

MUSINA LOCAL MUNICIPALITY

PREPARED BY:



CONTACT PERSON:

Mrs N. Churr

TEL:

012-430 2888

FAX:

012 430 2979

EMAIL:

nanja@kayamandi.com

LOCAL ECONOMIC DEVELOPMENT STRATEGY

SECTION FOUR LOCAL SECTORAL PROFILE

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This Section sets out a detailed analysis of the contribution of the economic sectors to the economy of Musina Municipality at a local level and includes an identification of sectoral opportunities.

PREPARED FOR:



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SECTION 4: LOCAL SECTORAL PROFILE

This Section sets out a detailed analysis of the contributions of each of the sectors to the economy. Within each sector, this Section provides an analysis in terms of an overview of the sector, products produced within each sector, existing development initiatives, backward and forward linkages in the economy and economic gaps and opportunities. The sectors analysed in this Section are:

- Agricultural Sector;
- Mining Sector;
- Manufacturing Sector;
- Wholesale Retail and Trade Sector;
- Tourism Sector;
- Construction Sector;
- Community Services and Infrastructure Sector; and
- Transport Sector.

4.1 ANALYSIS OF THE AGRICULTURAL SECTOR

4.1.1 Overview of Agriculture sector

The Standard Industrial Classification of all Economic Activities (Central Statistical Service, 1993) divides the economy into different categories, further sub-dividing each category into smaller units in order to give a comprehensive understanding of the full extent of activities in each sector or industry. According to the Standard Industrial Classification, the Agriculture sector includes such activities as the growing of crops, market gardening, horticulture, farming of animals, forestry and logging and related services. Other sub-sectors of the Agricultural sector also include commercial hunting, game propagation and fishing. The Agriculture industry is seen as one of the three pillars of the Limpopo economy and is, therefore, of strategic importance to the economic development of the Musina Local Municipality.

According to the 2002 Agricultural Census, the majority of those employed in the Agricultural sector were casual and seasonal labourers. The Agricultural Census also indicated that although there are fewer farms in the Limpopo Province, the number of people employed by those farms is larger than in other Provinces. The Limpopo Province makes the 4th highest contribution in terms of farm employment, with more than 100,000 people employed in the Agricultural Sector. Despite this, Limpopo Province is only 8th in terms of the number of farms. This implies that farming in Limpopo is much more labour intensive than in other areas of South Africa. In Limpopo the majority of paid employees are women, however the majority of farm managers and full time workers are men.

The subsistence farmers have been estimated to comprise approximately 30% of the economically active population in Limpopo (STATS SA, 2002). Employment in the

commercial Agricultural sector is estimated to increase to around 130,000 by 2008 and to approximately 180,000 by 2018. In the Vhembe District, there were over 17,000 people formally employed in the Agriculture Sector in 2004, an increase of more than 2,000 jobs from 1995.

The following Table gives a short summary of the economic indicators relating to the agricultural sector in Musina Local Municipality as compared to that of the Vhembe district.

Table 4.1 Agricultural economic indicators, 2005

	SECTOR SHARE OF DISTRICT	SECTOR SHARE OF MUSINA	CONTRIBUTION OF SECTOR IN MUSINA TO SECTOR IN DISTRICT	GROWTH P.A IN MUSINA 2001 - 2005
EMPLOYMENT SHARE	16%	54%	48%	2%
GDP SHARE	2%	7%	35%	3%

Source: Quantec database 2006, Kayamandi calculations 2007

The above Table shows that Agriculture has a very large employment share, and is responsible for employing more than half (54%) of the labour force in the Municipality. This amounted to approximately 8,243 jobs in 2004. In the Vhembe District, the Agricultural sector is only responsible for 16% of the total labour force. It is thus noted that the LED Strategy needs to place specific focus on job retention in the Agricultural sector, as any changes in this sector could have severe consequences for overall employment levels in the Musina Municipality. It would also be important to focus on employment creation in other sectors, so that the labour force will not be so susceptible to any exogenous forces within this sector.

It is also evident from the above Table that the Agriculture sector of Musina Municipality contributes to approximately half of the employment created in the Agricultural sector of the Vhembe District. A positive, yet low employment growth (2%) has also been noted in the Agricultural sector between 2000 and 2004. As discussed above, this high degree of concentration of employment in a single sector of the local economy is a cause for concern, as the Municipality does not have any other source of income to cushion the impacts of any negative changes that could occur in the Agricultural sector, therefore creating a strong need to diversify employment.

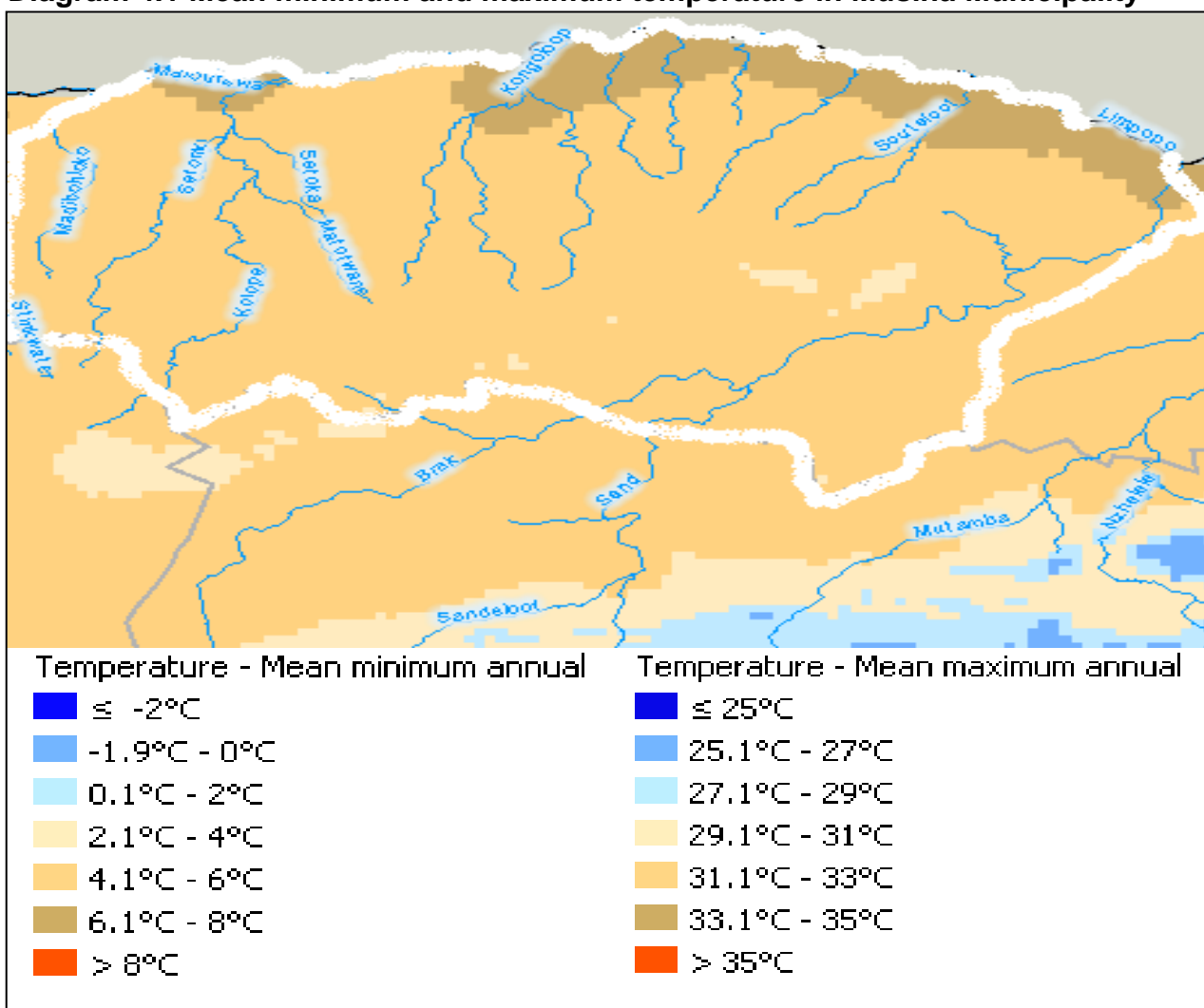
Furthermore, as can be seen from the Table above, it is evident that the Agricultural sector contributes far less to the GDP of the local economy (7%) than it does to employment. This clearly reveals that it would be necessary to get the existing workforce, which evidently is largely involved in small-scale and subsistence agriculture, to become more commercialised and involved with higher order agricultural activities, such as agro processing, etc. However, the GDP generated by the Agricultural sector in the Municipality contributes up to three times more to the Musina Municipality's economy than this sector does to the District's economy. The local Agricultural sector also contributes to more than a third of the GDP generated by this sector in the District. The Agricultural

sector in Musina, in respect of GDP, grew at approximately 3% per annum over the aforementioned periods.

An Agricultural analysis is only complete with a analysis of the environmental factors, such as climate, topography and soil potential, which give rise to different types of vegetation in different regions throughout the area.

The Diagram below provides an indication of the geographical distribution of temperature in Musina Municipality.

