

- 39.3 percent of all households in the Vaal Triangle live in poverty, with an average shortfall of 40.0 percent (i.e. on average a poor household receives only 60.0 percent of the income needed to be on its poverty line).

- Unemployment is the main reason for the high rate of poverty in the Vaal Triangle. If all the poor unemployed in Emfuleni could get jobs with a monthly wage of R2133 in 2010, the poverty rate would decrease to 21.1%.

- The role of the Vaal economy within the Gauteng Province is described, and it is clear that it plays an important role, particularly in terms of contribution to the GGP of the Manufacturing sector.

- Although the Vaal economy plays an important role in the province, it has the highest unemployment and poverty rates in the province. Furthermore, while the Vaal economy contributes 5.5 percent (GGP) to the Gauteng economy, it houses 8.5 percent of the Gauteng population. It is therefore not strange that the
unemployment and poverty rates are the highest in the province.

- The VT economy has not been immune to the effects of recession, as a result of the global financial crisis.
SECTION 3: THE CONTRIBUTION OF TOURISM WITH SPECIFIC REFERENCE TO WATER TOURISM

3.1 INTRODUCTION

Tourism in South Africa is one of the fastest growing industries in the country, and its potential to contribute towards job creation, poverty alleviation and GDP has been acknowledged by the South African Government. The Accelerated and Shared Growth Initiative of South Africa (ASGISA) identifies tourism as one of three sectors that may help to accelerate economic growth to 6% and thus help to halve poverty and unemployment. The Emfuleni area is no exception in this regard.

To effectively harness the full potential of tourism to contribute towards the development of the Emfuleni area, a quality product, world-class service and the right approach to marketing that fulfill the expectations of tourists will be required. The development of entrepreneurs in this area can be seen as vital towards economic development in this regard.

In 1996, the Tourism White Paper on Sustainable Tourism Development and Promotion in South Africa identified tourism as having the potential for alleviating unemployment and thus poverty in South Africa, if developed in a sustainable manner.

There are several reasons for tourism to be viewed as a potential vehicle for employment creation in the Vaal Area. These include the high potential of tourism for local linkages such as the sale of complementary products, and the labour intensity of tourism with low skills demand.

Tourism is a large and growing part of the South African economy and can be seen identified as an opportunity in the area. It provides foreign exchange, jobs and household income. Tourism is shaped by the people of the country and is closely related to the environment, culture and society. All South Africans are part of the tourism sector whether they are travelling away from home, hosting guests, or simply giving directions to someone in the streets.

3.2 TRENDS IN GLOBAL AND DOMESTIC TOURISM

Tourism is one of the fastest growing sectors in the world. According to the World Tourism Organization (WTO), international tourist arrivals worldwide were 898 million passengers in 2007, an increase of 6% compared to the previous year. Total international expenditure on tourism was $735
billion in 2007, an increase of 8.5% from 2006 (DEAT, 2009:12). Predictions by the WTO Tourism 2020 Vision are that international arrivals may reach 1.56 billion by 2020.

The WTO Tourism 2020 Vision also expects tourism trends to change. According to the WTO, ecotourism, cultural tourism, cruise tourism, thematic tourism and adventure tourism will be the growth areas. These trends may also benefit areas like the Emfuleni area, where it is expected that especially cultural tourism may grow. Besides this, the riverfront can also serve as catalyst for future tourist growth and development.

In South Africa, tourism contributed R159.6 billion or 8.1% to the Gross Domestic Product (GDP) in 2007. Tourism is a major source of employment. According to the Department of Environmental Affairs and Tourism (DEAT, 2009:10), it is estimated that 947 000 people are directly or indirectly employed in tourism in South Africa.

Tourism is currently the largest exporter in South Africa and has surpassed gold as a foreign exchange earner. In 2007, tourism accounted for 14.1% of export earnings. (DEAT, 2009:10). The contribution of tourism to South Africa’s GDP is given in Figure 3.1. Figure 3.1 shows that tourism’s contribution to the GDP increased from R109.73 billion in 2004 to R159.6 billion in 2007.

**FIGURE 3.1** TOURISM CONTRIBUTION TO GDP IN SOUTH AFRICA, 2004 TO 2007 (R-BILLION)

Source: DEAT, 2009

The importance of tourism to the South African economy and future growth cannot be underestimated. Unlike other export sectors, tourism brings its customers to South Africa.
It is projected that more than 12.8 million arrivals will be recorded in South Africa; R218 billion will be contributed to the GDP and 1.2 million jobs will be created by 2014 (DEAT, 2009:12).

According to DEAT (2009:12), South Africa has in spite of the growth in tourism in 2007 not been able to optimize its tourism potential.

### 3.3 TOURISM FROM AFRICA AND THE REST OF THE WORLD

Tourism is one of the world’s largest economic sectors, with annual revenues of almost $735 billion. In the region of 340 million people are directly and indirectly employed in tourism around the world. In 1950, international foreign tourism arrivals, a key indicator of tourism growth, were estimated 25 million. By 2004, they had reached 760 million and are predicted to reach 1.56 billion in 2020 (Department of Trade and Industry, 2007). Tourism in South Africa can be divided into foreign tourism and domestic tourism.

#### 3.3.1 GENERAL BACKGROUND OF FOREIGN TOURISM TO GAUTENG

In the third quarter of 2008 ending September 2008, there were just over 2.3 million foreign arrivals in South Africa, which is the highest number of arrivals ever recorded for the third quarter. This is an increase of 1.0% compared to the same period in 2007. Driving the growth in foreign arrivals was a 2.8% growth from Africa countries. South Africa’s total annual tourism arrivals from Africa and the rest of the world since 1993 has been unprecedented, increasing from approximately 3 million to over 7 million in 2007-an 8% compound annual growth rate.

Gauteng remained the most visited province of South Africa with a 45% share of total foreign arrivals in the third quarter of 2008. Gauteng and Western Cape continued in 2008 to capture most of the tourism revenue in South Africa. In the third quarter of 2008, these two provinces captured over 58.4% of foreign tourism expenditure. Gauteng alone captured 33.5% of the total foreign tourism expenditure, or approximately R6 billion. Figure 3.2 gives a visual presentation of the amount of foreign tourism expenditure by province for the third quarter of 2007 and the third quarter of 2008. When looking at foreign tourism, 58% of foreign tourists came from Europe and 16% from African countries. **Figure 3.3** gives a visual presentation of the visitors to South Africa by country.
When looking at the country of origin of foreign tourists from Africa, it shows that 38% of visitors came from Lesotho and 18% from Swaziland. Figure 3.4 gives a visual presentation of foreign visitors from Africa to Gauteng.
As can be seen, Lesotho and Swaziland account for the largest share of African tourist to the Johannesburg/Gauteng area. Looking at growth trends over the last 6 years, however, it is evident that visitors from non-traditional markets to South Africa are accelerating (Department of Trade and Industry, 2007).

**FIGURE 3.4 TOURISTS FROM AFRICA TO GAUTENG**

![Figure 3.4 Tourists from Africa to Gauteng](image)

Source: SA Tourism Board, 2007

### 3.3.2 SEGMENTATION OF THE MARKET FOR FOREIGN TOURISTS

#### 3.3.2.1 BUSINESS TOURISM

Business tourism relates to individuals travelling to do business. As shown in Table 3.1, Gauteng is a premier destination for business travelers.

At a national level, 42% of foreign travelers are holiday or leisure tourists, while 28% are business tourists. In Gauteng, holiday tourism at 37% is lower than the national average of 42% and business tourism at 34% higher than the national average of 28%.
When the purpose of visits to Gauteng by foreign tourists is considered, it shows that 37% of visits are for holiday purposes, 34% for business purpose and 22% are visiting friends or relatives (VFR). Figure 3.5 gives a visual presentation of the purpose of visits of foreign tourists at national level.

### Table 3.1 Province Visited by Main Purpose of Visit, 2007

<table>
<thead>
<tr>
<th>Purpose of Visit</th>
<th>All Foreign Visitors</th>
<th>Province Visited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GAU</td>
<td>W</td>
</tr>
<tr>
<td>Holiday</td>
<td>42</td>
<td>37</td>
</tr>
<tr>
<td>Business</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td>VFR</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: SA Tourism Board, 2007

Comparing Gauteng to the rest of the country, it is evident that Gauteng comes last of all nine provinces as holiday destination, but first as a destination for business travelers. In fact, 66% of business tourists spend at least two nights in Johannesburg (SA Tourism Board, 2007). Similar trends can be expected in the Emfuleni Area, i.e. that Emfuleni will be more a destination for business travelers than a holiday destination.
The tourism market for Meetings, Incentives, Conferences and Exhibitions (MICE) is a growing market. MICE tourism is fundamentally different from general business tourism as it has everything to do with tourism industry infrastructure, marketing and perceptions. This market can be seen as an opportunity for Emfuleni Tourism Industry. When looking at the type of accommodation that business travelers to Gauteng prefer, 57% of foreign business tourists to Gauteng prefer to stay in hotels and 24% prefer to stay in guests houses (SA Tourism Board, 2007). Figure 3.6 shows the type of accommodation used by foreign business tourists visiting Gauteng.

**Figure 3.6 Accommodation used by foreign business tourists visiting Gauteng**
Domestically, 36% of business tourists come for general business, 30% come to make sales, 25% attend conferences and 5% come for training. Considering these figures, it is evident that a market exists in Emfuleni for business tourism.

Turning to consumption expenditure and calculating the value of MICE tourism, the aggregate figure shows that international MICE tourists spend an average of R730 per day excluding air tickets etc. Domestic MICE tourists spend only R574 per day, showing that an international MICE tourist spends 30% more than a domestic visitor.

3.3.2.2 LEISURE TOURISM

The leisure tourism market includes visitors for holiday purposes, personal shopping and visiting of friends and relatives (VFR). The leisure market remains the primary purpose of tourist visits to South Africa, but this has declined from 62.2% in 2006 to 61.3% in 2007. This is driven by the decrease in holiday tourists down from 28.6% in 2006 to 25.3% in 2007. VFR travel increased from 22.4% in 2006 to 24.2% in 2007. **Table 3.2** gives a presentation of the development in the tourism market.

**TABLE 3.2 PURPOSE OF VISIT OF ALL TOURISTS (%)**

Source: SA Tourism Board, 2007
When analyzing the purpose of visit by region it is shown that holiday tourists mostly come from the overseas market (Europe, the Americas and Asia & Australasia), while shopping and VFR tourists come from Africa. Tourists from Mozambique and Swaziland visited South Africa primarily to shop, while VFR was the main purpose of visit for those from Botswana, Lesotho, Namibia, Zambia and Malawi. The market for VFR tourists also shows an increase from 21.8% in 2005 to 24.2% in 2007.

Concerning overseas/ Europe tourists, the UK had the largest proportion of VFR tourists with about one out of five tourists having visited family and relatives in South Africa in 2007. Italy had the largest proportion of business tourists and business travelers.

### 3.3.2.3 SPENDING OF TOURISTS

According to the South African Tourism Departure surveys, July to September 2008, the spending of foreign tourists increased in all categories between the third quarter of 2007 and the third quarter of 2008. A total of R2.3 billion was spent on accommodation while R1.8 billion was spent on food. Shopping for personal purpose increased from R3.6 billion to R5.4 billion in the third quarter of 2008.

A visual presentation of the increase in spending from the third quarter of 2007 to the third quarter of 2008 is given in **figure 3.7**

---

**FIGURE 3.7 ESTIMATED TOURISM EXPENDITURE (R-BILLION)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Holiday</th>
<th>Shopping Personal</th>
<th>Shopping Business</th>
<th>Business Travel</th>
<th>Business Tourist</th>
<th>Medical</th>
<th>VFR</th>
<th>Religion</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>31.7</td>
<td>13.3</td>
<td>11.6</td>
<td>8.6</td>
<td>5.4</td>
<td>4.0</td>
<td>21.8</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>2006</td>
<td>28.6</td>
<td>11.2</td>
<td>14.5</td>
<td>8.9</td>
<td>5.6</td>
<td>3.9</td>
<td>22.4</td>
<td>1.9</td>
<td>2.9</td>
</tr>
<tr>
<td>2007</td>
<td>25.3</td>
<td>11.8</td>
<td>12.2</td>
<td>10.7</td>
<td>7.2</td>
<td>4.5</td>
<td>24.2</td>
<td>1.1</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Source: SA Tourism Annual Report, 2007
3.3.2.4 ACCOMMODATION USED BY FOREIGN TOURISTS

The total number of bed nights spent in South Africa increased by 5%, driven by the increase in unpaid accommodation. A decrease was experienced mainly in high end accommodation with game lodges (-13%) and hotels (-2%) suffering the most. The number of nights spent in medium to lower end accommodation increased by 8% from 2006 to 2007.

Table 3.3 gives a presentation of the type of accommodation used by tourists.

The type of paid accommodation preferred by foreign tourists can be divided into a higher end and lower end of the market. It shows that the demand for hotel and luxury game lodge accommodation decreased, while the medium to lower end of the market, i.e. guest houses, bed and breakfast etc increased.
### 3.3.2.5 LENGTH OF STAY OF FOREIGN TOURISTS

One of the strategic objectives of South African Tourism is to increase the length of stay of tourists visiting South Africa. By implication, the longer visitors stay in the country the more likely they are to participate in tourist activities, visit more provinces and consequently increase their contribution to our economy. The average length of stay of all foreign tourists decreased from 8.2 nights in 2006 to 7.9 nights in 2007. Holiday tourists, business travelers and VFR tourists all spent fewer nights in South Africa in 2007, compared to 2006. The length of stay of VFR tourists has been decreasing since 2005.

The number of foreign tourists that stayed one or two nights in South Africa increased in 2007. The incidence of tourists staying seven, eight and nine nights also increased marginally in this year.

In 2007, the most common length of stay of air tourists remained at six nights just as in 2006. Significantly more air tourists stayed four nights, while fewer tourists stayed 14 nights. The most common length of stay for land tourists remained unchanged at 2 days. However, there was an increase in tourists only staying for a day. Tourists arriving by air in 2007 stayed on average 6 nights in the country. Holiday, business tourists and VFR tourists stayed the most number of nights in the country.

**Figure 3.8** gives a visual presentation of the average length of stay for the different types of foreign tourists.
3.3.2.6 ACTIVITIES UNDERTaken BY FOREIGN TOURISTS

Visiting natural attractions, cultural and historic sites, beaches and wildlife are popular activities undertaken by foreign tourists. Shopping, nightlife and social activities are activities normally undertaken by most foreign tourists globally.

Of all foreign tourists, 92% indicated shopping as an activity undertaken when in South Africa, while 71% indicated nightlife as one of the activities undertaken.

A total of 22% indicated visiting natural attractions and 17% indicated visiting cultural, historical and heritage sites. Figure 3.9 gives a visual presentation of the activities undertaken by foreign visitors visiting South Africa.
FIGURE 3.9  ACTIVITIES UNDERTAKEN BY TOURISTS WHILE IN SOUTH AFRICA

Source: South African Tourism Departure Surveys, 2008

3.4 DOMESTIC TOURISM

The information contained in this section is based on the first annual report on domestic travel by SA Tourism (SAT) and the Department of Environment Affairs and Tourism (DEAT), using a monthly survey of residents across South Africa. It is based on a full calendar year of surveying the incidence of travel in South Africa, as well as the patterns and purposes of those South Africans who did travel. Unfortunately, SA Tourism withdrew the 2006 annual report on the domestic market, as it was found to be severely flawed.

In 2005, 14.7 million adult South Africans took at least one trip, resulting in 36 million trips and spending of R21.2 billion in the country. Like most emerging travel markets, the main purpose of travel was to visit friends and relatives (VFR) and accounted for 69% of trips. Of the R21.2 billion in revenue, 40% came from VFR (R8.5 billion from 69% of trips), while 32% came from holiday travel (R6.8 billion from 12% of trips i.e. 1/6 the size of VFR) – highlighting again the value of the holiday market.
Business contributed 12% (R2.5 billion), religious travel 9% (R2 billion) and travel for medical reasons 6.6% (R1.4 billion). The highest spending per purpose was on medical visits (R2.755) while the lowest was VFR (R339). The highest item of spending in a trip was transport (33%), followed by food and beverages (19%) and accommodation (16%). In 2005, the highest number of domestic trips was recorded in December when 4.6 million South Africans took 4.9 million trips with a value of R4.3 billion.

Domestic travel – in terms of both source and destination – is largely dominated by three provinces: KZN, Gauteng and the Western Cape. Those three provinces capture 63% of all revenue. KZN makes the highest "net gain" of the provinces with R2.15 billion and Gauteng the highest "net loss" of R3.23 billion as most "Gautengers" travel (and therefore spend) outside their own province. The highest number of travelers was from KwaZulu Natal and Gauteng, but the highest incidence of travel was in the Free State (75% of residents travelled resulting in 2 million trips). While KZN residents took about 11 million trips in 2005, only 60% of KZN residents travelled. 55% of Gauteng residents took 9 million trips.

The highest number of trips were also in KZN (35.9%), the most populated province in the country, while Northern Cape, the least populated, got the least (1.6%) and only R500 million in revenue from domestic travel (2%). Furthermore, of the 11.17 million trips by KZN residents, 9.7 million were in KZN and only 1.47 million (13%) were taken in other provinces. In terms of spending, 39% (or R8.3 billion) of the total revenue was generated by travelers from Gauteng, making it a good source market for the province wishing to grow its domestic market. 17% was from KZN and 12% was from the Free State.

Most domestic travel is very seasonal and follows the pattern of public and school holidays. The level of satisfaction was generally good but the lowest level of satisfaction was scored for the availability of information when planning their travel and at their destination, as only 16.6% were extremely satisfied with both. Nearly half of the 47% of adult South Africans who did not travel in 2005 said they were either unemployed or it was too expensive or unaffordable to travel.
3.4.1 DOMESTIC TOURISM IN GAUTENG

KwaZulu Natal and Gauteng are the two biggest players in domestic tourism in South Africa. KwaZulu Natal received the most number of visitors (35.9%) in 2005, mostly as a result of the large number of trips generated from within the province. Gauteng followed in a distant second place receiving 20% of visitors. Figure 3.10 gives a visual presentation of the provinces visited by domestic tourists.

FIGURE 3.10 PROVINCES VISITED BY DOMESTIC TOURISTS, 2005

Source: SA Tourism Domestic Tourism Surveys for February 2005 to January 2006

62% all domestic trips are taken within the tourist’s province of residence (intra-provincial). This outweighs inter-provincial travel except for Gauteng, the North West, and the Northern Cape where all three provinces saw a net outflow of trips to other provinces.

Domestic tourism is a larger contributor to the tourism industry than foreign tourism. In 1995, 80% of Gauteng’s tourists were domestic (SA Tourism Board, 2007). This figure has dropped to approximately 60% in 2000 due to an increase in foreign tourists rather than a decrease in local tourism demand. In terms of the reasons for visits to Gauteng, 15% of all national leisure tourism is destined to Gauteng and 30% of all national domestic business tourism. Of the domestic tourists to Gauteng, 60% came on holiday and 40% on business. Of business persons coming to Gauteng, 36%
report coming for business, 30% come to make sales, 25% to attend conferences and 5% come for training. **Figure 3.11** gives a visual presentation of the reasons of business persons coming to Gauteng.

**FIGURE 3.11 REASONS OF BUSINESS PERSONS COMING TO GAUTENG**

When comparing where business people stay when they visit Gauteng for business purposes, it is revealed that 80% of business people coming for training stay in hotels, 45% of business people coming for conferences stay in hotels and 55% of those who come for general business stay in hotels. **Figure 3.12** gives a visual presentation of the type of accommodation used by business people visiting Gauteng.

**FIGURE 3.12 PERCENTAGE BUSINESS PEOPLE USING HOTEL**
It is evident from the above that business people using hotels represent a significant part of the market.

### 3.4.2 REASONS FOR VISITS BY DOMESTIC TOURISTS

When looking at the reasons for visits by domestic tourists it shows that 73.09% of visits to Gauteng are for visiting friends and relatives (VFR), while 9.61% of the visits are for business purposes followed by religious purposes with 8.64%. Figure 3.13 shows the purpose for visits to the different provinces by reason for visit.
As is evident from Figure 3.13, visiting friends and relatives is by far the most important driver for domestic holiday trips to Gauteng, with 73.08% of all domestic trips for this purpose. The most important destinations for VFR trips are Johannesburg and Pretoria with the largest VFR markets being Gauteng itself, the Northern Province, KwaZulu Natal and the North West Province.

After VFR, the second most popular purpose of a trip was business trips to Gauteng with 9.61% followed by religious reasons with 8.64%. Most of the trips for medical reasons were undertaken to North West with 3.91% and Gauteng with 3.19%.

3.4.3 REASON FOR DOMESTIC TOURISTS VISITS TO GAUTENG

Domestic tourists are people who are residents of a country and who travel to a place within the same tourist country for a period of less than one year. Most of the trips to Gauteng destinations were to Central Gauteng. VFR trips were the most popular in all Gauteng regions, followed by religious

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Source: SA Tourism Annual Report, 2005
trips, with Central Gauteng being the exception. Table 3.4 below indicates where domestic tourists travel in Gauteng and for what reason.

**TABLE 3.3 REASONS FOR TRIPS BY DOMESTIC TOURISTS TO GAUTENG**

<table>
<thead>
<tr>
<th>Tourism Region</th>
<th>Trips</th>
<th>Leisure</th>
<th>VFR</th>
<th>Business</th>
<th>Health</th>
<th>Religious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Gauteng</td>
<td>42.9</td>
<td>16.2</td>
<td>58.8</td>
<td>7.4</td>
<td>4.4</td>
<td>13.2</td>
</tr>
<tr>
<td>Northern Gauteng</td>
<td>24.6</td>
<td>18.0</td>
<td>65.5</td>
<td>7.1</td>
<td>2.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Eastern Gauteng</td>
<td>18.2</td>
<td>8.1</td>
<td>70.9</td>
<td>1.5</td>
<td>0.5</td>
<td>19.1</td>
</tr>
<tr>
<td>Southern Gauteng</td>
<td>9.7</td>
<td>11.4</td>
<td>68.8</td>
<td>1.5</td>
<td>2.9</td>
<td>15.4</td>
</tr>
<tr>
<td>Western Gauteng</td>
<td>4.5</td>
<td>9.7</td>
<td>61.6</td>
<td>3.4</td>
<td>0.3</td>
<td>25.1</td>
</tr>
<tr>
<td>Total Gauteng</td>
<td>100.0</td>
<td>14.4</td>
<td>63.8</td>
<td>5.5</td>
<td>2.9</td>
<td>13.4</td>
</tr>
</tbody>
</table>

Source: SA Tourism Annual Report, 2004

Although Table 3.5 below provides an insight into tourist preferences, it must be noted that the figures below differ from reality. Experience has shown that less people than indicated visit cultural villages and townships. Therefore, Table 3.5 indicates level of interest and not actual practice.
### TABLE 3.4 LEVEL OF INTEREST BY DOMESTIC TOURISTS IN CULTURAL AND OTHER ACTIVITIES IN GAUTENG