Diagram 4.1 Mean minimum and maximum temperature in Musina Municipality

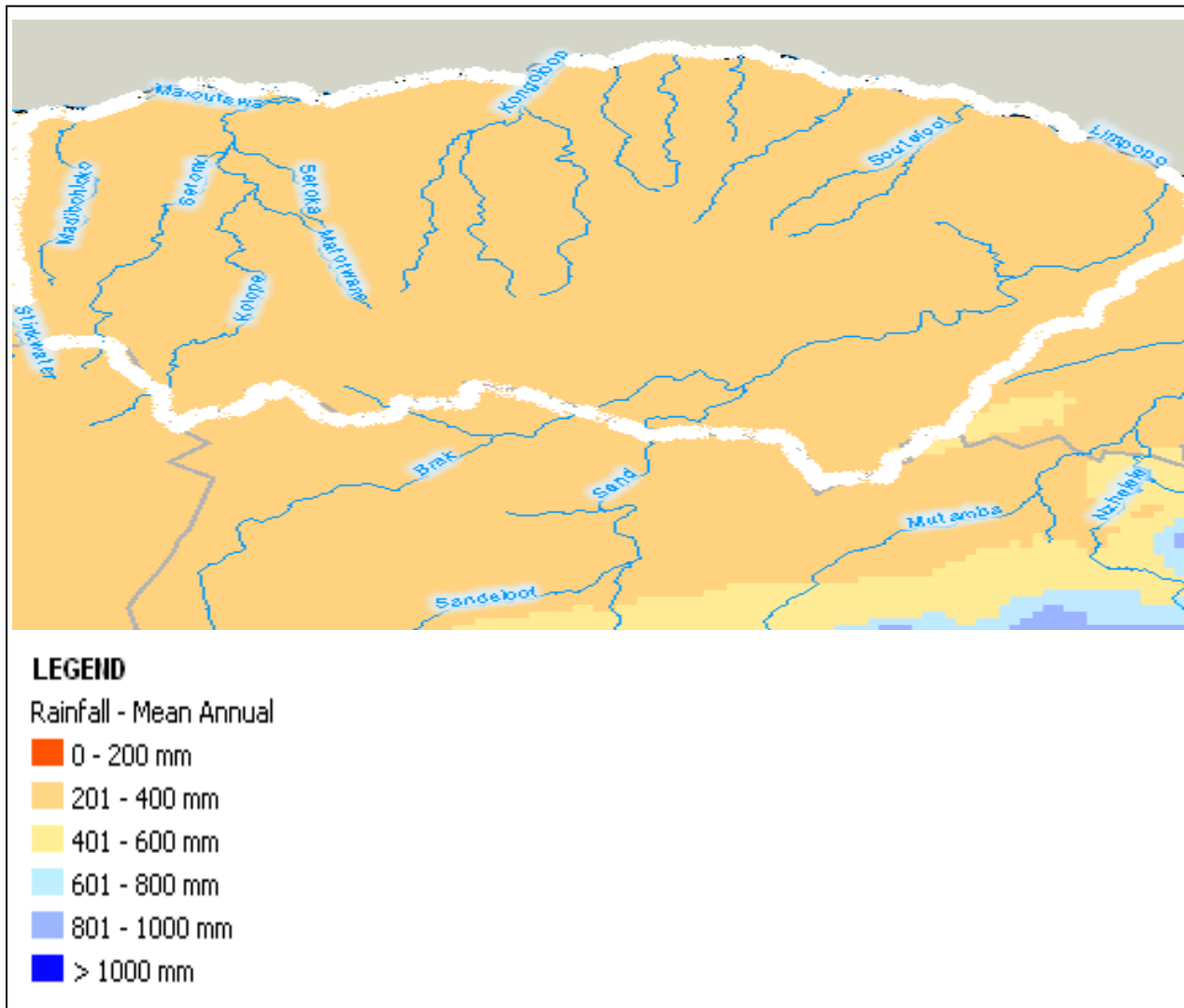


Source: Natural Resource Atlas, 2006, www.agis.agric.za

From the Diagram above it is evident that daily temperatures vary from the mid-20's to mid-30's, with an average range of between 17° and 27°C in the summer and 4° to 20°C in the winter. Temperatures range from a high average of 21°C in the upper catchments, to a very high average of 25°C in the Kruger National Park (KNP). Frost rarely occurs in these regions. Along the northern boundary of Musina Municipality, it is evident that slightly higher mean annual temperatures are noted than in the interior of the Municipality.

The following Diagram illustrates the mean annual rainfall of Musina Local Municipality.

Diagram 4.2 Mean annual rainfall in Musina Municipality



Source: Natural Resource Atlas, 2006, www.agis.agric.za

It is evident from the above Diagram that Musina Municipality has a relatively constant rainfall pattern across the Municipality. The Municipality is situated in the summer rainfall region between October and March and rainfall occurs in the form of heavy thunderstorms or soft rain. This is further indicated by the Table below, with November, January and February recording the highest rainfall levels. The average annual rainfall for the Municipality ranges between 200-400mm and 600 mm.

In terms of evaporation rates, the annual evaporation increases gradually from 1,400mm in the west to 1,900mm in the east of the Limpopo Province, with the average evaporation for the Province measuring at approximately 1,800mm per annum. Approximately 60% of the evaporation occurs during the 6 months from October to March. The average annual potential evaporation in the Province is also higher than the rainfall in almost all areas.

However, the rates differ from area to area, depending on the topography. One of the areas in the Limpopo Province with the highest rate of evaporation is around Musina, with the annual evaporation exceeding 2,700mm, as indicated by the Table below.

The Table below illustrates the rainfall, evaporation, air temperature and relative humidity in Musina Municipality.

Table 4.2 Rainfall, evaporation and temperature of Musina Municipality

MONTH OF THE YEAR	RAINFALL (MM)	EVAPORATION (MM)	AIR TEMPERATURE (CELSIUS)		RELATIVE HUMIDITY (%)	
			Max	Min	Max	Min
January	69.6	298.1	33.1	21.5	77.3	34.6
February	68.9	260.9	32.6	21.2	78.9	35.0
March	34.7	255.6	31.9	20.0	79.6	34.0
April	14.2	205.4	30.0	16.1	80.8	31.3
May	5.6	164.2	27.7	10.9	84.4	28.9
June	5.7	134.7	25.1	6.9	82.3	28.4
July	4.5	142.5	24.7	7.0	80.8	28.4
August	1.4	189.9	27.0	9.6	73.3	26.6
September	7.8	229.3	29.7	14.1	68.8	27.4
October	24.4	283.4	31.0	17.7	66.4	29.2
November	62.0	297.9	32.1	19.8	71.9	32.7
December	48.5	299.3	33.2	20.9	76.7	30.8

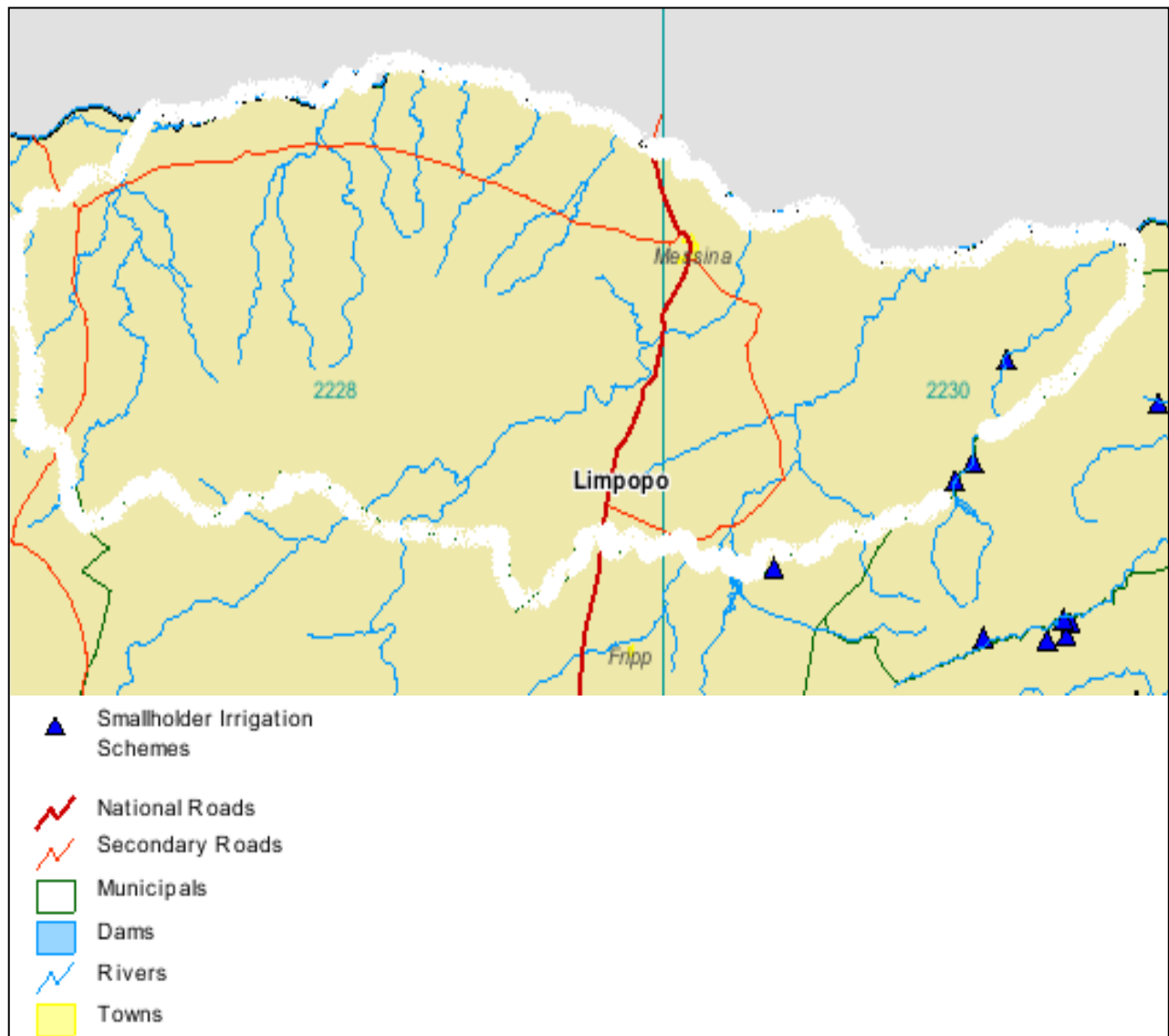
Source: Marete, C.K

As is evident from the information discussed above, Limpopo Province is a particularly dry Province and is in most instances unable to meet its water needs from its local supplies and dams that provide most of the drinking water. The majority of the ground water in the Limpopo Province is used for irrigation (60%), followed by rural communities (25%), the Mining sector (7%) and livestock (2%). The rivers that run through the Province and the inter-basin transfer provide water for irrigation for about 200 established irrigation schemes. In terms of water quality, Limpopo Province is rated the worst in the country, as the Province has the most degraded water supply, particularly in communal areas with steep slopes, low rainfall and high temperatures.

The Diagram below provides an indication of the small holder irrigation schemes situated in the Municipality.

As the below Diagram shows, the majority of the smallholder irrigation schemes are located outside or on the border of the Municipality, to the south-east of the N1 highway. The only visible irrigation scheme within the Musina jurisdiction is located towards the east of the Municipality, situated in the Dzanani area.

Diagram 4.3 Smallholder irrigation schemes

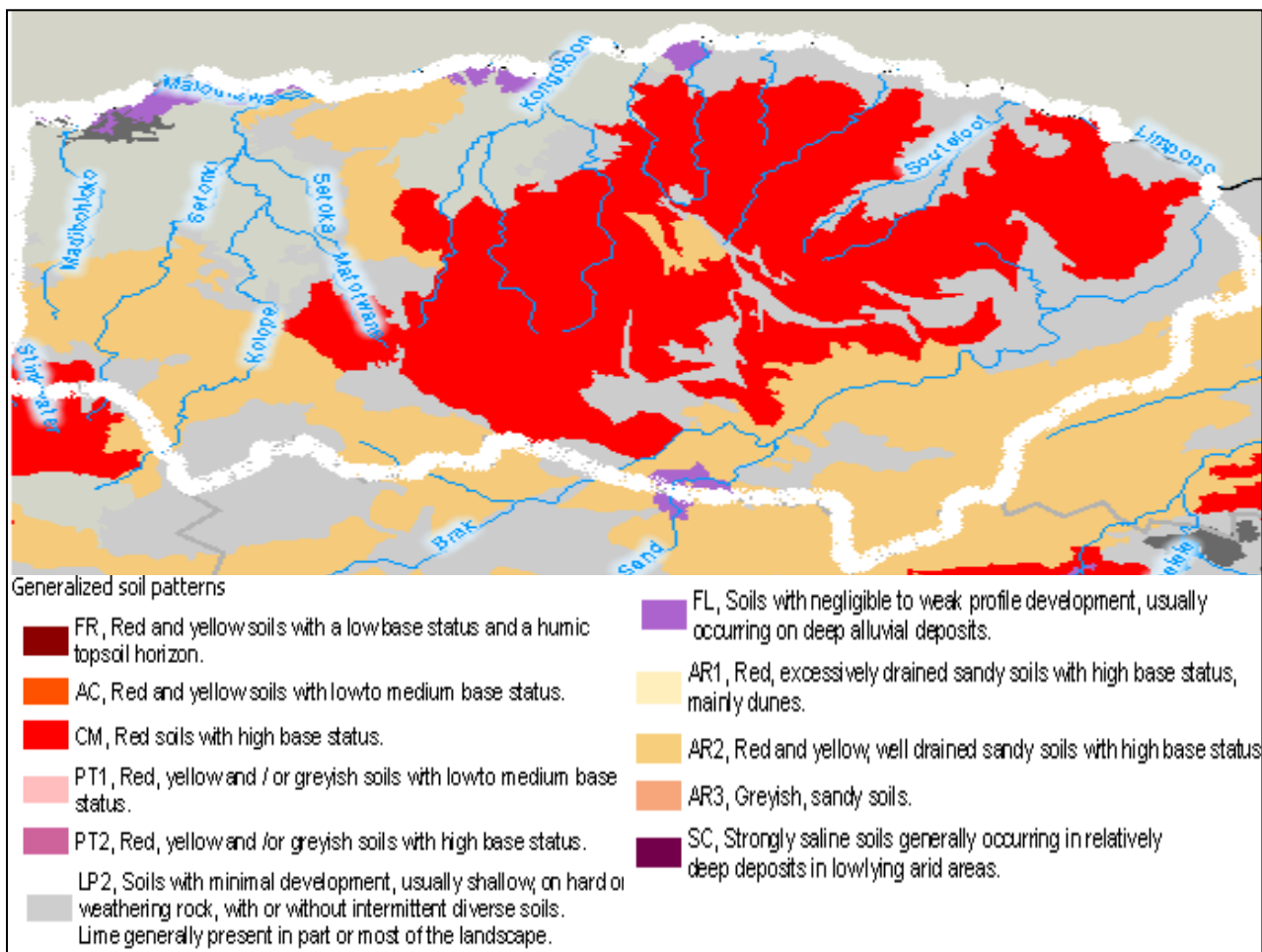


Source: AGIS Orientation Atlas, 2006

Consultation with the Department of Agriculture has revealed that the Nwanedi irrigation scheme is still operational, covering an area of approximately 1040 hectares and is used mainly for the growing of vegetables. The scheme provides irrigation for more than 50 farmers, the majority of which are emerging farmers. This scheme comprises mainly drip irrigation systems, although approximately 1% of the farmers who form part of the scheme are utilising furrows as means of irrigation. As is evident from the Diagram above, there is a lack of small-holder irrigation schemes in the remainder of Musina Municipality.