<table>
<thead>
<tr>
<th>Activity</th>
<th>Very interested</th>
<th>Fairly interested</th>
<th>Not interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting Museums</td>
<td>49.0%</td>
<td>28.0%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Zulu Dancing</td>
<td>38.1%</td>
<td>23.1%</td>
<td>38.0%</td>
</tr>
<tr>
<td>Visiting Arts and Craft centers</td>
<td>42.0%</td>
<td>30.7%</td>
<td>26.3%</td>
</tr>
<tr>
<td>Visiting African Cultural village</td>
<td>48.1%</td>
<td>26.6%</td>
<td>23.7%</td>
</tr>
<tr>
<td>Visiting African Townships</td>
<td>49.4%</td>
<td>26.3%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Active Nightlife</td>
<td>26.0%</td>
<td>22.0%</td>
<td>50.6%</td>
</tr>
<tr>
<td>Dining</td>
<td>40.4%</td>
<td>29.3%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Live Shows, Theatres or Concerts</td>
<td>48.2%</td>
<td>23.0%</td>
<td>28.4%</td>
</tr>
</tbody>
</table>

Source: Tourism Domestic Survey, 2001

### 3.4.4 LENGTH OF STAY OF DOMESTIC TOURISTS

In 2005, over 154.9 million nights were spent by domestic tourists away from their usual place of residence. The largest share of nights (68%) was accounted for by VFR trips. The average trip lasted 4 nights, with longest stays accounted for by holiday trips and the shortest for religious trips. Figure 3.14 gives a visual presentation of the average number of nights by trip purpose in 2005, by domestic tourists. Figure 3.14 shows that an average of 6.3 nights is spent by domestic tourists who are on holiday, while tourists for medical purposes spent on average 5.3 nights and business travelers spent 4.9 nights on average.
When looking at the average number of nights spent by domestic tourists, it shows that domestic tourists spent on average 4.4 nights in Gauteng compared with the 5.5 nights in the Northern Cape. Figure 3.15 gives a visual presentation of the average number of nights spent by domestic tourists by province.
3.4.5 DOMESTIC TOURISM EXPENDITURE

The revenue generated through domestic tourists’ direct expenditure in South Africa (Total Direct Domestic Spend - TDDS) was approximately R21bn in 2005. December and January, the summer holiday period, accounted for the largest share (35%) of the total revenue.

Despite the large number of VFR trips taken in 2005, VFR contributed only 40% to total revenue. Holiday, which constitutes 12% of trips, accounted for almost a third of TDDS.

On average, domestic tourists spent R585 per trip, while the average spent per medical trip was well above the average at R2 755 and the average spent on VFR trips was well below average at R339. The average spent per VFR trip was about 5 times less than the average spent on a holiday trip.

In terms of average amount spent per trip, domestic tourists from the Free State spent significantly more than tourists from the other provinces. Tourists from Limpopo spent the least on average per trip in 2005. The average spent per trip by tourists from Eastern Cape in 2005 was R442.

The largest expense for domestic tourists was transportation costs. Food and beverages and accommodation costs also constituted a significant portion of domestic tourism spent in 2005. Figure 3.16 gives a visual presentation of the total domestic spending by domestic tourists by product. R6.5 billion or 33% of total expenditure was spent by domestic tourists on traveling. A total of R3.7 billion was spent on food and beverages, and R3.1 billion on accommodation.

In summary, Gauteng remained the most visited province with a 45% share of total foreign arrivals in the third quarter of 2008. Foreign tourists spent most of their nights in Gauteng and Western Cape. Gauteng and Western Cape continued in 2008 to capture most of the tourism revenue to South Africa. In the third quarter of 2008, these two provinces captured over 58.4% of foreign tourism expenditure, or approximately R6 billion in Gauteng.

It is also indicated that of all foreign visitors who visit Gauteng, 34% visit the province for business reasons and 37% for holiday reasons.
3.5 TOURISM IN THE VAAL

Traditionally, the tourism and entertainment industry is not interpreted as a separate economic sector, but rather as an economic activity which falls mainly under tertiary activities such as the trade and services sectors. For the purpose of this report, however, it will be regarded as a separate sector. It is estimated that the tourism and entertainment sector contributes 2.2% to the GGP of the Vaal region (Slabbert, 2005:88).

In the Vaal region there are different factors that could impact positively or negatively on the tourism potential of the Vaal region (VAALMET, 1994:57). Positive factors are those like the availability of water resources, vacant land along water courses, nature conservation areas, national accessibility, and the proximity to Greater Johannesburg and Pretoria. Negative factors are those like environmental pollution, quarries and mine dumps (Slabbert, 2005:89).

Although the tourism and entertainment sector is currently one of the smaller sectors of the Vaal economy, it has great development and expansion potential.

Labour expenses comprise almost 40% of its inputs, indicating that growth in this sector will have a considerable effect on employment in the Vaal region. This sector has strong backward linkages with...
the manufacturing sector (37.3% of its total intermediate inputs) and the services sector (29.3%). Local households receive 46.7% of the total outputs of this sector (Slabbert, 2005:90). Growth in the manufacturing sector will influence potential business of the tourism industry.

The sector shows strong multiplier effects. An increase of R1 000 000 (2004 values) in final demand will cause the following effects:

- A total of 14 new employment opportunities would be created throughout the Vaal economy;
- The Vaal region’s GGP would increase by R942 000; and
- Household income would increase by R640 000 (Slabbert, 2005:90).

### 3.6 VAAL TRIANGLE MARKET DEMAND ANALYSIS

#### 3.6.1 AREA DEFINITION

The figure below shows a map of the latest demarcation of the Vaal Area.

The project area for the development of a water tourism falls predominantly within the Emfuleni Local Municipal Area (**Figure 3.19**), which covers 987.45 km². It incorporates the largest proportion of urban area including the two major towns (Vanderbijlpark, Vereeniging) and a number of other residential townships and settlements (including Sebokeng, Sharpeville and Evaton).
INTERNATIONAL VISITORS DEMAND

Because there are no statistics for Emfuleni or the Sedibeng District on the number of international tourists who visit the area, extrapolation estimates and trends from National and Gauteng figures are done. Surveys done by Grobler (2008) will also be used to estimate the international demand for Emfuleni.

According to officials in the tourism industry in Emfuleni, it is believed that the number of international tourists visiting Emfuleni is low.

Based on interviews in 2008 (Grobler, 2008) done amongst industries, hotels and guest houses in Emfuleni, it is also believed that the number of international business tourists who visit the area is low. Surveys done by Kagiso (2003) also indicate that the number of international business visitors is low. The survey by Kagiso (2003) indicates that it is mostly up-market hotels and guesthouses along the river that are popular for these foreign business travelers and visitors, who stay on average for a week or longer.

As described earlier, Gauteng remained the most visited province with a 45% share of total foreign arrivals in the third quarter of 2008. Foreign tourists spent most of their nights in Gauteng and Western Cape. Gauteng and Western Cape continued in 2008 to capture most of the tourism revenue.
to South Africa. In the third quarter of 2008, these two provinces captured over 58.4% of foreign tourism expenditure, or approximately R6 billion in Gauteng. It is also indicated that of all foreign visitors who visit Gauteng, mostly visit the province for business reasons (34%) or holiday reasons (37%).

It is assumed that on average 2% to 3% of the accommodating guests at venues in the area are international tourists. An exception is Riviera on Vaal and Stonehaven on Vaal with more than 10% and 50% respectively. Some of these businesses have fixed contracts with local companies to accommodate international business persons.

When comparing the Emfuleni area with the rest of Gauteng, it is thus evident that the Emfuleni Area attracts only a very small percentage of the international tourists who visit Gauteng.

If Emfuleni is to capture any of the Meetings, Incentives, Conferences and Exhibitions (MICE) market or leisure market it should link with Gauteng based tour operators and other tourism operators. It should also aim to place Emfuleni attractions into international visitor tour packages by developing special incentive schemes for Gauteng based tour operators.

Growth in cultural tourism to the region could also be achieved through the extension of current Soweto tours to incorporate attractions in Sharpeville and Sebokeng.

### 3.6.3 DOMESTIC TOURISTS TO EMFULENI

This part is based on statistics of the SA Tourism Domestic Survey (2001). This survey relates to the Southern Gauteng region, but provides a reasonable indication of domestic tourism flows to the Emfuleni Area.

Visiting friends and relatives is by far the most important driver for domestic holiday trips to Gauteng, with 73.08% of all domestic trips for this purpose. The most important destinations for VFR trips are Johannesburg and Pretoria with the largest VFR markets being Gauteng itself, the Northern Province, KwaZulu Natal and the North West Province.

After VFR, the second most popular purpose of trips was business trips to Gauteng with 9.61% followed by religious reasons with 8.64%. Most of trips for medical reasons were undertaken to North West with 3.91%, followed by Gauteng with 3.19%.
The SA Tourism Domestic Survey of 2001 indicated that only 9.7% of overnight domestic trips were to the Southern Gauteng Area in 2001, which is approximately 646 408 trips during 2001. The survey also indicated that an estimated 2 178 million day trips were taken to the southern parts of Gauteng including Emfuleni during 2001.

An estimated 270 000 of these trips were leisure related. According to product owners in the area these visitors come from North West Province, The Free State and Gauteng.

Domestic leisure visitors account for 85% of total overnight visitors to the region of which over 60% is caravan, camping and budget demand. The length of stay of the domestic leisure market is 1.5 nights contributing to around 40% of total room nights sold in the region. The main activities of domestic leisure tourism in the region are focused on entertainment, water sports and eco-tourism activities.

According to statistics maintained by the Vanderbijlpark Parks and Recreation Department, 50% of day visitors to their facilities are from Vanderbijlpark, 20% are from the rest of the Vaal Triangle and 5% are from Pretoria. The remaining 25% come from elsewhere in the Gauteng and the Free State. The figures therefore indicate that a significant number of day visitors are attracted from outside the area, mostly on weekends for recreational purposes.

When looking at the number of trips to Southern Gauteng by type, it shows that 64% of trips are to visit friends and relatives, 14% for leisure, 13% for religious purposes and 6% are business trips.

Table 3.7 gives a summary of the number overnight trips to Southern Gauteng by type.

<table>
<thead>
<tr>
<th>Type of trip</th>
<th>%</th>
<th>Estimated number of trips</th>
</tr>
</thead>
</table>

Table 3.6 PERCENTAGE AND NUMBER OF OVERNIGHT TRIPS TO SOUTHERN GAUTENG
Leisure & VFR & Business & Health & Religion & Total
<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>64</td>
<td>6</td>
<td>3</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>90 440</td>
<td>413 440</td>
<td>38 760</td>
<td>19 380</td>
<td>83 890</td>
<td>646 408</td>
</tr>
</tbody>
</table>

Source: SA Tourism Domestic Survey, 2001

Gauteng has only the sixth highest average expenditure per domestic tourist of all provinces. Leisure visitors to the province spent on average R716 per trip, of which 60% is on transport and accommodation. The total value of overnight visitors to the Vaal area was estimated at R219 million per annum (SA Tourism Domestic Survey, 2001).

### 3.6.4 BUSINESS TOURISTS TO EMFULENI

The total overnight business tourism demand in the Emfuleni area is estimated at 47 122 representing 60% of all room nights sold in the area. This market generally makes use of major hotels and up-market guesthouses in the Vanderbijlpark area. The conference market is estimated at approximately 15 000 visitors per annum, staying an average of two nights.

The day visitor business market consists of day conferences and year end functions hosted in the area. The estimated day visitor business market for the region is estimated at 26 000 visitors per annum.

### 3.6.5 RELIGION AND HEALTH

It is estimated that visitors to Southern Gauteng for health and religious purposes account for approximately 16% of Southern Gauteng tourism trips per annum.

### 3.6.6 VISITOR DEMAND AND ROOM OCCUPANCY

Based on research done in 2008 (Grobler, 2008), the total overnight accommodation supply in the region is estimated at 1500 rooms. Most of this accommodation is situated around the Vaal River.
There are another 100,000 visitors per annum making use of caravan and campsites and some 135,000 day visitors making use of leisure facilities.

Weekend occupancies at hotels are significantly lower than weekdays. Conference facilities at hotels in the area are used extensively for both day and overnight conferences. Conferences originate largely from Gauteng. In general, room occupancy rates for venues in the area are low. On average, the venues have a 50% occupancy rate. Guesthouses and resorts run at an occupancy rate of 40%.

### 3.6.7 SEASONALITY OF EMFULENI TOURISM DEMAND

The period September to November and January to March were identified as the busy periods for venues in terms of accommodation and conferences. June and July are the least busy months.

The seasonality is due to the large share of business demand in the accommodation market.

### 3.7 EMFULENI TOURISM ACTIVITIES AND ATTRACTIONS

This part of the report describes existing tourism activities and attractions in the area, in other words what visitors can do, experience, learn about and enjoy in the area. Based on primary research (Grobler, 2008), there are approximately 115 tourism related sites and products in the Emfuleni area. Overall, the area contains a diverse range of tourism attractions and sites providing for adventure, heritage, art, nature, sport, business and educational tourism.

Generally the area is well supplied with accommodation which includes a range of quality and affordability levels, from high class hotel and resort accommodation to self catering, B+B, caravanning and camping accommodation. Kagiso (2003) indicated that in 2003 in terms of actual tourism attractions, 74 tourism sites were identified of which only 14% to 19% could be defined as full tourism products; the remainder could not be identified as such because of a lack of support facilities.

### 3.7.1 LEISURE AND ENTERTAINMENT

The leisure and entertainment facilities are concentrated around the Vaal River, part of the Vaal Meander, the Vaal River Meander, as well as in the towns. The Vaal Meander comprises a cluster of arts, crafts, antiques and décor outlets as well as a number of restaurants, coffee shops, tea gardens etc.
Towns in the Emfuleni Area are well catered for in terms of sport facilities, which achieve varying levels of usage. The Emfuleni area has three eighteen hole golf courses and one 12 hole golf course namely:

- The Vereeniging Country Club, adjacent to the Riviera International Hotel;
- The Maccavlei golf course opposite the Riviera International Hotel;
- The Emfuleni golf course in Vanderbijlpark adjacent to the Riverside Sun Hotel; and
- The Ohinimuri golf course in Walkerville.

The main activities around the Vaal River are boating and water sport. There are also a variety of boat clubs which host several annual events and competitions such as the annual powerboat championships. Some of the resorts offer also hiking trials, 4x4 tracks and trails, fishing, diving etc.

Other leisure and recreation activities include:

- a zoo at the Emerald Resort, and
- a casino at the Emerald Resort.

3.7.2 BUSINESS AND COMMERCIAL SITES

Business and commercial sites worth visiting by tourists include the following:

- The new Vaal Mall with more than 100 shops;
- The Three Rivers Shopping Mall.

3.7.3 HERITAGE AND ART SITES

When analyzing the heritage, arts and cultural tourist attractions in the Emfuleni Area, the following types of attractions are identified, namely:

- Museums
- Sandstone architecture
- South African war sites
- Paleo-anthropological sites
- Heritage structures
- Struggle and Townships life sites
While there are numerous sites in the area, many are underdeveloped, lacking basic facilities. This may pose future opportunities for development. The available sites and facilities include the following:

- The Peace Monument in the Civic Centre in Vereeniging
- The Redan Rock Engravings, between Vereeniging and Meyerton
- The Vaal Teknorama Museum
- The City Square Cenotaph
- Stone Age Terrains like the Van Riet Lowe Archeological site and the USCO sites
- The Concentration Camp Cemetery
- The Memorial for George Stow
- The Leeuwkuil Paleo-Anthropological Site
- The First Lamps in Vereeniging, situated on the Town Square
- The Ascot Bridge Island Rock Engravings
- The Tree Trunk at Vereeniging Refractories, where negotiations during the Boer War took place
- The Residentia Magistrates Court
- The Sharpeville Memorial Stone

Other Sites of Historical Significance

- The Sharpeville Brewery
- The Sharpeville Graveyard
- Boipatong Hostels
- Evaton, one of the oldest Townships
- Struggle sites in Sebokeng

### 3.7.4 NATURE AND CONSERVATION

Suikerbosrand Nature Reserve plays an important role in offering outdoor recreation, an environmental recreation for those visitors wishing to have a limited wildlife experience without travelling far from their urban base. The reserve continues to support a large variety of plant and animal species, including antelope and some predators, in addition to over 200 bird species.

### 3.7.5 TOURS IN EMFULENI

Tour operators in Gauteng offer a wide spectrum of dynamic and tailor-made tours – covering all major metropolitan and other areas, ranging from walking, helicopter, horse trails, and bus tours to cover overall and central tourism experiences.
The GTA classifies tours as follows:

- The urban experience
- Arts and culture
- History and heritage
- Natural history, mining and industry
- Outdoor adventure
- Shop

The report on Sedibeng and Tourism Development for 2010 notes that from interviewing local accommodation owners, it was apparent that they were not aware of tour operators within the area, and in many cases provided their own drivers and conducted their own tours. However, research has shown that despite an apparent decline in tour operators within the area (STDS, 2003), there are still a number of organizations running tours in the area.

Anecdotal evidence indicates that the numbers of visitors showing an interest in townships and in particular the role and meaning of historical events which have taken place there, has continued to grow particularly amongst domestic tourists. The townships located in Sedibeng have played a pivotal role in South Africa’s liberation struggle. Through research, organization and tourism development, these townships and their heritage could be made more accessible to domestic and international tourism. Townships currently visited but lacking in tourism infrastructure and facilities, include Boipatong, Evaton and Sebokeng. The existing Sharpeville museum and library attract fairly low volumes of visitors, with school groups being the principal visitors.

Current organizations offering tours and the types of tours are outlined below:

- Vaal Teknorama

The most significant operator identified is the Vaal Teknorama. They operate selected special interest packages including archaeological, ecological, ornithological, cultural and ethnic tours (as detailed in the STDS, 2003).

- SMME tour operators

There is also a list of eleven emerging SMME tour operators within the area, who generally cover a wide range of tours (i.e. to client specifications), to a wide range of destinations throughout Gauteng and some as far as Durban. Generally they are not aligned with any accommodation establishments.
within the district. Most of them indicated a need for assistance from the Municipality with respect to marketing.

**Current tourist products and routes being developed**

Sedibeng is currently developing several tour routes recommended by the GTA. These include:

- **Proposed Numbered Routes:**
  - T1: The River Road Route (implemented)
  - T2: River Front Route
  - T3: Three Rivers Route
  - T4: The Sharpeville Route
  - T5: Sebokeng Struggle Route

- **Proposed Unnumbered Routes**
  - R557: Walkerville Route
  - R550: Klip Route

The Sharpeville Museum and Memorial Garden as well as the surrounding shopping precinct and police station constitute core elements of the Sharpeville Precinct. It should also be noted that 2010 was the fiftieth anniversary of the Sharpeville Massacre.

The successful establishment and support of emerging SMME tour operators as well as the development of the Sharpeville precinct as a sustainable tourism node should be viewed as a key to an ongoing process to developing an integrated heritage tourism destination in SDM.

### 3.8 ACCOMMODATION IN EMFULeni

#### 3.8.1 GUESTHOUSES IN EMFULeni

The Emfuleni region accommodation industry consists of three luxury hotels and three budget hotels, approximately six lodges and approximately seventeen guest houses. Prices for accommodation per person range from R250 to R1 250. The hotels include the Riverside Sun in Vanderbijlpark, the Emerald Casino Hotel in Vanderbijlpark and the Riviera on Vaal Hotel in Vereeniging. A summary of pricing of hotels, lodges and guesthouses is given in Table 3.8.

**TABLE 3.5** SUMMARY OF PRICING OF HOTELS, LODGES AND GUEST HOUSES IN THE VAAL REGION
<table>
<thead>
<tr>
<th>Hotel/Lodges/Guest houses</th>
<th>Average price per room per night including breakfast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Formula 1</td>
<td>R264</td>
</tr>
<tr>
<td>Hotel Indaba</td>
<td>R440</td>
</tr>
<tr>
<td>Emerald Hotel*</td>
<td>R960</td>
</tr>
<tr>
<td>Riverside Hotel*</td>
<td>R1 250</td>
</tr>
<tr>
<td>Riviera on Vaal Hotel*</td>
<td>R1 140</td>
</tr>
<tr>
<td>Shakespeare Inn Hotel</td>
<td>R330</td>
</tr>
<tr>
<td>Golf Road Lodge</td>
<td>R430</td>
</tr>
<tr>
<td>Little Ingwe River Lodge</td>
<td>R490</td>
</tr>
<tr>
<td>Tropicana River Lodge</td>
<td>R495</td>
</tr>
<tr>
<td>Three River Lodge</td>
<td>R510</td>
</tr>
<tr>
<td>Arboretum Guest Farm</td>
<td>R250</td>
</tr>
<tr>
<td>Plaaskombuis Guest House</td>
<td>R300</td>
</tr>
<tr>
<td>Caesars Guest House</td>
<td>R535</td>
</tr>
<tr>
<td>Casa Mia Guest House</td>
<td>R520</td>
</tr>
<tr>
<td>Kaniklani Guest House</td>
<td>N/A</td>
</tr>
<tr>
<td>La Province Guest House</td>
<td>R450</td>
</tr>
<tr>
<td>The Homestead Guest House</td>
<td>R435</td>
</tr>
<tr>
<td>Villa Verde Guest House</td>
<td>R400</td>
</tr>
<tr>
<td>Malanjeni Guest Farm</td>
<td>N/A</td>
</tr>
<tr>
<td>Amadeus Guest House</td>
<td>R380</td>
</tr>
<tr>
<td>Boreze Guest House</td>
<td>R250</td>
</tr>
</tbody>
</table>
### HOTELS IN EMFULeni

The offerings of the hotels in Emfuleni can be restricted to offerings by the Riviera on Vaal in Vereeniging, the Riverside Sun in Vanderbijlpark and the Emerald Casino Resort in Vanderbijlpark.

The offerings by the Riviera on Vaal in Vereeniging include the following:

- 89 bedrooms consisting of standard, luxury and executive rooms all overlooking the Vaal River;
- All bathrooms have bath/shower, hairdryers, television, DSTV, Wifi Hotspot, complementary tea/coffee station and mini bar;
- Room service: 24 hours, 7 days a week;
- In-house spa offering a full range of treatments;
- On-site travel agency;
- Adjacent golf course, tennis courts, squash courts, championship snooker tables and a floodlit 9 hole par 3 pitch and putt golf course;
- Shuttle service to and from Oliver Tambo International Airport;
- Same day laundry dry cleaning and valet service;
- Budget car rental on site.

These offerings are offered at the following price structure:

- Standard room (single) R1 140
- Standard room (double) R1 650
- Luxury room (single) R1 345
- Luxury room (double) R1 985

The offerings by the Riverside Sun in Vanderbijlpark include the following:
• 165 luxury bedrooms and 4 executive suites, furnished with all modern conveniences;
• All bathrooms have bath/shower, hairdryers etc;
• Room service: 24 hours, 7 days a week;
• A conference centre which can accommodate a total number of 300 guests;
• A curio shop;
• Safety deposit box;
• Doctor/Dentist on call;
• Hospitality lounge;
• Business services;
• Facsimile services;
• Secretarial services by arrangement;
• Cable/Satellite TV;
• 2 tennis courts;
• “Beach” volleyball;
• River cruises;
• Garden chess.

These offerings are ordered at the following prices:

• Rate per single person (standard room) R1 250
• Rate per single person (suites) R1 440
• Rate per person sharing R 960

The offerings by the Emerald Casino Resort include the following:

• 77 standard rooms in the hotel, 10 lodges and 89 chalets;
• A river resort conference facility that can accommodate up to 70 persons. With slide projector, TV, video, overhead projector etc;
• A casino on the premises;
• A zoo, game drives etc;
• Standard rooms with bath/shower;
• Safety deposit box;
• Hospitality lounge;
• Business services;
• Beauty centre;
• River-boat cruise.