The Diagram below provides an indication of the soil potential within Musina Municipality.

Diagram 4.4 General soil types in Musina Municipality



Source: AGIS Natural Resource Atlas, 2006

As can be seen from the above Diagram, the soil in Musina Municipality is dominated by red soils with a high base status. The western parts of the Municipality is characterised by areas of shallow soil with minimal development on hard or weathering rock. Lime is also generally present in part or most of the landscape covered in these soils. The south-western border of the Municipality is generally characterised by red and yellow sandy soil that is well drained.

Further studies into soil potential classify soil in terms of its soil capability, land capability and its erodibility. The soil capability is derived from factors such as its flooding and erosion hazard, soil depth and texture, drainage, its mechanical limitations and other soil properties. Taking all of this into account, an area of land is classed as either arable or non-arable. Land capability utilises the soil capabilities and further classifies soils into different classes by including climatic factors. These classes again divide areas of land into either arable or non-arable. Erodibility refers to the erosion hazard of soils and consists of three sub-criteria, namely slope, gradient and water erodibility index, the combination of which allows soil types to be classified into 8 classes (Odhiambo). Through these classes, it is possible to determine which areas of land are fertile and possess the ability to sustain arable farming activities. The soil-classes for the District is shown in the below Table.

Table 4.3 Soil suitability of Vhembe District

SOIL CAPABILITY		LAND CAPABILITY		ERODIBILITY		
Class	Area (ha)	Area (ha)	Classification	Class	Area (ha)	Characteristics
I	41,890 (2.0%)	-	Highly Arable	E1	199,536 (9.3%)	Land with low water or wind erosion hazard. Generally level to gently sloping. Soils have low erodibility.
II	207,868 (9.7%)	2,692 (0.1%)	Arable	E2	111,324 (5.2%)	Land with low to moderate water or wind erosion hazard. Generally gently to moderately sloping. Soils have low to moderate erodibility.
III	1,082,783 (50.6%)	123,796 (5.8%)	Moderately Arable	E3	376,991 (17.6%)	Land with moderate water or wind erosion hazard. Generally moderately sloping land. Soils may have low to moderate erodibility.
IV	144,297 (6.7%)	406,989 (19.0%)	Somewhat Arable	E4	356,424 (16.6%)	Land with moderate to high water or wind erosion hazard. Generally moderately to strongly sloping land. Soils may have low to high erodibility.
V	-	832,833 (38.9%)	Somewhat Non-arable	E5	821,320 (38.5%)	Land with moderate water or wind erosion hazard. Generally level to gently sloping land. Soils may have low to very high erodability.
VI	458,109 (21.4%)	298,133 (13.9%)	Non-arable	E6	254,098 (11.9%)	Very steep slopes with soils with low water erodibility. Moderately to strongly sloping land with soils of low to very high erodibility. Moderately sloping land with soils of very high erodibility.
VII	23,852 (1.1%)	294,355 (13.8%)	Moderately Non-arable	E7	4,733 (0.2%)	Land with very steep slopes, causing severe erosion hazard or past erosion. Soils may have low to very high erodibility.
VIII	179,898 (8.4%)	179,898 (8.4%)	Highly Non-arable	E8	14,270 (0.7%)	Land with extremely steep slopes. Soils may have low to very high erodibility.

Source: Odhiambo – Physical features, soils and land-utilization

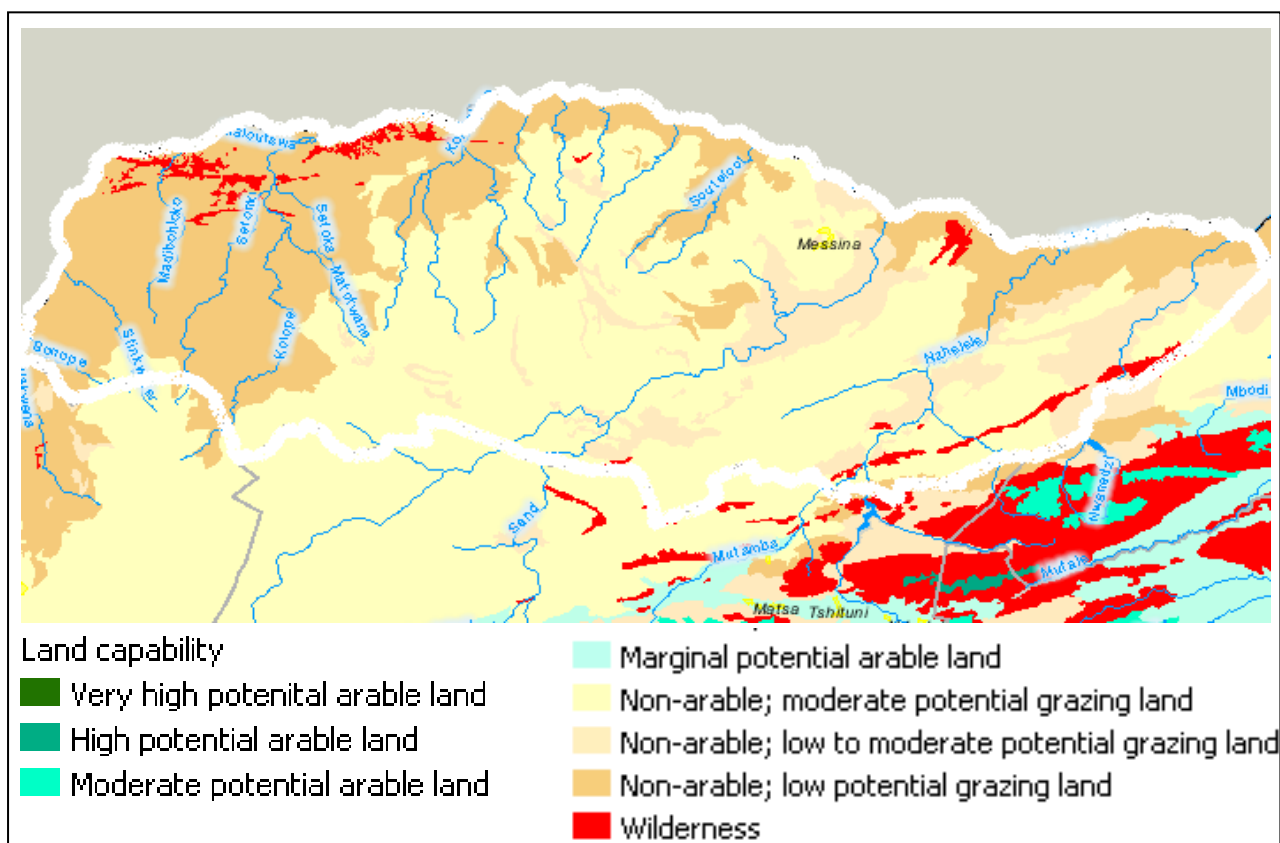
From the Table above it is evident that the largest share (50.6%) of the soil capability in the Vhembe District is in class III, which is classified as moderately arable, with only 2% of the District's soil being highly arable. In terms of land capability, which includes climatic and soil characteristics, none of the land in the District falls into the highly arable category. The largest share (39%) of the District falls into the "Somewhat Non-arable" category. Furthermore, only 0.1% of the land in the District can be classified as Arable,

while 8% is Highly Non-arable. This implies that the Agriculture and specifically horticulture are highly geographically concentrated within the District. It also implies that there is a need for hardier plant species to be substituted in place of high maintenance cultivars. This is the case particularly for animal feed crops.

In terms of erodability, only 0.9% of the area falls in the two highest risk classes for erosion. The largest share of the land, almost 40%, is in areas of moderate erosion risk (E5), while 9% is in the lowest risk areas. According to the Institute for Soils and Climate (ARC), over 2 million ha or 11% of the land in Vhembe district is arable, while 57% is marginal and 31% is Non-arable. This implies that there is a need to improve the productivity of marginal land and to focus soil conservation and improvement programs on the arable and marginal land in the Vhembe District.

In order to give a spatial indication of arable and non-arable land on a more local level, the Diagram below illustrates the land capabilities of Musina Municipality.

Diagram 4.5 Land capability in Musina Municipality



Source: AGIS Natural Resource Atlas, 2006

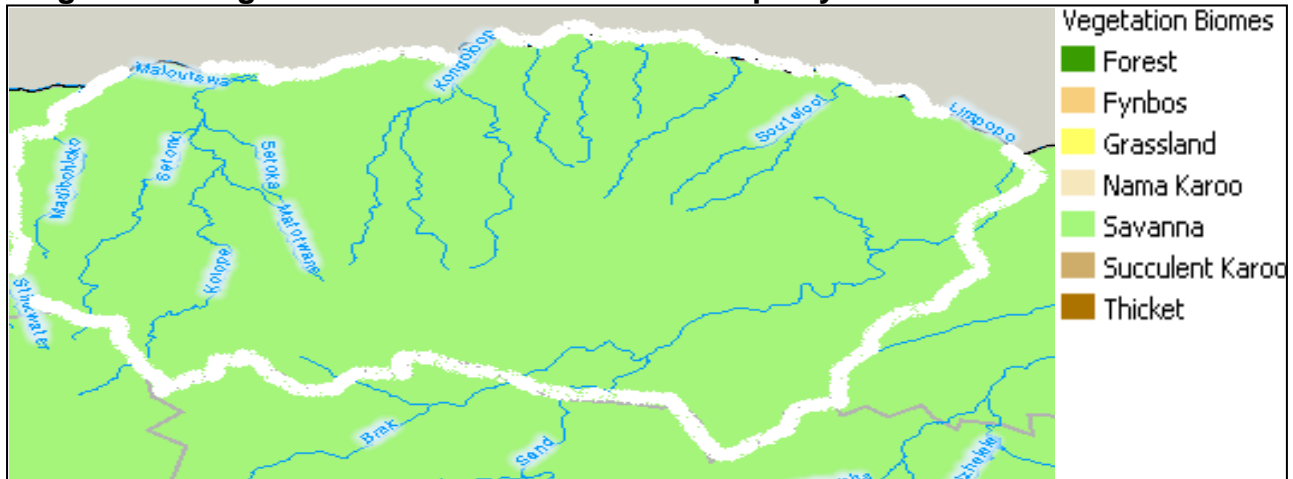
As is evident from the Diagram above, the majority of the Municipality has land capabilities of non-arable land, with some areas of wilderness land occurring in the north-western and south-eastern areas of the Municipality. These land capabilities are mainly suited to some form of grazing, with the north-western parts of the Municipality only having low potential, even for grazing.

Extensive portions of land in the Municipality are in private ownership, with extensive game farming enterprises taking place in the Municipality. Given this, together with the very limited potential for cultivation, the Agricultural development potential for the Municipality is fairly restricted.

Limpopo Province is also an area of diversified vegetation, which ranges between indigenous forests and plantations, to farming land and areas of unspoilt bush. In the northern parts, particularly around Musina Municipality, the Province is characterised by bushveld areas that comprise nature reserves and private game farms, as well as cattle farming. According to the South African Yearbook 2005/2006, approximately 80% of South Africa's hunting takes place in Limpopo, an industry which is estimated to be worth R650 million per year.

The Diagram below provides an indication of the existing vegetation distribution in Musina Municipality.

Diagram 4.6 Vegetation Biomes in Musina Municipality



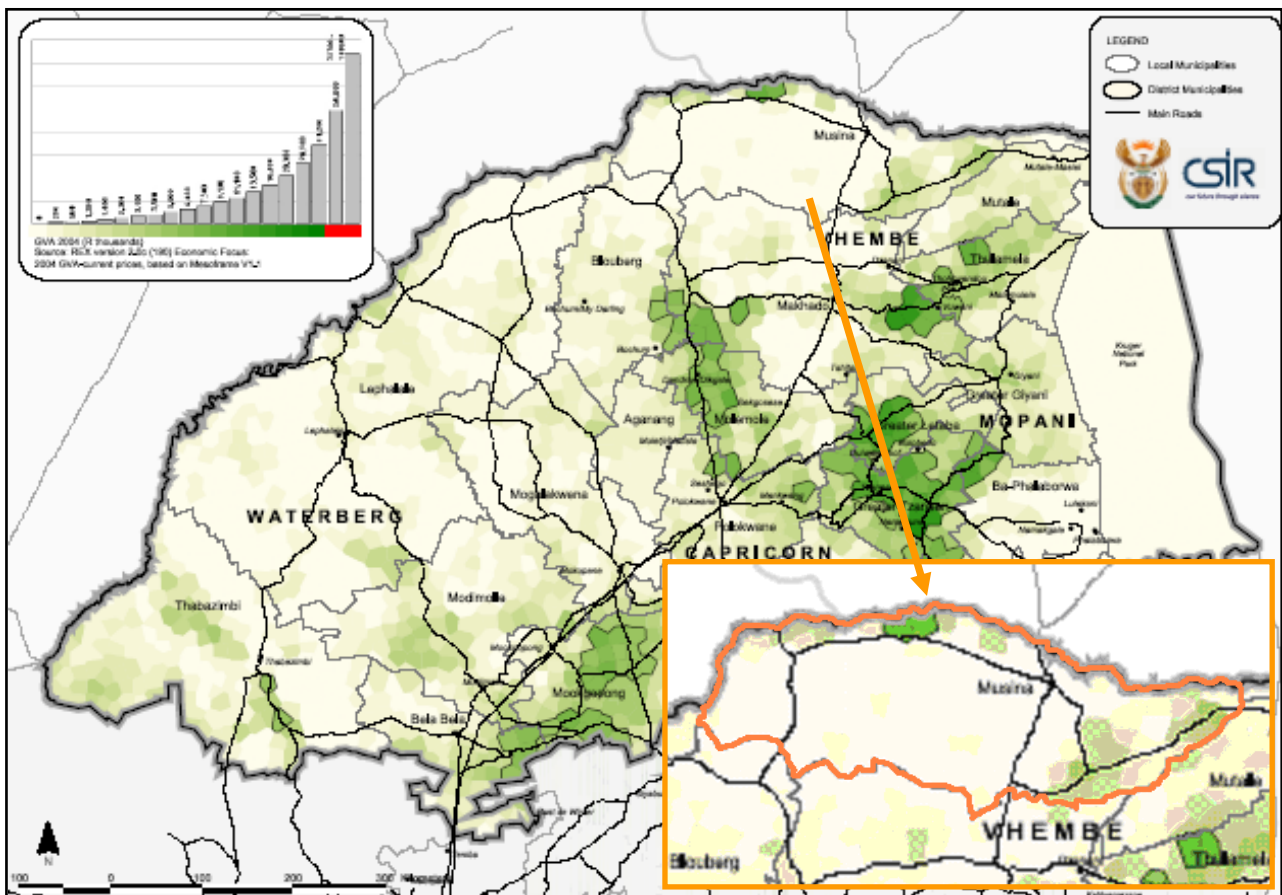
Source: AGIS Orientation Atlas, 2007

As is evident from the above Map, the natural vegetation in Musina Municipality consists predominantly of the Savannah Biome, which comprises of Mixed Lowveld Bushveld. The Savannah Biome is the largest Biome in southern Africa and occupies over a third of the area of South Africa. The Savannah Biome is comprised mainly of grass, with woody plants and trees scattered throughout. Some of the trees found in this biome include the Baobab tree, which also occurs extensively in Musina Municipality. Savannah vegetation is usually used for grazing, mainly for cattle or game.

Due to the climate and soil structure found in the Municipality, and as is clearly shown by the Diagram above, there are no natural forests in Musina Municipality, with the Forestry sector not featuring as an economic activity within the municipal area.

In terms of the existing Agricultural activities taking place in the Municipality, the Diagram below demonstrates where these activities are concentrated.

Diagram 4.7 Distribution of agricultural activities in Limpopo Province



Source: DTI, NSDP Resource Pack, 2006

The Diagram above is based on the Gross Value Added (GVA) by the Agricultural sector in 2004. GVA is defined as the output generated minus the intermediate consumption valued at purchasers' prices. The diagram above applies the GVA to a demarcated grid of "mesozones", each comprising a size of approximately 50km². This allows the GVA generated by economic activities to be determined on a very local level.

Given this, the Diagram gives a clear spatial indication of where Agricultural activities are taking place. As is evident from the Diagram above, agricultural activities in the Municipality are concentrated along the northern border of the Municipality, in the areas surrounding Weipe to the west of Musina town. Agricultural activity is also focussed around Tshipise and the north-eastern regions of the Municipality along the Nwanedi river.

According to the Musina IDP (2005/2006), there are five areas with agricultural potential in the Municipality, which comprise of an area along the Limpopo River (Limpopo Valley - including Weipe farms), an area along the Sand River (to the west of Mopane), the Nwanedi farms (only small section in municipal area), an area along the Nzhelele River (Nzhelele irrigation area) and an area along the Nwanedi River (State land leased by small farmers). The IDP also states that game farming is becoming increasingly important and there seems to be a tendency for cattle farmers to switch to game farming.

In this respect, game is far more adapted to the semi-arid environment found in the Musina Municipal Area and requires less water and care.

Despite the constraints in respect of the climate of the locality, there are a number of plant options that could be considered for production in the Municipality and need to be explored further. Since most environmental factors that determine the habitat of specific crops can only be controlled or changed on a very small scale (or not at all) by the farmer, crops should be chosen that are adaptable to the environment (ARC, 2006 as in Ehlers, 1988). The potential plant species that may be suitable for any given area are identified through the use of Ehlers zones, which have been developed to indicate where the soil type and the climatic conditions is of such a nature that certain products can be grown.

Ehlers zones contain lists of plants that are divided into zones according to their temperature requirements, separating potential crops that can be grown into summer and winter months. Musina Local Municipality is covered by four Ehler Zones (see below Map), namely 9946, 8835, 8946 and 8956. The first two digits have reference to the average temperature household of the summer months (December to February). The last two digits refer to the average temperature household of the winter months (June to August). The temperature household takes both the average day and average night temperatures into account.

The following Map outlines the Ehler Zones for the Musina Local Municipality.

Diagram 4.8 Musina Ehler Zones



Source: ARC, 2006

As can be seen from the above Map, there are four Ehler Zones in the Musina Local Municipality. However, the majority of the Musina Local Municipality is in the 8846 zone, with only a portion of the Municipality surrounding the north eastern boundary comprised of both the 8946 and 8956 zones and a very small portion of land on the western border of the Municipality in the 8835 zone. A full description of the optimal plant species per Ehler Zones is listed below. :

Zone 8946 - Optimal summer crops:

Maize	Old-man Saltbush	Ambari Hemp; Kenaf
Arghan Fibre	Annatto	Abelmosk; Awkraw
Indian Beal	Red Pepper	Pusa Hemp
Cashew Nut	Pawpaw; Papaja	Sweet Potato
Cherimoya	Bitter Melon	Mango
Llama	Valencia	Cassava
Ground Nut	Velvet Apple	Millet
Banana	Cotton	Bengal Bean
Rice	Guava	Brinjal / Eggplant
Butter Bean	Caster-Oil Plant	Indian Millet
Date Palm	Sugar Cane	Pimento

Zone 8946 - Optimal winter crops:

Tomato	hemp (fibre)	Parsnip
Peach	Caraway	Parsley
Maize	Dalmation Insect Flower	Big Kidney Bean
Onion, Garlic	Andywie; Endive	Common / Runner Bean
Dill	Chicory	Common Garden Pea
Chervil	Coriander	Purslane
Celery	Mexican Hawthorn	Sweet Cherry
Horse Radish	Artichoke	Plum
Mountain Spinach	Carrot	
Oats (Common)	Abyssinian Millet; Tefgrass	Japanese Plum
Beetroot	Rocket Salad	Japanese Radish
Field Mustard	Buckweat	Radish
Chinese Kale	Sweet Anise	English Rhubarb
Field Mustard (Oil)	Strawberry	Rye
Indian Colze (Canola)	Topinambur	Skirret
Rapeseed (Canola Oil)	Lettuce	Potato
Chinese cabbage	Lentil	Spinach
Brown Mustard (Oil)	Flax; Linseed (Fibre)	Oyster Plant
Rape	Apple	Broadbean
Cole; Cole-seed; (Canola)	Sweet Cicely / Cicle	Collard
Black Mustard	Brussels Sprouts	Celery Cabbage
Cow Cabbage	Hungarian Turnip	Rape Cole (Canola)
Cauliflower	Italian Broccoli	Headed Cabbage

Zone 8956 - Optimal summer crops:

Maize	Millet	Mango
Arghan Fibre	Bengal Bean	Cassava
Indian Beal	Red Pepper	Banana
Cashew Nut	Pawpaw; Papaja	Rice
Cherimoya	Bitter Melon	Butter Bean
Llama	Valencia	Date Palm
Ground Nut	Velvet Apple	Pimento
Old-man Saltbush	Cotton	Guava

Annatto	Ambari Hemp; Kenaf	Caster-Oil Plant
Sweet Potato	Abelmosk; Awkraw	Sugar Cane
Indian Millet	Pusa Hemp	Brinjal / Eggplant
Maize		

Zone 8956 – Suitable winter crops:

Tomato	Sweet Cicely / Cicle	Chicory
Pear	Basil	Coriander
Onion, Garlic	Purple Granadilla	Mexican Hawthorn
Dill	Big Kidney Bean	Gherkin, Musk-melon
Chervil	Butter Bean	Pumpkin, Squash
Mountain Spinach	Common / Runner Bean	Cumin
Mountain Spinach	Anise	Barnyard Millet
Old-man Saltbush	Purslane	Abyssinian Millet;
Oats (Common)	Japanese Plum	Rocket Salad
Sugar Beet	Rye	Strawberry
Chinese cabbage	Choco / Chowchow	Topinambur
Celery Cabbage	Skirret	Barley
hemp (fibre)	Potato	Lentil
Sweet Pepper	Winter Wheat	Flax; Linseed (Fibre)
Caraway	Safflower	Apple
Tomato	Dalmation Insect Flower	Pear
Tefgrass		

In the summer season, the optimal species are the same in the 8946, 8946 and 8956 zones, with 30 species that are considered optimal. There are 32 optimal winter species in zone 8835. These zones are the optimal growing conditions for a variety of fruit, vegetables, grains and animal fodder. These four Ehler Zones are also suitable for year round planting with over 38 optimal winter species in zones 8946. There are 41 optimal winter species in the largest zone. In contrast the western zone (8835) has only 6 optimal winter species; Onion, Garlic (*Allium* spp.), Chervil (*Anthriscus cerefolium*), Mountain Spinach (*Atriplex hortensis*), Caraway (*Carum carvi*), Apple (*Malus sylvestris*) and Japanese radish (*Raphanus longipinnatus*).