These offerings are offered at the following prices:

Hotel and lodges (conference packages)
• Single R1 100
• Sharing R 910 per person
• Lodges (single) R1 240 per person
• Lodges (sharing) R1 240 per person

Hotel and lodges (accommodation)

• Single R 800
• Double R1 130
• Suite R1 750

3.8.3 RESORTS IN EMFULENI

There are approximately 20 resorts in the Vaal area including the Vaal Dam resorts. With the exception of two or three establishments such as Stonehaven on Vaal and Three Rivers Lodge, the resorts are generally of a low standard, attracting the budget camping and caravan markets and fishermen.

The resorts mainly provide self-catering chalets and caravan and camping stands. The resorts provide access to leisure activities and water sports, such as powerboats, jet skis, rafting, rowing, skiing, angling, fly fishing and boat cruises.

Nature based activities are becoming more important to the market and accordingly facilities such as guided trails, game drives, mountain bikes, bird watching are provided.

3.9 EMFULENI TOURISM MARKETING AND INFORMATION PROVISION

The Emfuleni Area has a rich resource of attractions. Limited information about these attractions can be obtained from tourism information offices in the area. Progress in this regard however took place in the last three years.

Currently, marketing initiatives in the Emfuleni area appear disjointed, uncoordinated and limited. The shortcomings include: no cohesion between role players, lack of branding, and information offices difficult to locate (lack of signage).
There are a few available publications, brochures or pamphlets, and of these a very few are distributed outside the area.

The following information offices exist:

- The Tourism Information office in Vanderbijlpark.
- The Vaal Tourism Agency: The Vaal Tourism Agency is a community based tourism promotion and development organization, registered as a section 21 company, linked to and supported by Vaal Tourism Enterprises. The Vaal Tourism Agency aims to promote tourism in the region and to empower the community. Activities include tourism awareness workshops, events, guide tours etc.
- The Vaal Meander Tourist Information Centre: The Vaal Meander Tourist Information centre promotes the Vaal Meander and The Vaal River Meander, distributes information brochures and hosts an informative web site.
- Sharpeville Tourism Association: The Sharpeville Tourism Association was formed to promote tourism and introduce visitors to the diverse activities of the township. The association promotes community tourism, organizes environment and clean-up campaigns.
- Internet: No organized structure of Emfuleni Tourism Marketing on the internet was found. The only exception in this regard was the Vaal Meander and Vaal Tourism Agency.

### 3.10 SWOT AND PEST ANALYSIS WITH REGARD TO WATER TOURISM

The Strengths, Weaknesses, Opportunities and Threats identified by representatives/stakeholders are indicated below in Table 3.9.

**Table 3.6 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS OF THE VAAL TOURISM INDUSTRY**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping Malls</td>
<td>Poor Image of Info Centre</td>
</tr>
<tr>
<td>Water resources (Dams and River)</td>
<td>Lack of communication</td>
</tr>
<tr>
<td>Wine Route</td>
<td>Beautification of Main Entrances to Area needed</td>
</tr>
<tr>
<td>The Vaal River, natural resources</td>
<td>Pollution of River (Moratorium on Development along the river)</td>
</tr>
<tr>
<td>Political History, Heritage</td>
<td>Lack of skilled entrepreneurs and workers in Tourism and hospitality</td>
</tr>
<tr>
<td>Locality</td>
<td>Signage lacking</td>
</tr>
<tr>
<td>Existing Tourism Infrastructure</td>
<td>Poor Marketing of Area</td>
</tr>
<tr>
<td>Accessibility, Proximity to Oliver Tambo Airport</td>
<td></td>
</tr>
<tr>
<td>Tertiary Institutions in Area</td>
<td></td>
</tr>
</tbody>
</table>
- Proper Road linkages
- Not far from Johannesburg/ Breakaway weekends
- Lack of Development of Key Attractions
- Lack of Branding of Area
- CBD of Vanderbijlpark and Vereeniging in poor condition
- Lack of Transport
- Poor Waste Management/ Poor maintenance of Roads etc.
- Lack of Community Involvement
- No Tourist Information Offices in Townships
- Accreditation and Licensing of Accommodation lacking
- Lack of Coordination between Stakeholders

### Opportunities

- Develop Heritage Sites
- Beautify the Entrances
- Improve Signage
- Training of Stakeholders
- Tourism Awareness programs
- Effective use of Media
- Upgrading/Accreditation / Licensing of Products
- Develop/Training of Tour guides
- Participation between Private and Public Stakeholders
- Tour operators from Oliver Tambo Airport
- Development of Sharpeville Dam (and other plans mentioned earlier)
- Tourism and Tertiary institution Collaboration

### Threats

- Crime in area
- River Pollution/Air pollution/Sewerage spillage
- Lack of Awareness of Benefits of Tourism
- Poverty and Unemployment
- Invasion of land
- River safety
- Sustainability of Accommodation Industry
- Lack of Community Participation
- No new Developments allowed because of water pollution

The Physical, Economic, Technological and Social trends or forces that may influence the Tourism industry, as identified by Stakeholders at the Workshop, are given below in Table 3.9.

### Table 3.10 Physical, Economic, Social and Technological Trends That May Influence Tourism

<table>
<thead>
<tr>
<th>Physical</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollution/ Sewerage spillage</td>
<td>Financial status of Council</td>
</tr>
<tr>
<td>Poor Infrastructure</td>
<td>Underdevelopment</td>
</tr>
</tbody>
</table>
3.11 CONCLUSION

The most important facts and conclusions to be drawn from this section are:

- Visiting friends and relatives is by far the most important driver for domestic holiday trips to Gauteng, with 73.08% of all domestic trips for this purpose. The most important destinations for VFR trips are Johannesburg and Pretoria with the largest VFR markets being Gauteng itself, the Northern Province, KwaZulu Natal and the North West Province.

- After VFR, the second most popular purpose of trips was business trips to Gauteng with 9.61% followed by religious reasons with 8.64%. Most of trips for medical reasons were undertaken to North West with 3.91%, followed by Gauteng with 3.19%.

- The SA Tourism Domestic Survey of 2001 indicated that only 9.7% of overnight domestic trips were to the Southern Gauteng Area in 2001, which is approximately 646 408 trips during 2001. The survey also indicated that an estimated 2 178 million day trips were taken to the southern parts of Gauteng including Emfuleni during 2001.

- An estimated 270 000 of these trips were leisure related. According to product owners in the area these visitors come from North West Province, The Free State and Gauteng.

- Domestic leisure visitors account for 85% of total overnight visitors to the region of which over 60% is caravan, camping and budget demand. The length of stay of the domestic leisure market is 1.5 nights contributing to around 40% of total room nights
sold in the region. The main activities of domestic leisure tourism in the region are focused on entertainment, water sports and eco-tourism activities.

- According to statistics maintained by the Vanderbijlpark Parks and Recreation Department, 50% of day visitors to their facilities are from Vanderbijlpark, 20% are from the rest of the Vaal Triangle and 5% are from Pretoria. The remaining 25% come from elsewhere in the Gauteng and the Free State. The figures therefore indicate that a significant number of day visitors are attracted from outside the area, mostly on weekends for recreational purposes.

- When looking at the number of trips to Southern Gauteng by type, it shows that 64% of trips are to visit friends and relatives, 14% for leisure, 13% for religious purposes and 6% are business trips.

Entrepreneurs in Tourism in the Vaal Area state the following Strengths:

- Shopping Malls
- Water resources (Dams and River)
- Wine Route
- The Vaal River, natural resources
- Political History, Heritage
- Locality
- Existing Tourism Infrastructure
- Accessibility, Proximity to Oliver Tambo Airport
- Tertiary Institutions in Area
- Proper Road linkages

Entrepreneurs in Tourism in the Vaal Area state the following weaknesses:

- Poor Image of Info Centre
- Lack of communication
- Beautification of Main Entrances to Area needed
- Pollution of River (Moratorium on Development along the river)
- **Lack of skilled entrepreneurs and workers in Tourism and hospitality**
- Signage lacking
• Poor Marketing of Area
• Lack of Development of Key Attractions
• Lack of Branding of Area
• CBD of Vanderbijlpark and Vereeniging
• Lack of Transport
• Poor Waste Management/ Poor maintenance of Roads etc.
• **Lack of Community Involvement**
• No Tourist Information Offices in Townships

• Accreditation and Licensing of Accommodation
• Lack of Coordination between Stakeholders

The following opportunities exist:
• Develop Heritage Sites
• Beautify the Entrances
• Improve Signage
• **Training of Stakeholders**
• **Tourism Awareness programs**
• Effective use of Media
• Upgrading/Accreditation / Licensing of Products
• **Develop/Training of Tour guides**
• **Participation between Private and Public Stakeholders**
• Tour operators from Oliver Tambo Airport
• Development of Sharpeville Dam (and other plans mentioned earlier)
• **Tourism and Tertiary institution Collaboration**
SECTION 4: VAAL TRIANGLE PROJECTS TO STIMULATE TOURISM

4.1 INTRODUCTION

The Sedibeng District Municipality in partnership with the Emfuleni Local Municipality has developed high level concept designs for a number of precincts in the vicinity of Sharpeville and Vereeniging. They are:

- Regeneration of a Civic Precinct in the Vereeniging CBD
- Development of three interrelated precinct spaces in Sharpeville, namely:
  - Heritage precinct in the vicinity of Sharpeville Monument
  - Sport and recreation precinct in the vicinity of George Thabe Stadium
  - Recreation precinct along the shores of Sharpeville Dam
- Development of four related waterfront projects along the Vaal River in the vicinity of Vereeniging, namely:
  - Upgrading of Dickenson Park
  - Development of a Business Park to the immediate left of Dickenson Park
  - Development of an iconic water tourism hub left of the R59 bridge
  - Development of a broad walk stretching to both sides of the river between the Riviera Hotel and the R59 bridge
- Development of a cultural and heritage site in Evaton

Relevant stakeholders were consulted on the projects during the Integrated Development Plan (IDP) processes and their comments were incorporated into the IDP approved by Council on 28 May 2008.

The different precincts are to be implemented in various partnerships with the public, other spheres of government and the private sector. The following section will look at projects in the planning stages that may influence or stimulate international and domestic tourism in the Emfuleni Area.
4.2 THE VEREENIGING CIVIC PRECINCT

The Civic Precinct is intended to provide:

- A civic hub,
- A heart for Vereeniging,
- A place for people with a focus on cultural and commercial activities.

It will accommodate:

- Municipal administration offices,
- Public services and community amenities,
- Residential development,

It is intended to be developed in partnership with the private sector with the revenue streams from the commercial programme cross-subsidizing the public amenities.

The precinct is intended to be economically, socially and culturally sustainable for both current and future generations. It is envisaged that the Civic Precinct will include the following components as “key essential components”:

- Redevelopment of Sedibeng Council management and administrative offices;
- Provision of governmental office space;
- Mayor’s parlor;
- A multi-purpose Community Centre (Thusong) which provides access to public sector services;
- Redevelopment of the Council and Banqueting Hall into a mixed-use business exhibition centre, incorporating banqueting and convention facilities;
- Redevelopment of the existing library into an “Idea Store” including creative starter businesses and meeting facilities, connected to a new exhibition hall;
- Development of a Civic Square for people, sustainable and of high quality, including elegant materials, landscaping and lighting in a secure and safe and easily navigable environment;
- Relocation of the Peace Monument to a new landscaped park;
- Connection from the Civic Square to surrounding roads by means of enhanced permeability, pedestrian walkways and external terraces;
- An adequate signage and way-finding strategy is to be put in place which will integrate the Civic Hub in its immediate and broader surroundings;
- Creation of a School of Arts with a focus on performance arts, including music rehearsal rooms, dance practice rooms, a local radio broadcasting studio, and integrated with the Civic Theatre;
• Archival and exhibition space which can potentially include De Klerk archives amongst others.