4.1.2 Agricultural Produce and Products

According to the IDP of the Musina Municipality, approximately half of the population are located in urban areas, and approximately 45% of the non-urban area is comprised of commercial farms.

The Musina Municipality is mainly focused on game farming, with some horticulture and livestock production also taking place. The most prominent categories of agricultural production are small-scale crop and vegetable farming, with some commercial orange and livestock farming, as well as some commercial tomato farms in the north-west. In the Weipe area, along the northern border of the Municipality, commercial farming enterprises producing cotton, potatoes and oranges are taking place, with further commercial orange production occurring in the Tshipise area. Game farming is taking place on wide

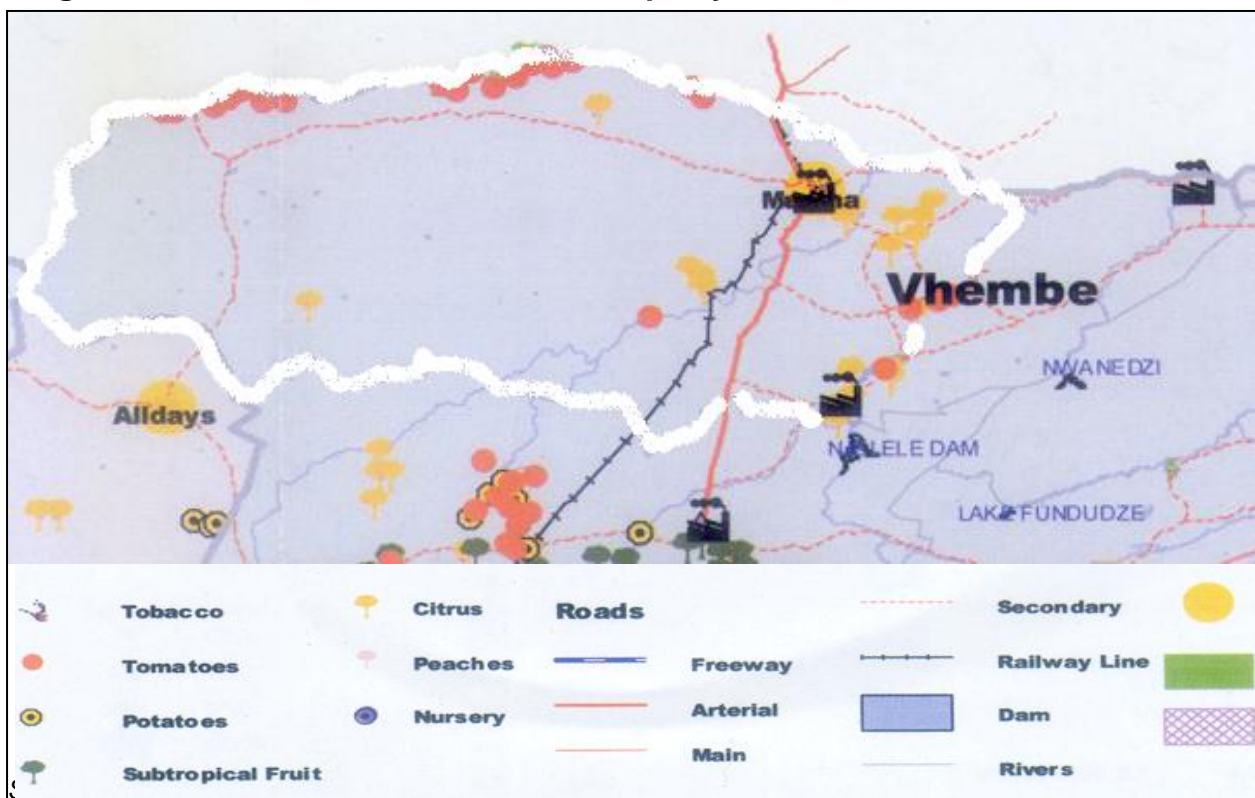
stretches of land in the Municipality, covering significant portions of Municipality to the west of the N1 highway, particularly surrounding the Mopane area.

According to the Limpopo PGDS, Vhembe was identified as one of the areas which should enjoy high priority in terms of the development of the fruit and vegetable potential. This includes the development of a fruit and vegetable processing facility that should form the anchor project for this cluster.

The cluster value-chain should be extended up-stream to include the local production of inputs for the growing of selected fruit and vegetable commodities, such as plant material production, nurseries, pesticides and fertilisers (including organic fertilizers). The value-chain down-stream includes processing, packaging and exporting industries. Additionally, the Province has a very advantageous climate and land for the development of high-value organic food products (PGDS, 2005).

The following Diagram shows the Horticulture cluster in Musina Municipality.

Diagram 4.9 Horticulture in Musina Municipality



From the above Diagram it can be seen that agricultural activities in Musina Municipality are dominated by tomato and citrus production. On the north western border of Musina there are patches of tomato production. Citrus production can be spotted on the eastern side of the N1, along the areas of Dzanani. There are also patches of tomato and citrus production on the south eastern border of Musina Municipality.

It is also evident from the above Diagram that a fruit and vegetable processing facility has been identified to be located in Musina town. In this respect, an existing processing facility in Tiger Food Brands is currently operating in the Musina. This facility produces tomato pastes and buys its raw materials from the local tomato farmers.

The Table below sets out the levels of horticultural production in the Municipality and the Province.

Table 4.4 Distribution of horticultural production

	VOLUME	VEGETABLES	CITRUS	SUB-TROPICAL FRUIT	DECID. FRUIT	NUTS & TEA	TOTAL
Limpopo	Planted (Ha)	36997	20376	14824	55	5202	77454
	Production (Tons)	929964	487839	142198	100	6948	1567049
Musina	Planted (Ha)	5909	3963	405	0	1124	11401
	Production (Tons)	143021	76572	6985	0	2013	228591

Source: Census of Commercial Agriculture, 2002

As can be seen from the above Table, Musina Municipality is dominated by vegetable production, as it makes up approximately 62% of total horticultural production in the Municipality. Vegetable production in the Municipality is mainly comprised of tomatoes, potatoes, pumpkins and onions. Tomatoes are the primary vegetable grown in Musina Municipality, with production taking place on subsistence, small-scale and commercial level. Tomatoes form a staple supplement to the local diet based on maize meal and are, therefore, one of the primary vegetables sold in the Informal Sector. In terms of commercial production, tomatoes are grown on a contract basis and supplied to producers. Most production is done on the basis of drip irrigation systems.

The remainder of horticultural production in the Municipality is comprised of citrus (33%) sub-tropical fruit (3%) and nuts and tea (0.1%). Citrus production is mainly undertaken on a commercial scale, with macadamia nuts being grown at commercial, small-scale and subsistence levels.

With regards to Livestock, the Census of Commercial Agriculture (2002) reveals that Limpopo only contributed approximately 6.4% to the farming income of South Africa, one of the lowest performing provinces in the country. This can possibly be attributed to the large rural areas, where livestock are mainly held for subsistence farming. Land used for grazing in the Province represents approximately 83.9% of the total farming area and cattle still remain the predominant species in the Province. Limpopo only takes up 0.8% of the number of sheep in South Africa (Department of Agriculture, 2005). However, Pigs are found predominantly in the Limpopo, North West and Western Cape provinces, with more than 300 000 being located in Limpopo, the largest share of South Africa's pig numbers.

According to the National Department of Agriculture, commercial livestock production in the Musina Local Municipality is mostly related to sheep farming. The following Table shows the number of livestock in Musina. Livestock Statistical information available for the previous Messina Magisterial District covers Musina Local Municipality.

Table 4.5 Number of Livestock in Messina Magisterial District

LIMPOPO MESSINA	2002	2003	2004
Cattle	4,767	4,784	4,762
Sheep	7,207	6,927	7,088
Goats	6,031	5,818	5,793
Total	18,005	17,529	17,643

Source: Census of Commercial Agriculture, 2005

The Messina Magisterial District is mainly comprised of cattle, sheep and goats. Sheep make up most of the numbers, contributing approximately 40% to the total livestock in 2004. Goats and cattle contributed 32% and 27% respectively. It is clear that livestock numbers have remained virtually the same with the exception of goats that show a slight decrease in number.

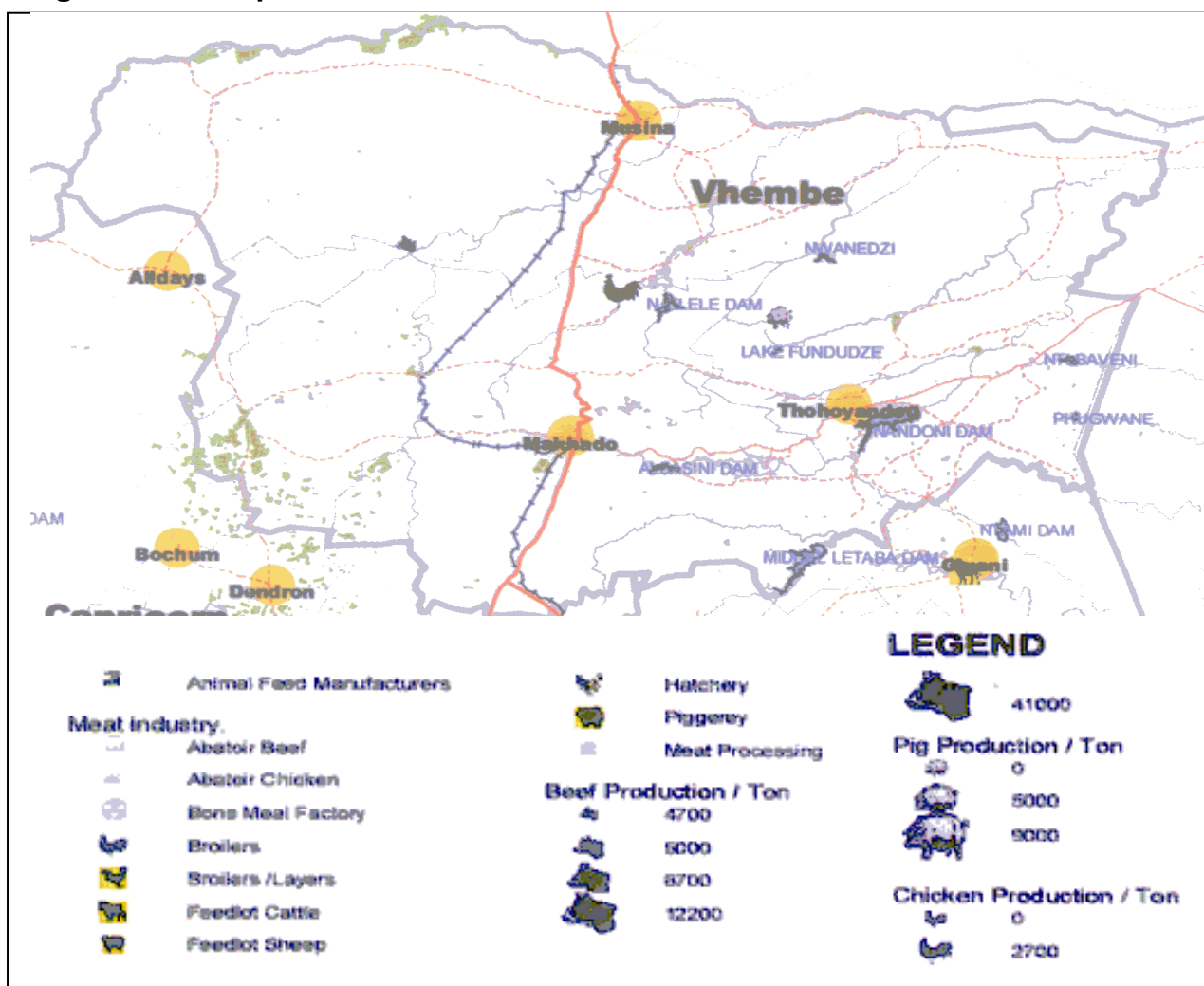
The PGDS also makes provision for a red and white meat cluster, which covers all corridors in all the districts of the Province. The Strategy seeks, through this cluster, to encourage current and emergent poultry and cattle production. The cluster also involves the utilisation of animal-feed production. Large portions of the Province are also taken up by game farms and this appears to be a growing trend. Much like the horticulture cluster, the PGDS seeks to encourage public-private partnerships and skills development among emerging farmers.