These high-level proposals are shown in the diagram below:

**FIGURE 4.1: VEREENIGING PRECINCT**

4.3 **THE SHARPEVILLE PRECINCT**

The Heritage Precinct in Sharpeville has three main hubs, i.e. the Heritage Hub, Sports Hub and Recreational Hub.

The Heritage Hub includes the following areas:

• Memorial site
• Old Police Station
• Community Hall
• Library
• Museum
• Churches
- Private houses and shops

The Sports Hub includes:
- George Thabe Stadium
- Open fields adjacent to the stadium
- Swimming pool

The **Recreational Hub** includes:

- **Selected properties on the edge of Sharpeville Dam (Beer Hall, Breweries)**

The Heritage Hub needs to fulfill the following objectives:

- Perform as a community hub;
- Be a catalyst for urban regeneration and economic development;
- Integrate and unify the existing heritage, cultural, community and religious functions on site;
- Encourage sustainable tourism, enable job creation including opportunities for emerging entrepreneurs, promote local arts and craft;
- Provide a new approach to integrated and sustainable housing.

It is envisaged that the project will be developed through public funding, but should attract small entrepreneurs to provide tourism support facilities.

MAP 4.1 PROPOSED SHARPEVILLE PRECINCT
Key

- National site
- Immediate Heritage Precinct
- Churches within the Churches Precinct
  1. KwaDlamo Dam
  2. Beer Hall and Municipal Buildings
  3. River of Blood
  4. Sharpeville Hall
  5. Sharpeville Museum
  6. Sharpeville Memorial site
  7. Ghost
  8. Current Liquor store
  9. Church
  10. Police station
  11. Cemetery

Churches precinct
Heritage precinct Sharpeville hall ruins
Sharpeville Museum
Former Sharpeville Police Station
River of blood

Sedibeng 2010 upgrade
4.4 THE DICKENSON PARK DEVELOPMENT

The Dickinson Park Development includes the following:

- New **waterfront boulevard**,  
- Arts & crafts hub,  
- **River front boulevard**,  
- **Picnic area along riverfront**,  
- Proposal of urban boulevard incorporating market and craft hub along it. Market could potentially be artistically designed temporary structures,  
- Pedestrian and cyclist boardwalk/boulevard along river and picnic area with potential to expand into adjacent areas,  
- Open public area and viewing area,  
- **Boat launch area**.

The diagrams below give a visual presentation of the Dickenson park proposed project.
4.5 VAAL STRATEGIES TO PROMOTE TOURISM WITH REGARD TO DAMS AND RIVERS

Strategies to promote Tourism that include water Tourism and initiatives around the Vaal River etc. can be divided into Three parts namely:

- Strategies by the Sedibeng Local Authority;
- Strategies by the Emfuleni Local Authority;
- Strategies by Metsimaholo Local Authority. (Metsimaholo however do not focus on Water Tourism)

4.5.1 SEDIBENG STRATEGIES

4.5.1.1 SEDIBENG INSTITUTIONAL ARRANGEMENTS

A prerequisite for the successful management of the tourism system is the support and alignment of all public sector and private sector tourism bodies. As part of this, the strategy recommends the establishment and formalisation of stakeholder forums in each local municipality. It also recommended that communication channels be formalised.

4.5.1.2 STAKEHOLDER FORUM

National tourism strategies stress the need to involve stakeholders in all aspects of tourism planning, development and implementation. It is recommended in the strategy that stakeholder forums be established, to work in partnership with public and private sector and civil society.

4.5.1.3 PARTNERSHIP STRATEGY

The SDM should work in partnership with other stakeholders and role players to develop tourism in the area. This may include Product Development, Promotion and Marketing, Training and Capacity Development, and Tourism Safety.

4.5.1.4 TRAINING AND CAPACITY BUILDING STRATEGY

The development of a training, capacity building and awareness programme for Sedibeng involves matching a complex set of needs to available resources in a manner that will ensure that every service provider has access to appropriate training and capacity building opportunities.
The capacity building framework addresses the four target groups identified, namely:

- Local government officials and representatives,
- The tourism stakeholder forum,
- New and existing product owners, service providers and others wishing to benefit from the tourism economy,
- The broader community.

4.5.1.5 ACCREDITATION, REGISTRATION LICENCE, QUALITY ASSURANCE PROGRAMME

Tourism products and services must conform to statutory requirements, registration and accreditation procedures. This includes the registration of all tourist guides, registration of all tourism amenities and service providers and the implementation of Tourism Grading Council quality measures.

4.5.1.6 COMMUNITY AWARENESS PROGRAMME

Community awareness programmes represent the first and most basic level of training. It is recommended that community awareness programmes be initiated as a matter of urgency. This includes:

- Build an aware and informed community;
- Ensure that all host communities and those living in close proximity to key tourism nodes are prepared and ready to engage with visitors and understand the needs and expectations of visitors;
- Provide communities with information about the potential benefits of tourism;
- Enable communities to identify and counteract any problems that might arise from the growth of tourism in the area;
- Facilitate tourism safety;
- Play a role in the development of respect for the natural and build environment.

4.5.1.7 VISITOR SAFETY PROGRAMMES

Crime is perceived to be a major impediment to tourism growth. Visitor safety programmes include the development of programmes like:

- Visitor safety strategy;
• Development and distribution of relevant materials for visitors;
• Implementation of community awareness programmes;
• Focussed capacity building programmes for tourism operators, product owners and other service providers.

4.5.1.8 A DATABASE OF TOURISM PRODUCTS AND SERVICES

A well designed, customised electronic database has the potential to turn raw research data into a usable, easily retrievable, valuable resource for the development of tourism products.

This includes:

• Store information about the Sedibeng area;
• Provide a valuable data retrievable tool, in a user friendly format;
• Make information available to stimulate the development of Tourism.

4.5.1.9 A TOURISM ENTERPRISE DATABASE

Tourists visiting the region will be required to interact with a range of service providers, including those involvement in owning, operating or working in or for tour operators, tour guides etc. It is therefore recommended that SDM facilitates a process whereby an integrated database of all tourism enterprises is developed, updated regularly and maintained. This will be done to identify and access information about every tourism enterprise in SDM, and utilise this information as a tool for communicating, assessing, registering and planning capacity building and other support initiatives.

4.5.1.10 A CULTURAL ASSETS MAPPING PROGRAMME

A cultural assets mapping programme is the first step in identifying and transforming cultural capital into economic resources in an authentic and sustainable manner that will attract tourists and visitors to Sedibeng. The objectives of the cultural assets mapping programme are to:

• Identify cultural assets in Sedibeng;
• Collect information about the location and nature of these cultural assets;
• Collate and store the information in such a manner that it can be retrieved and provide a useful basis for tourism products and future research.
4.5.1.11 TOURISM INFORMATION OFFICES

Tourism information, publicity and booking offices provide an important means of providing visitors with information on which to base decisions about what to do in the area. It is recommended that the development and extension of existing tourism information offices, and the establishment of new offices in the key development nodes be prioritised.

4.5.1.12 A PUBLICATION STRATEGY

SDM tourism publications have the potential to add value in a number of ways, most importantly the promotion of Sedibeng as a tourism destination and the provision of information to tourists. It is recommended that the SDM facilitate the conceptualisation, production and distribution of publications.

4.5.1.13 NEW PRODUCT DEVELOPMENT STRATEGY

Product development is the work of bringing a site or a destination of interest and potential for purposes of attraction or hosting of visitors, to a condition such that it is visited and that, during the visit, the visitors experience learning and enjoyment. This strategy includes:

- Prioritisation and selection of products for marketing;
- Product packaging, and market testing, to determine quality required;
- Assessment of commercial viability.

4.5.1.14 DEVELOPMENT PLAN FOR KEY ICONS

A number of interesting products are on offer to visitors to the SDM. It is recommended that these be used as the foundation for the development of tourism gateways and themed nodes, precincts, clusters and routes as well as tours.

4.5.1.15 TOURISM SIGNAGE PLAN

Distinctive tourism signage will enable the easy identification of tourism routes and facilities, as well as enhance the visual identification of the area. Clear, informative and creative signage can greatly enhance the visitor experience. This includes:

- Facilitate access and movement through the SDM;
• Facilitate access to natural, cultural and historical sites and attractions;
• Highlight tourism gateways, destinations, routes and supporting facilities;
• Reinforce the brand identity of the area.

4.5.1.16 INVESTMENT AND FUNDING STRATEGY

Tourism will not thrive unless funding is available to turn assets into viable products supported by informed service providers, adequate infrastructure and an appropriate institutional framework. There are four funding options for tourism development:

• Identify projects for funding by local government;
• Identify projects suitable for public sector funding;
• Identify projects suitable for donor funding;
• Identify projects suitable for private investment.

4.5.1.17 SMME SUPPORT PROGRAMME

One of the key objectives of tourism development in Sedibeng is that it become a catalyst for economic development, poverty alleviation and job creation. This will be achieved by developing viable tourism enterprises and sustainable tourism in Sedibeng. This includes:

• Identification of tourism related enterprises;
• Consultation regarding the needs of identified enterprises;
• Establishment of an SMME support mechanism.

4.5.1.18 PUBLIC AWARENESS PROGRAMME

A public awareness programme of the impacts of litter on aspects such as tourism is the first step in reducing solid waste in specific areas which have a high tourism potential.

The objectives of this strategy are:

• Identify critical tourism areas affected by litter and solid waste pollution;
• Raise local community awareness of the impact of waste on tourism.
4.5.1.19 LAND USE ENVIRONMENTAL MANAGEMENT FOR TOURISM PROGRAMME

It is recommended that a land use and environmental management programme be implemented in Sedibeng, using officials from the environmental, planning and tourism departments of the district. The objectives of this strategy are:

- Ensure that the physical environment, particular those areas that are tourism attractions or potential attractions are enhanced and protected from degradation;
- Ensure that critical tourism areas are reflected in land use management plans;
- Sustain the environmental quality of Sedibeng.

4.5.1.20 AIR POLLUTION MONITORING AND INTERVENTION PROGRAMME

An air pollution and monitoring programme is another step in reducing the current high levels of air pollution in specific areas, which have a high tourism potential. This includes:

- That critical tourism areas be identified;
- Obtain and place air pollution monitors in strategic tourism areas.

4.5.1.21 TOURISM GROWTH STRATEGY

If tourism is to grow and thrive in the SDM area, it is vital that policies and strategies to increase tourism volume, spend, length of stay achieve the following:

- Alignment with national and provincial strategies and legislation;
- Synergy between tourism growth, product development and marketing strategies.

4.5.1.22 TOURISM RESEARCH PROGRAMME

Research is the basis for all strategic planning and marketing decisions. Research structures, systems and methods of collection and distribution, and formation of partnerships are key areas to be addressed. It is proposed that a research capacity be established in the SDM tourism development section.
4.5.1.23 TOURISM MARKETING STRATEGY

An effective marketing strategy is critical to the growth of tourism in Sedibeng. This should take into account the need to brand the area, develop and package tourism products in accordance with the needs and expectations of clearly identified market segments.

4.5.1.24 COMMUNICATIONS AND MEDIA STRATEGY

A well planned communications and media strategy will facilitate the transmission of a coherent message to potential tourists. Increased communication efforts should be implemented as a matter of priority in order to brand the Sedibeng region as an attractive visitor destination and investment opportunity.

4.5.2 STRATEGIES BY EMFULENI

4.5.2.1 STRATEGY 1: REGIONAL TOURISM INSTITUTIONAL ARRANGEMENT

As part of this strategy the recommendations were:

- Establish and formalise a stakeholder forum in Emfuleni;
- Establish a Regional Tourism Association;
- Formalise communication channels between Local Authority, and all other stakeholders in the tourism industry.