The PGDS indicates that this cluster should build on current and emergent cattle and poultry production, as well as animal-feed production, and should be expanded to incorporate under-utilised facilities such as state farms across the Province. Up-stream development opportunities include sorghum production by emergent farmers (a major substitute for maize), as a Strategy to raise the competitiveness of animal-feed and meat production in Limpopo.

The following Diagram provides an indication of the red and white meat cluster as set out by the PGDS.

Clearly, as demonstrated by the Diagram below, there are no significant meat clusters that have been identified in Musina Local Municipality, with the exception of beef production on the southern border of Musina Municipality.

Diagram 4.10 Proposed meat cluster in Vhembe District



Source Limpopo PGDS 2005

The following Table provides an indication of the existing game farms in Musina Municipality, as indicated by the Municipality's IDP.

Table 4.6 Game farms

NAME	LOCATION FROM MUSINA	FARM NAME	AREA (HA)	ACCOMMODATION	TYPE
A Fourie Game Farm	50 km west	Hayoma	2 000	17 beds: 3 chalets + 2 rooms	Private Game Farm
CA Young Game Farm	25 km west	Halton	3 500	16 beds: 8 chalets	Private Game Farm -mainly for local hunters
De Villiers Game Farms	65 km west	Kilgour 176 MS, Dersby	2 135	10 beds: 1 tent	Private Game Farm - biltong hunting

NAME	LOCATION FROM MUSINA	FARM NAME	AREA (HA)	ACCOMMODATION	TYPE
HFT De Swardt Game Farm	24 km west	Stoke	4 000	10 beds: 4 rooms (in a house)	Private Game Farm - biltong hunting
JJ Klaff Game Farm	40 km west	Moulton	4 500	10 beds: house	Private Game Farm
Montie Sheldrake Game Ranch	28 km south-west	Sheldrake; Fontainebleau, Ryswyk; Voorburg & Zwartrant	11200	100beds: 23 chalets	Private Game Farm & Holiday Farm
Piet Lee Game Farm	7 km north	Munnichausen; Templehof	4 300	14 beds: farmhouse	Private Game Farm
PJL van der Merwe Game Farm	60km west	Linton	4 000	14 beds: 4 tents (bush camp)	Private Game Farm (local and international)
Sonskyn Game Farm	47 km south	Frans (Delf, Kitchner' Erasmus)	1 100	24 beds: 4 chalets	Private Game Farm (local and international)
Thaba 'Nkwe Game Lodge	61 km west	Riebelton, Twyfelfontein	7 000	15 beds: 7 rondavels	Private Game Farm - only corporate hunting

Source: Musina IDP, 2006/2007 Review

As is evident from the Table above, there are a significant number of game farms within the municipal boundaries, covering an area of almost 44 000 hectares. This Table does, however, not include conservation areas, nature reserve or holiday resorts where game is also held. Game found on these farms consists mainly of Impala, Kudu, Sable, Rooihartebeest, Eland, Waterbuck and Warthog. It is also clear from the Table above that the game farms are to a large extent focussed on the tourist/accommodation and hunting market, with little game propagation or farming for meat taking place.

The Municipality is also known for its abundance of Mopani trees and the associated Mopani Worms which occur in the Municipality. Traditionally, these worms have been utilised as a source of food and are a good source of protein for local communities, as they consist of almost 60% protein and contain iron, calcium and phosphorous. In order for the worms to be edible, Mopani worms are disembowelled and dried or boiled in salt water prior to being eaten. The Worms are then preserved in ashes. Mopani worms have also become a delicatessen for foreign tourists and can be gently simmered or fried, and are delicious served with peanut butter or tomato relish.

The Musina Local Municipality also produces a "tantalizing" date liqueur, truly unique in the world, which is produced from dates harvested in the Municipality.

The following Table outlines the main products that are produced at subsistence, small scale and commercial level in the Musina Local Municipality.

Table 4.7 Distribution of Produce in Musina Municipality

SCALE OF PRODUCTION	PRODUCE
Subsistence	Vegetables (Tomatoes) Citrus Macadamia nuts Cattle, Goats, Poultry
Small Scale	Cattle, Goats, Sheep, Chicken Tomatoes Avocadoes Pumpkins Cabbages Citrus Dates
Commercial	Lucerne Tomatoes Cotton Citrus Sheep, Cattle, Goats Spirulina

4.1.3 Current Associations, initiatives and projects

Agricultural Associations in Musina Municipality:

The following Cooperatives are currently active in the Musina Local Municipality:

- Musina Secondary Co-operative; and
- Nisedzeni Nwanedi Co-operative, which produces tomatoes.

Existing Agricultural Projects in Musina

The Department of Agriculture has identified the following Agriculture related projects in Musina Local Municipality:

- Macadamia nut farming;
- Sasekisani Co-operative poultry project; and
- Atonvilla Livestock farming – Ward 2.

The Table below sets out the agricultural projects identified in the IDP of the Musina Local Municipality (2006/7), together with the status and location of each.

Table 4.8 LED projects for Musina Municipality

PROJECT NAME	STATUS	LOCATION
Musina youth cash crop	Implemented	Nancefield – Ward 5
Campbell irrigation scheme	Implemented	Nancefield – Ward 5
Spirulina Production	Implemented	Nancefield – Ward 5
Community garden	Implemented	Domboni
Community garden	Implemented	Madimbo – Ward 1
Community garden	Implemented	Malale
Lucerne farming	Implemented	Musina – next to graveyard
Duets liqueur	Implemented	Musina
Irrigation scheme	Planning	Madimbo
Marula salad dressing	Planning	Musina
Pumpkin chutney and jam	Planning	Musina
Tomato jam	Planning	Musina
Mopani worms	Planning	Musina
Biltong processing project	Planning	Musina
Traditional beverages production	Planning	Musina
Medicinal plant propagation and processing	Planning	Musina
Musina back yard garden	Implemented	Musina
Malale broiler/chicken	Planning	Malale
Madimbo broiler/chicken	Planning	Madimbo – Ward 1
Rifarise disabled broiler	Planning	Madimbo – Ward 1
Mshongoville community garden	Planning	Nancefield
Freedom Park community garden	Planning	Freedom Park
Musina poultry layers	Implemented	Musina
Nwanedi group of farms - irrigation	Implemented	Nwanedi – Ward 1
Nwanedi group of farms - livestock	Implemented	Nwanedi – Ward 1
Musina experimental farm	Implemented	Proefplaas – Ward 2
Doppie livestock improvement scheme	Implemented	Nwanedi – Ward 1
Nwanedi ARDC Mango project	Implemented	Nwanedi – Ward 1
Nwanedi ARDC duets project	Implemented	Nwanedi – Ward 1
Musina fish production project	Implemented	Musina
Land care	Implemented	Musina
Community garden	Planning	Domboni – Ward 1
Jam production	Planning	Malale – Ward 1

Source: Musina IDP, 2006/2007

Two of the projects indicated in the Table above have been implemented and are being managed by the Municipality as a business arm of the Local Municipality, namely the Lucerne farming project and the Spirulina production project. The Lucerne farming project is located adjacent to the northern oxidation ponds on approximately 5,3 hectares of land.

The Spirulina project, in particular, is quite a unique project, with few other similar projects taking place in the rest of South Africa. Spirulina is a type of algae which flourishes in hot climates. The Spirulina is also particularly sensitive to air pollution, making Musina ideally suited for the production of Spirulina. The Spirulina is cultivated in a laboratory and is

then grown in large oxidation ponds of salty water to which other chemicals have been added. The growth of the Spirulina follows a cycle of approximately one week, after which the Spirulina can be harvested. From here, the Spirulina is separated from the water and is dried and grinded to form a green powder, which can also be converted into Spirulina tablets. Spirulina is used as a supplement and is popular in the health market.

Currently, the Spirulina project produces 30 to 40kg of Spirulina per week and employs a biologist and 4 permanent members of staff. Casual staff is also employed during harvesting. At present, the Spirulina is sold in local pharmacies in Musina and Polokwane. The biggest constraint preventing this project from expanding is the lack of appropriate marketing of the product.



The Department of Agriculture and Agribusiness development have identified and budgeted for the following two projects in Musina Municipality:

- **Fresh produce market satellite:**
 - Area: Nwanedi
 - The creation of a mini produce market
 - 40 temporary employment and 15 permanent employment
 - Start date: April 2008
 - End date: March 2009
 - Budget: R7.5 million
- **Refrigerated trucks:**
 - Area: Nwanedi
 - Provision of refrigerated trucks
 - 3 permanent employment
 - Start date: April 2008
 - End date: March 2010
 - Budget: R5.7 million

The below Table provides an indication of the projects which have been identified by the Limpopo Department of Agriculture for the Musina Municipality.

Table 4.9 Limpopo Department of Agriculture projects for Musina Municipality

PROJECT	PROJECT NAME	STATUS	TOTAL
Land reform project	Antonvilla	Planning stage	R 840,000
Emerging farmers	Mutale	Production	R 450,000
ARDC commercial project	Cross mangoes	Production	R 1,700,000
Micro enterprise projects (cash crops and broilers)	Malale	Planning	R 833,800
LADEP projects (cash crops and broilers)	Musina	Planning	
Redline fence	Musina	Active	
Livestock Infrastructure: guard houses	Malale	Planning	

According to the Limpopo Spatial Rational, the Agricultural sector presents opportunities to drive the local economy. In this respect, the availability of sufficient water for irrigation purposes in the Nwanedzi and Njelele River Basins are considered to be beneficial. A number of possible projects, which could be implemented in the Vhembe District, have been identified by the Limpopo Spatial Rational and include:

- Bamboo cultivation by emergent farmers;
- Cassava production;
- Date production along the Limpopo River;
- Increased cotton production along the Limpopo River;
- Macadamia Production; and
- The successful development of a game-farming industry with well established forward linkages (e.g. the slaughtering and processing of game meat on a commercial basis).

According to the Vhembe Spatial Development Framework (Draft SDF, 2006), a gradual movement away from cattle farming towards game farming has been noted. A survey done by the Mara Research Station has indicated that there are approximately 2 400 game ranches in the Limpopo Province (1997), totalling an area of some 4.1 million hectares (i.e. 29.7% of the Province's land area). Roughly 40% of these game ranches are owned by persons that reside outside of the Province. The area most affected by this trend represents the form of a horseshoe, running from the western area at Thabazimbi (including the Waterberg area), upwards and along the Limpopo River and down along the KNP up to the border of Mpumalanga Province. In this respect, the provincial Department of Finance, Economic Affairs, Tourism and Environment (DFEAT) is making an effort to facilitate economic and social development through spatial development initiatives (SDI's). One of the projects identified by the Trans-Limpopo SDI includes the development of cattle and game farming in the Messina/Tshipise areas of the Municipality.

Furthermore, the Vhembe SDF indicates that the area north of the Soutpansberg mountain range is characterised by Mopani veld, which is only suitable for extensive cattle or game farming. However, there are a number of irrigation regions along the more important river systems, with the Limpopo, Nwanedzi and Njelel regions being examples. The Limpopo Valley in particular is also well suited for the production of Dates, for which there is a proven market.

4.1.4 Backward and forward linkages in the Agriculture Sector

In general there is a lack of linkages in the Musina Local Municipality within the Agricultural sector and between it and other sectors in the local economy. Backward linkages refer to the supply of inputs required to practice the activity such as crop seed, fertilizers and chemicals, farm implements etc. A large proportion of agricultural inputs are currently bought outside the Municipality, although the local NTK does provide the basic inputs required.

Forward linkages refer to the consumers of the products of a specific sector. With regard to the Agriculture sector, this refers to the consumers/buyers of the fresh produce. In terms of particularly fruit and vegetable production in the Municipality, the majority of raw produce is transported to the Gauteng markets. Local beneficiation currently only takes place through Tiger Food Brands, which produces tomato pastes, and Mpac, which undertakes the packaging of mainly oranges in Musina. Some processing is also undertaken by commercial farmers, although emerging farmers are not partaking in any form of beneficiation, due to limited access to equipment. The remainder of produce is transported to other areas outside of the Municipality for beneficiation.

At present, there is a lack of both forward and backward linkages in the Agricultural sector in the Musina Local Municipality. There is also a lack of linkages in the livestock value chain as the cattle and goats that are raised in the Municipality are auctioned to feedlots on a monthly basis, which then sell them to abattoirs. There is also no abattoir in the Municipality, apart from the small slaughtering facilities on game farms, which are used exclusively for the game hunted on those farms, as opposed to commercial slaughtering. The lack of involvement of local farmers in the value chain of the meat processing and packing industry is seen as a concern for the members of co-operatives.

4.1.5 Agricultural sector gaps and opportunities

Some of the key constraints that need to be addressed in Musina Municipality's Agricultural sector are:

- Lack of access to funding, start-up capital and loans;
- Lack of business management skills;
- Access to market;
- Distance to markets;
- Transport of perishable goods;
- Consistency of supply of raw product;

- Lack of production facilities;
- Lack of marketing;
- Lack of access to producers (emerging farmers);
- Transport costs of bulky product; and
- Competition from imports.

Transport problems are a constraining factor on the development of a vibrant and sustainable Agricultural sector, particularly in respect of the location of Musina Municipality in relation to the main markets and export channels. Most agricultural products of emerging farmers are unable to reach the markets directly, due to the lack of formalized and reliable freight transport for smaller shipments of perishable products. The cost of transporting goods, therefore, prove to be prohibitory and local farmers are forced to sell goods at rock bottom prices due to the over supply of product in the local market, or they are obliged to sell to Middlemen at less than the market rate.

Another main constraint facing the development of emerging farmers is the lack of access to financing to be able to afford the capital necessary to expand their production. Additionally, the lack of access to market prices of commodities and futures markets leaves the farmers and co-operatives vulnerable to misinformation from local purchasers. Access to information technology would help facilitate direct purchasing contracts between farmers and processors.

4.1.6 Key economic opportunities in the Agricultural sector

The following Table summarises the opportunities and potential projects that are possible in the Agriculture sector of the Musina Local Municipality, together with the gaps that need to be filled in order to achieve these opportunities.

Table 4.10 Summary of key opportunities

EXISTING DEVELOPMENT	POTENTIAL OPPORTUNITIES
Existing production vegetables, cabbages, oranges, tomatoes, Mopani worms, macadamia nuts, Boabob trees, etc	<ul style="list-style-type: none"> ▪ Animal feed production ▪ Beauty products ▪ Vegetable processing ▪ Tomatoes and Tomato processing ▪ Juice making ▪ Nut processing and packaging plant ▪ Sun-dried tomatoes ▪ Tomato jam, purees, paste, etc. ▪ Producers co-operative ▪ Packaging and export ▪ Frozen vegetables ▪ Canned vegetables ▪ Organic farming ▪ Processing of Mopani worm products ▪ Date liqueur ▪ Medicinal plant nursery and processing

	<ul style="list-style-type: none"> ▪ Spirulina production ▪ Lucerne production ▪ Pumpkin chutney and jam ▪ Traditional beverages ▪ Cotton production ▪ Cream-of-tata from the baobab tree ▪ Citrus production ▪ Production and processing of cabbages, mielies, onions, potatoes
Existing Livestock farming (cattle, poultry, etc)	<ul style="list-style-type: none"> ▪ Goat, Beef and Game meat processing plants ▪ Dairy production ▪ Leather production ▪ Establishment of abattoirs ▪ Poultry processing – egg production and broilers
Mechanisation	<ul style="list-style-type: none"> ▪ Letting of farming implements ▪ Agricultural input services ▪ Refrigerated trucks

4.2 ANALYSIS OF THE MINING SECTOR

4.2.1 Mining Sector Overview

South Africa is a world leader in the Mining industry and the country is internationally renowned for an abundance of mineral resources, accounting for a significant proportion of both world production and reserves. South Africa's Mining industry is also continually expanding and adapting to changing local and international world conditions and therefore remains a cornerstone of the economy, making a significant contribution to economic activity, job creation and foreign exchange earnings.

The Limpopo Province is no exception, containing a wealth of mineral reserves and makes the second biggest contribution to the total GDP in the Mining sector of the country, topped only by the North West Province. As such, the Mining industry remains a valuable driver of the Province's economy. With this in mind, the Mining industry, together with agriculture and tourism, is considered to be one of the pillars of the Province's economy. According to the Minerals Bureau, as quoted by the Council of Geoscience (Wilson), more than 70 mines are currently operating in the Province, of which more than 50 are small to medium scale mines.

Given the importance of the Mining industry in the economy of South Africa and that of the world, the presence of mineral deposits often leads to the concentration of economic activities around the geographic locations of mineral deposits. This is particularly true for the Musina Municipality, with Messina town being established in 1905 as a copper mining community around the copper reserves and mining activities just north of the town. While the Messina Copper mine is no longer operational, the importance of the Mining industry in the Municipality is evident, as is indicated by the economic indicators in the Table below.

Table 4.11 Mining sector economic indicators, 2005

	SECTOR SHARE OF DISTRICT	SECTOR SHARE OF MUSINA	CONTRIBUTION OF SECTOR IN MUSINA TO SECTOR IN DISTRICT	GROWTH P.A IN MUSINA 2001 - 2005
Employment share	2%	4%	28%	0.1%
GDP share	12%	31%	30%	3.5%

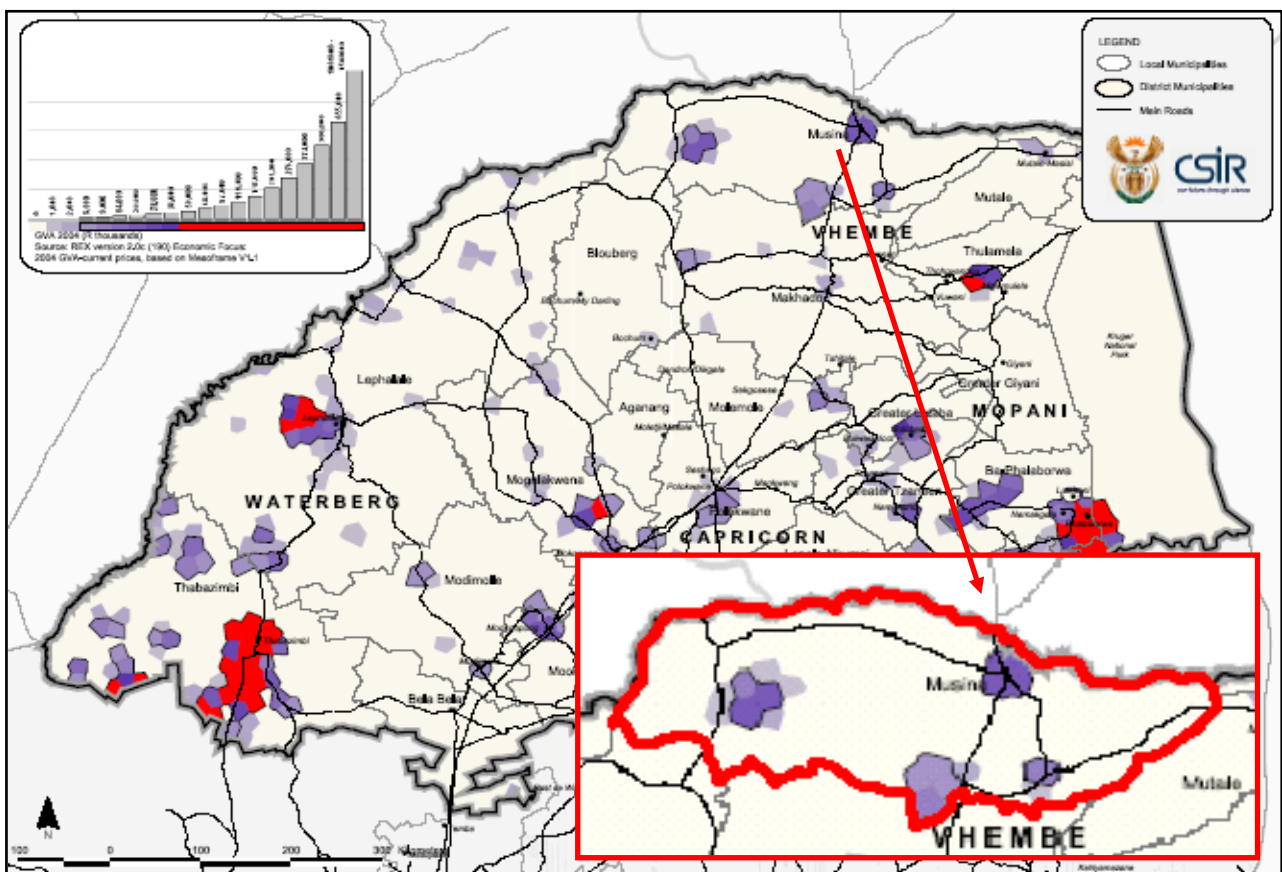
Source: Quantec database 2006, Kayamandi calculations 2007

From the above Table, it is evident that the Mining sector in Musina Municipality is responsible for nearly a third of the output of the economy. This means that the economy is rather dependent on the Mining sector as a source of income generation. Unlike the Agricultural sector, the share of contribution to the economy is relatively high (31%), although its employment share (4%) is relatively little. It would thus be important to improve the ownership and labour intensity within this sector, through the development of the backward and forward linkages. The Mining sector is also far stronger in Musina

Municipality than in the District, which has a Mining sector contribution of (12%) to the GGP. Musina Municipality is responsible for nearly a third of the Sector's employment (28%) and GGP (30%) on a District level. An insignificant growth in employment in the local Mining sector of the Municipality has been noted, whereas a growth of 3.5% in GGP is indicated.