4.5.2.2 STRATEGY 2: PUBLIC PRIVATE PARTNERSHIP STRATEGY

As part of this strategy it was recommended that:

- Emfuleni Local Authority needs to build links and relationships with public and private sector institutions and organizations;
- Emfuleni Local Authority needs to build links and relationships with private sector organizations and tourism industry product owners and service providers;
- Emfuleni Local Authority needs to build links with BEE partners to promote tourism and render support;
- Align all efforts with Regional, Provincial and National Tourism efforts.
4.5.2.3 STRATEGY 3: TRAINING OF ROLEPLAYERS STRATEGY

As part of this strategy it was recommended that:

- The training and capacity building framework include local government officials, representatives of the tourism stakeholder forum, new and existing product owners, service providers and others wishing to benefit from the tourism economy and the broader community;

- The training and capacity building intends to prepare all sectors of the industry to a role in realising a vision for tourism which is vibrant and sustainable.

4.5.2.4 STRATEGY 4: ACCREDITATION, QUALITY ASSURANCE STRATEGY

As part of this strategy it was recommended that:

- Emfuleni Tourism Authorities work together with the Tourism Grading Council to consistently ensure quality tourism products in the area;

- Facilitate registration of all tourism amenities and service providers;

- Implement Tourism Grading Council quality assurance measures;

- Support industry associations to raise professional standards.

4.5.2.5 STRATEGY 5: VISITOR SAFETY STRATEGY

As part of this strategy it was recommended that:

- The development of programmes like visitor safety programmes in collaboration with the SAPS;

- Development and distribution of relevant materials for visitors;

- Implementation of a community awareness programme;

- Focussed capacity building programmes for tourism operators, product owners and other service providers to support the visitors’ safety.

4.5.2.6 STRATEGY 6: DATABASE STRATEGY

As part of this strategy it was recommended that:

- Information about the Emfuleni area be stored and aligned with databases of Sedibeng;

- A valuable data retrievable tool, in a user friendly format, be provided;
• Make information available to stimulate the development of tourism;
• Appoint a database developer in consultation with Sedibeng;
• That Emfuleni facilitates a process in consultation with Sedibeng whereby an integrated database of all tourism enterprises and products is developed;
• Utilise this as a tool to market tourism in the area.

4.5.2.7 STRATEGY 7: CULTURAL ASSETS MAPPING STRATEGY

As part of the strategy it was recommended that:

• Cultural assets be identified in Emfuleni;
• Collect information about the location and nature of these cultural assets;
• Collate and store the information in such a manner that it can be retrieved and provide a useful basis for tourism products and future research;
• Use this information to brand and successfully market the Emfuleni area.

4.5.2.8 STRATEGY 8: TOURISM INFORMATION OFFICES STRATEGY

As part of this strategy it was recommended that:

• The development of existing tourism offices must be undertaken;
• The establishment of new offices in the key development nodes must be prioritised;
• The possibility of tourism offices in shopping malls be investigated.

4.5.2.9 STRATEGY 9: SIGNAGE STRATEGY

As part of this strategy it was recommended that:

• An audit of existing signage to take place;
• The development of signage guidelines to be done;
• Development of brand architecture concepts and design being done;
• Development of a signage plan with all role players.
4.5.2.10 STRATEGY 10: SMME SUPPORT STRATEGY

As part of this strategy it was recommended that:

- Tourism related enterprises be identified;
- Identification of the needs of these identified enterprises take place;
- The establishment of an SMME support mechanism driven by existing private and public sector stakeholders;
- Assist new entrepreneurs as well as existing entrepreneurs in accessing loans or grants in order to develop businesses, assistance with marketing businesses, assisting in tendering for contracts, assistance with linking the business into the broader tourism market.

4.5.2.11 STRATEGY 11: LAND USE AND ENVIRONMENTAL MANAGEMENT STRATEGY

As part of this strategy it was recommended that:

- Critical tourism areas be identified including those in townships and earmarked as priority investment areas;
- Identify critical natural tourism attractions that should be protected;
- Develop a consolidated land use management plan;
- Ensure that critical tourism areas are reflected in land use management plans;
- Sustain the environmental quality of Emfuleni.

4.5.2.12 STRATEGY 12: WATER AND AIR POLLUTION PREVENTION STRATEGY

As part of this strategy it was recommended that:

- A water/air pollution preventative strategy be implemented in consultation with regional and provincial government;
- A water/air pollution monitoring program be implemented;
- A joint steering committee be established between public/private stakeholders to investigate water/air pollution problems and possible solutions.

4.5.2.13 STRATEGY 13: BRANDING STRATEGY

As part of this strategy it was recommended that:

- Brand the area as a weekend breakaway destination for clearly identified tourists from outside the area;
• Brand the area as a cultural, heritage area.

4.5.2.14 STRATEGY 14: PUBLICATION STRATEGY

• It was recommended that Emfuleni facilitate the conceptualisation, production and distribution of publications to promote tourism to Emfuleni.

4.5.2.15 STRATEGY 15: DEVELOPMENT OF TOURISM ICONS STRATEGY

As part of this strategy it was recommended that:

• Tourism precincts like Sharpeville memorial, Evaton etc be developed;
• That these areas be marketed in partnership with private initiative.

4.5.2.16 STRATEGY 16: COMMUNICATIONS AND MEDIA STRATEGY

As part of this strategy it was recommended that:

• Tourism brochures for the area be developed and distributed;
• Development of an internet site;
• Develop a media campaign to create a public awareness of what the area can offer to tourists;
• Brand the area as tourist destination.

4.5.2.17 STRATEGY 17: NEW PRODUCT DEVELOPMENT STRATEGY

This strategy includes:

• The prioritisation and selection of products to be marketed;
• Product packaging, and marketing of this;
• Assessment of commercial viability.

4.6 PROPOSED STRATEGIES TO USE WATERWAYS AS VEHICLE TOWARDS TOURISM GROWTH

The VEAS identify the following strategies relevant to the development of Water Tourism, SMME Development and Training of operators.
4.6.1 RELEVANT SEDIBENG STRATEGIES

STAKEHOLDER FORUM

National tourism strategies stress the need to involve stakeholders in all aspects of tourism planning, development and implementation. It is recommended in the strategy that stakeholder forums be established, to work in partnership with public and private sector and civil society.

PARTNERSHIP STRATEGY

The SDM should work in partnership with other stakeholders and role players to develop tourism in the area. This may include Product Development, Promotion and Marketing, Training and Capacity Development, and Tourism Safety.

TRAINING AND CAPACITY BUILDING STRATEGY

The development of a training, capacity building and awareness programme for Sedibeng involves matching a complex set of needs to available resources in a manner that will ensure that every service provider has access to appropriate training and capacity building opportunities.

The capacity building framework addresses the four target groups identified, namely:

- Local government officials and representatives,
- The tourism stakeholder forum,
- New and existing product owners, service providers and others wishing to benefit from the tourism economy,
- The broader community.

COMMUNITY AWARENESS PROGRAMME

Community awareness programmes represent the first and most basic level of training. It is recommended that community awareness programmes be initiated as a matter of urgency. This includes:

- Build an aware and informed community;
- Ensure that all host communities and those living in close proximity to key tourism nodes are prepared and ready to engage with visitors and understand the needs and expectations of visitors;
• Provide communities with information about the potential benefits of tourism;
• Enable communities to identify and counteract any problems that might arise from the growth of tourism in the area;
• Facilitate tourism safety;
• Play a role in the development of respect for the natural and build environment.

A TOURISM ENTERPRISE DATABASE

Tourists visiting the region will be required to interact with a range of service providers, including those involved in owning, operating or working in or for tour operators, tour guides etc. It is therefore recommended that SDM facilitates a process whereby an integrated database of all tourism enterprises is developed, updated regularly and maintained. This will be done to identify and access information about every tourism enterprise in SDM, and utilise this information as a tool for communicating, assessing, registering and planning capacity building and other support initiatives.

INVESTMENT AND FUNDING STRATEGY

Tourism will not thrive unless funding is available to turn assets into viable products supported by informed service providers, adequate infrastructure and an appropriate institutional framework. There are four funding options for tourism development:

• Funding by local government;
• Public sector funding;
• Donor funding;
• Private investment.

SMME SUPPORT PROGRAMME

One of the key objectives of tourism development in Sedibeng is that it becomes a catalyst for economic development, poverty alleviation and job creation. This will be achieved by developing viable tourism enterprises and sustainable tourism in Sedibeng. This includes:

• Identification of tourism related enterprises;
Consultation regarding the needs of identified enterprises;

Establishment of an SMME support mechanism.

PUBLIC AWARENESS PROGRAMME

A public awareness programme of the impacts of litter on aspects such as tourism is the first step in reducing solid waste in specific areas which have a high tourism potential.

The objectives of this strategy are:

- Identify critical tourism areas affected by litter and solid waste pollution;
- Raise local community awareness of the impact of waste on tourism.

TOURISM GROWTH STRATEGY

If tourism is to grow and thrive in the SDM area, it is vital that policies and strategies to increase tourism volume, spend, length of stay achieve the following:

- Alignment with national and provincial strategies and legislation;
- Synergy between tourism growth, product development and marketing strategies.

TOURISM RESEARCH PROGRAMME

Research is the basis for all strategic planning and marketing decisions. Research structures, systems and methods of collection and distribution, and formation of partnerships are key areas to be addressed. It is proposed that a research capacity be established in the SDM tourism development section.

4.6.2 RELEVANT EMFULENEI STRATEGIES

STRATEGY 2: PUBLIC PRIVATE PARTNERSHIP STRATEGY

As part of this strategy it was recommended that:

- Emfuleni Local Authority needs to build links and relationships with public and private sector institutions and organizations;
• Emfuleni Local Authority needs to build links and relationships with private sector organizations and tourism industry product owners and service providers;

• Emfuleni Local Authority needs to build links with BEE partners to promote tourism and render support;

• Align all efforts with Regional, Provincial and National Tourism efforts.

**STRATEGY 3: TRAINING OF ROLEPLAYERS STRATEGY**

As part of this strategy it was recommended that:

• The training and capacity building framework include local government officials, representatives of the tourism stakeholder forum, new and existing product owners, service providers and others wishing to benefit from the tourism economy and the broader community;

• The training and capacity building intends to prepare all sectors of the industry to a role in realising a vision for tourism which is vibrant and sustainable.

**STRATEGY 4: ACCREDITATION, QUALITY ASSURANCE STRATEGY**

As part of this strategy it was recommended that:

• Emfuleni Tourism Authorities work together with the Tourism Grading Council to consistently ensure quality tourism products in the area;

• Facilitate registration of all tourism amenities and service providers;

• Implement Tourism Grading Council quality assurance measures;

• Support industry associations to raise professional standards.

**STRATEGY 10: SMME SUPPORT STRATEGY**

As part of this strategy it was recommended that:

• Tourism related enterprises be identified;

• Identification of the needs of these identified enterprises take place;

• The establishment of an SMME support mechanism driven by existing private and public sector stakeholders;
• Assist new entrepreneurs as well as existing entrepreneurs in accessing loans or grants in order to develop businesses, assistance with marketing businesses, assisting in tendering for contracts, assistance with linking the business into the broader tourism market.

**STRATEGY 15: DEVELOPMENT OF TOURISM ICONS STRATEGY**

As part of this strategy it was recommended that:

• Tourism precincts like Sharpeville memorial, Evaton etc further be developed;
• That these areas be marketed in partnership with private initiative.

**STRATEGY 17: NEW PRODUCT DEVELOPMENT STRATEGY**

This strategy includes:

• The prioritisation and selection of products to be marketed;
• Product packaging, and marketing of this;
• Assessment of commercial viability.

### 4.7 CONCLUSION

With regard to Tourism Development around Dams and the Vaal River the Local authorities in the Vaal Area intent to develop the following areas:

• The Sharpeville Dam
• The Dickenson Park area in Vereeniging on the banks of the Vaal River etc.

With regard to Tourism Development different strategies of the Local Authorities were identified which includes SMME development, Awareness programs, Tour Operator Training and training in general of Entrepreneurs.
SECTION 5: ANALYSIS OF WATERWAYS IN THE VAAL AREA

5.1 INTRODUCTION

The waterways in the Vaal Area can be classified in the following way:

Section 1: The Vaal River from Deneysville (Vaal Dam) up to the inflow of the Suikerbosrand River in Vereeniging;

Section 2: From the inflow of the Suikerbosrand River in Vereeniging up to the Barrage including Loch Vaal;

Section 3: The Vaal River below the Barrage up to Vaaloewer.

When analysing the ownership of properties along the banks of the Vaal River on both the Gauteng and Free State Province side reference will be made to the river sections. This part of the report will look at the different parts of the Vaal River, activities along the banks of the Vaal River, ownership of properties and proposed strategies to use the river constructively.

5.2 VAAL RIVER AND OWNERSHIP

Map 5.1 shows the different sections of the Vaal River.

MAP 5.1: DIFFERENT SECTIONS OF THE VAAL RIVER
**Section 1** includes the Vaal Dam and the Vaal River up to the inflow of the Suikerbosrand River in Vereeniging. Along the banks of the Vaal River in this area a total of approximately 148 riverfront properties on the Free State Province, and approximately 149 riverfront properties on the Gauteng Province side exist.

With regard to **Section 2** approximately 239 riverfront properties on the Free State Province and approximately 630 riverfront properties on the Gauteng Province side exist. This is the area from the inflow of the Suikerbosrand River in Vereeniging up to the Barrage. The main Tourist attractions can also be found along this part of the Vaal River namely:

- Three Hotels: Emerald Hotel and Resort, Riverside Sun Hotel and Riviera Hotel;
- Two Golf Courses;
- Approximately 27 Guest Houses etc.

The properties that belong to the Local Authorities can also be found along this part of the Vaal River namely:

Dickenson Park (Vereeniging);

Caravan Park (Vanderbijlpark);

Abrahamsrust (Metsimaholo).

**Map 5.2** shows the Vaal River Property that belongs to the Local Authorities.
With regard to **Section 3**, which is the part of the Vaal River below the Barrage up to Vaaloeuer, a total of 44 riverfront properties on the Free State side and approximately 104 Riverfront Properties on the Gauteng Province side exist.

The approximate total number of River Front Properties along the Section 1, 2 and 3 of the Vaal River are 1314. **Figure 5.1** below shows the percentage of properties owned by the Local Authorities.

**FIGURE 5.1 VAAL RIVER PROPERTIES OWNED BY LOCAL AUTHORITIES**
5.3 ACTIVITIES ALONG THE BANKS OF THE RIVERS AND DAMS

The Vaal River offers 56km of navigable river ways with spectacular River Property from the Vaal Dam (Denysville) down to the Barrage area. When investigating the ownership of properties along the banks of the river on the Gauteng and Free State Province side it is evident that 0.23 % of the property belongs to Local Authorities and 99.77 % to private owners. When access to the public is looked at, only 5.7% of the property is accessible to the public in the form of guesthouses, camping facilities, fishing etc. The main area available for tourism can be seen as the Section indicated in Map 5.3 below where most of the navigable part of the river is found, as well as golf courses, hotels etc. This is also the area that is more accessible to the poorer part of the population in the area, because of proximity.

MAP 5.3: MAIN TOURIST ACTIVITIES OF THE VAAL RIVER

The main tourist activities along the banks of the Vaal River include the following:
- Guesthouses
5.3 PROPOSED STRATEGIES TO USE PROPERTY CONSTRUCTIVELY

When looking at access to the riverbanks of the Vaal River to the public only about 5.7% of the property is accessible to the public. Access to day visitors for recreation is a mere 1.7%. Figure 5.2 below shows the percentage of properties accessible to the public.

Recreation facilities accessible to the public in the Vaal Area are limited. Considering the fact that only 1.7% of properties are accessible to the public and with more housing developments that take place on the banks of the Vaal River the percentage may even decrease in future.

It is therefore recommended to develop and utilise all available property that is accessible to the public.

The following strategies are therefore recommended:
• Development of the Sharpeville Dam;
• Development of the Dickenson Park precinct;
• Development of the Caravan park in Vanderbijlpark;
• Development of the Abrahamsrust resort;
• Identification of Tourism Entrepreneurs;
• Incubation of businesses with regard to Tourism ;
• SMME Support with regard to Tourism; and
• Training of Operators in this Field.

5.5 CONCLUSION

This report can be summarized as follows:

• The Vaal Triangle had a marginal increase in the annual population growth rate from 2001 to 2010 of only 3.17 percent. This corresponds to similar findings that the Vaal Triangle population growth rate is below the national average.

• The dependency ratio for the Vaal Triangle was 3.37 in 2001 which means that on average 3.37 persons are economically dependent on each earning person. This ratio increased to 3.58 in Emfuleni and 3.24 in Metsimaholo in 2010.

• The population of the Vaal Triangle has a slightly higher literacy rate than the average of the RSA.

• 48.4 percent of the economically active population (those willing and able to work) was unemployed in 2010. Over the past ten years this figure slightly decreased from
50.4 percent to 48.4 percent. There is a considerable difference in the unemployment rates of Emfuleni and Metsimaholo, where the former has an unemployment rate of 51.0 percent and the latter of 35.2 percent.

- The Manufacturing, Trade, Service and Other sectors of the economy are responsible for 71.5 percent of the formal employment in 2010 compared to 75.3 percent in 2000. The percentage formal employment in the Manufacturing and Trade sectors decreased also from 2000 to 2010, while it increased in the Service and Others sectors. The Tourism & Entertainment sector is responsible for 2.1 percent in 2010 compared to 1.4 percent in 2000.

- The highest average monthly wages are paid by the Transport, Electricity/Gas/Water and the Manufacturing sector. The average monthly wages paid by the Tourism & Entertainment sector are slightly below the average monthly wages. This was also the case in 2000.

- The average monthly income per worker is estimated at R7,032 per month. The average monthly household income for 2010 is estimated at R5241.

- 42.8 percent of all households in the Vaal Triangle live in poverty, with an average shortfall of 40.0 percent (i.e. on average a poor household receives only 60.0 percent of the income needed to be on its poverty line).

- Unemployment is the main reason for the high rate of poverty in the Vaal Triangle. If all the poor unemployed in Emfuleni could get jobs with a monthly wage of R500, the poverty rate would decrease to 21.1%

- The role of the Vaal economy within the Gauteng Province is described, and it is clear that it plays an important role, particularly in terms of contribution to the GGP of the Manufacturing sector.

- Although the Vaal economy plays an important role in the province, it has the highest unemployment and poverty rates in the province. Furthermore, while the
Vaal economy contributes 5.5 percent (GDP) to the Gauteng economy, it houses 8.5 percent of the Gauteng population. It is therefore not strange that the unemployment and poverty rates are the highest in the province.

- The VT economy has not been immune to the effects of recession, as a result of the global financial crisis.

Regarding Tourism:

- Visiting friends and relatives is by far the most important driver for domestic holiday trips to Gauteng, with 73.08% of all domestic trips for this purpose. The most important destinations for VFR trips are Johannesburg and Pretoria with the largest VFR markets being Gauteng itself, the Northern Province, KwaZulu Natal and the North West Province.

- After VFR, the second most popular purpose of trips was business trips to Gauteng with 9.61% followed by religious reasons with 8.64%. Most of trips for medical reasons were undertaken to North West with 3.91%, followed by Gauteng with 3.19%.

- The SA Tourism Domestic Survey of 2001 indicated that only 9.7% of overnight domestic trips were to the Southern Gauteng Area in 2001, which is approximately 646 408 trips during 2001. The survey also indicated that an estimated 2 178 million day trips were taken to the southern parts of Gauteng including Emfuleni during 2001.

- An estimated 270 000 of these trips were leisure related. According to product owners in the area these visitors come from North West Province, The Free State and Gauteng.

- Domestic leisure visitors account for 85% of total overnight visitors to the region of which over 60% is caravan, camping and budget demand. The length of stay of the domestic leisure market is 1.5 nights contributing to around 40% of total room nights sold in the region. The main activities of domestic leisure tourism in the region are focused on entertainment, water sports and eco-tourism activities.

- According to statistics maintained by the Vanderbijlpark Parks and Recreation Department, 50% of day visitors to their facilities are from Vanderbijlpark, 20% are from
the rest of the Vaal Triangle and 5% are from Pretoria. The remaining 25% come from elsewhere in the Gauteng and the Free State. The figures therefore indicate that a significant number of day visitors are attracted from outside the area, mostly on weekends for recreational purposes.

- When looking at the number of trips to Southern Gauteng by type, it shows that 64% of trips are to visit friends and relatives, 14% for leisure, 13% for religious purposes and 6% are business trips.

Entrepreneurs in Tourism in the Vaal Area state the following Strength’s:

- Shopping Malls
- Water resources (Dams and River)
- Wine Route
- The Vaal River, natural resources
- Political History, Heritage
- Locality
- Existing Tourism Infrastructure
- Accessibility, Proximity to Oliver Tambo Airport
- Tertiary Institutions in Area
- Proper Road linkages

Entrepreneurs in Tourism in the Vaal Area state the following weaknesses:

- Poor Image of Info Centre
- Lack of communication
- Beautification of Main Entrances to Area needed
- Pollution of River (Moratorium on Development along the river)

- **Lack of skilled entrepreneurs and workers in Tourism and hospitality**
- Signage lacking
- Poor Marketing of Area
- Lack of Development of Key Attractions
- Lack of Branding of Area
CBD of Vanderbijlpark and Vereeniging
Lack of Transport
Poor Waste Management/ Poor maintenance of Roads etc.
Lack of Community Involvement
No Tourist Information Offices in Townships
Accreditation and Licensing of Accommodation
Lack of Coordination between Stakeholders

The following opportunities exist:

- Develop Heritage Sites
- Beautify the Entrances
- Improve Signage
- Training of Stakeholders
- Tourism Awareness programs
- Effective use of Media
- Upgrading/Accreditation / Licensing of Products
- Develop/Training of Tour guides
- Participation between Private and Public Stakeholders
- Tour operators from Oliver Tambo Airport
- Development of Sharpeville Dam (and other plans mentioned earlier)
- Tourism and Tertiary institution Collaboration

With regard to Tourism Development around Dams and the Vaal River the Local authorities in the Vaal Area intent to develop the following areas:

- The Sharpeville Dam
- The Dickenson Park area in Vereeniging on the banks of the Vaal River etc.

The following strategies are therefore recommended:

- Development of the Sharpeville Dam;
- Development of the Dickenson Park precinct;
- Development of the Caravan park in Vanderbijlpark;
• Development of the Abrahamsrust resort;
• Identification of Tourism Entrepreneurs;
• Incubation of businesses with regard to Tourism;
• SMME Support with regard to Tourism; and
• Training of Operators in this Field.
PHASE 2: CONDITIONS OF VAAL WATERWAYS (Incomplete)

SECTION 6: ORIENTATION INTO PHASE 2 OF THE PROJECT

6.1. BACKGROUND

6.2. PHASE 2 OF THE PROJECT BRIEF

6.3. TERMS OF REFERENCE

6.4. METHODOLOGY

SECTION 7: OBSERVABLE ASPECTS OF THE WATERWAYS

7.1. INTRODUCTION

7.2. VAAL RIVER

7.3. VAAL DAM

7.4. BEDWORTH LAKE

7.5. SHARPEVILLE LAKE

CONCLUSION