The Diagram below gives a spatial indication of where mining and quarrying activities are taking place, as per the GVA by the Mining sector.

Diagram 4.11 Distribution of mining and quarrying activities in Limpopo Province



Source: DTI, NSDP Resource Pack, 2006

As is evident from the Diagram above, the highest concentration of mining activities are located in the western parts of the Municipality, where the Venetia diamond mine is located and in the areas surrounding Musina town. Quarrying and mining activities are also taking place around Tshipise and in the Mopane area to the south of the Municipality. This distribution again emphasizes the very localised nature of mining activities around the geographical locations of mineral deposits.

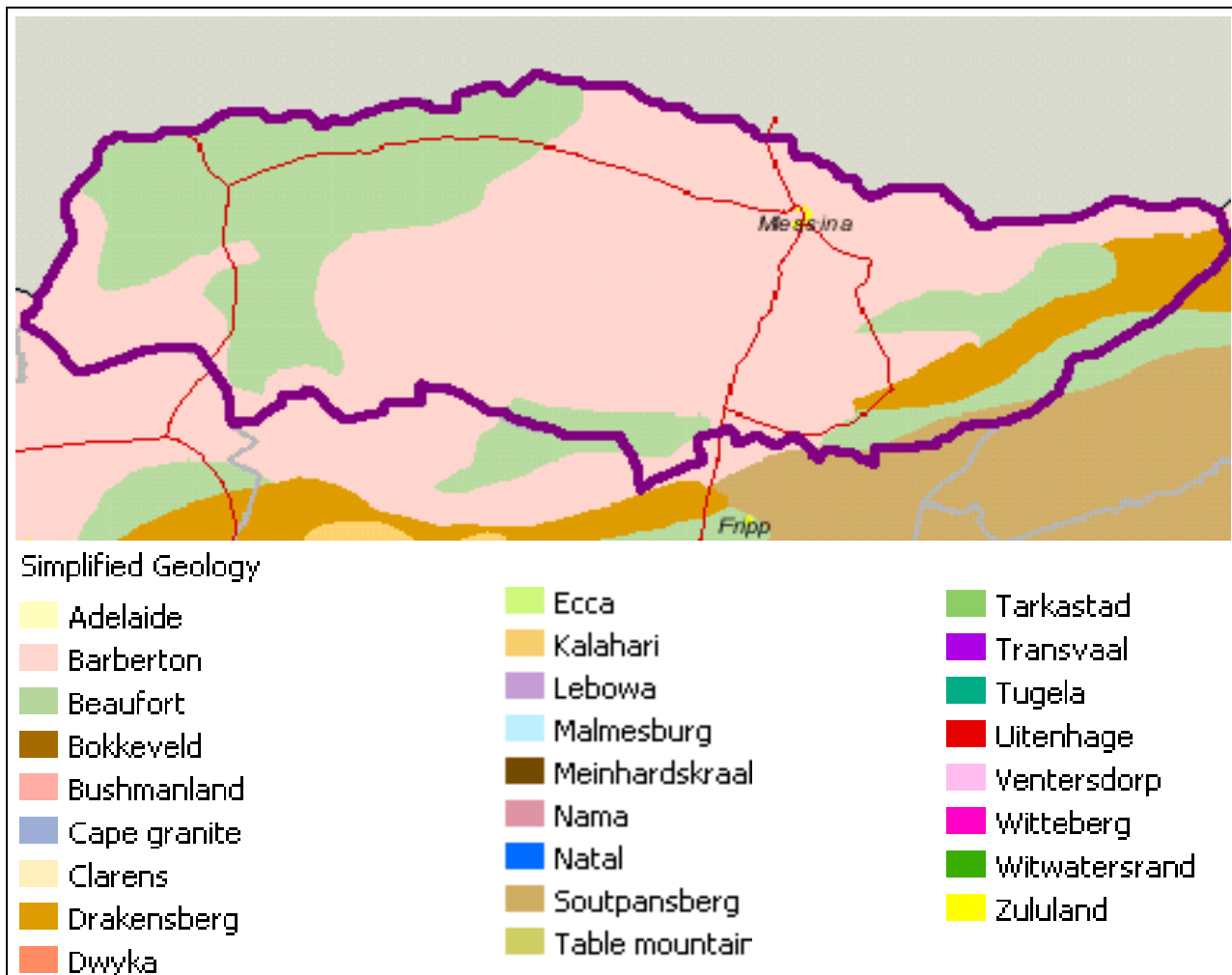
4.2.2 Mineral resources and products

The Limpopo Province is rich in mineral deposits, which include platinum, group metals, iron ore, chromium high- and middle-grading coking coal, diamonds, antimony, phosphate

and copper, as well as mineral reserves like gold, emeralds, scheelite, magnetite, vermiculite, silicon and mica (www.southafrica.info).

The Musina Local Municipality also boasts a number of mineral deposits that have the possibility of being exploited for economic benefit. The Geological map indicating the mineral resources that are present in the Musina Municipality is shown below.

Diagram 4.12 General geology of Musina Municipality



Source: Agis Natural Resource Atlas, 2007

As is evident from the Diagram above, the majority of the Municipality is covered by mineral deposits consisting of Baberton, with Beaufort and Drankensberg deposits also occurring locally. Furthermore, the Musina Municipality has predominantly Gneiss rock with the north eastern corner of the Municipality being comprised of Arenite and Mudstone. Along the western border of the Municipality with Zimbabwe, there are several sizeable deposits of sedimentary rocks. Around the Musina town the rock deposits are predominantly Quartzite (DEAT, Environmental Potential Atlas, 2001).

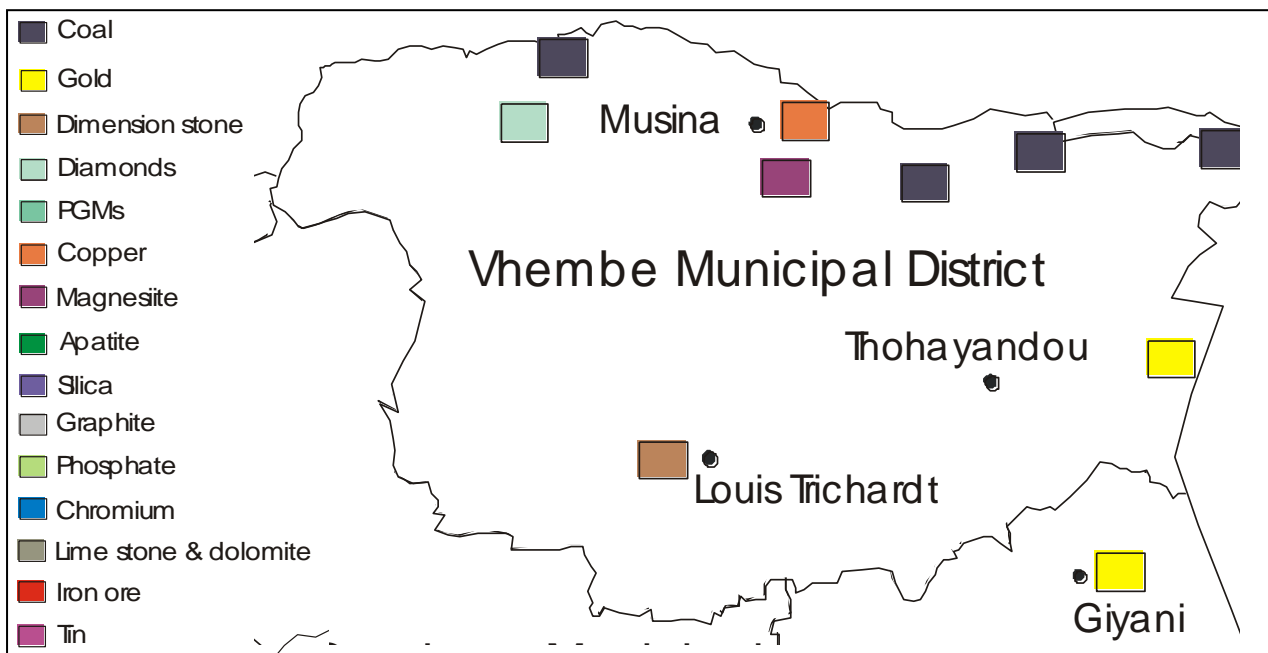
According to the Vhembe District Municipality's SDF (2006) and IDP (2005/2006) the most important mineral occurrences and zones in Musina Municipality include:

- **Beit Bridge Complex / Limpopo Belt:** This complex hosts a number of minerals, the most important of which include:
 - Dolomite/limestone: The Gumbu Group has significant reserves. However, the long distances to markets marginalize the economy of these reserves. Deposits that have been exploited include that on the farm Steenbok (565 MT) and Naus (178 MT).
 - Diamonds: The Limpopo River is known to have significant alluvial diamonds. However, no deposits are mined at present and the only deposit mined in the past is located on the farm Riedel (48 MS). Prospecting has indicated diamonds to occur on the farms Krone (104 MS), Blyklip (25 MS), Halcyon (21 MS), Little Bess (70 MS), Skutwater (115 MS), Bismark (116 MS), and River (141 MS). The only active diamond mine at present is the Venetia Mine located in Musina Municipality. The Venetia mine is located approximately 80km to the west of Musina town.
- **The Tuli, Mopane, Tshipise and Pafuri coal fields:** The economics of these fields are marginalised by the long distances to markets. At present, only the Pafuri coal field is exploited by the Tshikondeni Mine, which produces coking coal for ISCOR's Vanderbijlpark plant. The Tshikondeni Mine is, however, not located within the boundaries of the Musina Municipality.
- **Tshipise Magnesite field:** The field stretches from Tshipise for about 50km in a east-northeast direction. A number of occurrences are located in this field, such as on the farms Graandrik (162 MT), David (160 MT), Frampton (72 MT), etc. The field is exploited by only one operation namely the GeoCarpo Magnesite Mine.
- **Musina copper:** Copper occurs in the Messina fault. This deposit was exploited by the Messina Development Company, which was terminated in 1991.

Three coalfields occur in the Vhembe District namely the Limpopo, Western Soutpansberg, Central Soutpansberg and the Eastern Soutpansberg. Apart from the Tshikondeni mine, these coalfields are not exploited at present, mainly because of the long distances to markets. There are also small to medium sized deposits of Copper and Iron near Messina (Campbell), Anthophyllite at Bridgewater and Chromium at Ammondale, Magnesite and Graphite. The only two mines of significance are the Venetia Mine (diamonds) and the Tshikondeni Mine (coking coal), which is located outside the boundaries of the Musina Municipality.

The following Diagram also provides a further indication of the mineral deposits in the Vhembe District (and by extension that of Musina Municipality).

Diagram 4.13 Mineral Deposits in Vhembe District



Source: Mining position paper, 2003

From the Diagram above, diamond, coal, copper and magnesite appear to be the dominant mineral deposits located in the Musina Municipality, with copper deposits being located around the Musina town area and coal deposits being spread towards the northern regions of the Municipality. As indicated in the Vhembe District LED (2006), the following minerals deposits are found in the Musina Municipality:

- | | | |
|------------|--------------|---------------|
| ○ Chromium | ○ Kyanite | ○ Rose quartz |
| ○ Copper | ○ Magensite | ○ Talc |
| ○ Corundum | ○ Malachite | ○ Vermiculite |
| ○ Graphite | ○ Pegmatites | |

Chromium is considered a strategic mineral for investment due to the limited number of countries in which it is found. Chromium can only be sourced from Chromite found in Musina. Copper has been mined in the region since 1906 and continued until the 1990's. While the copper mine in Musina was closed down, new technologies and the growth in the copper market may see the mining of copper becoming viable once again. The feasibility of this should be investigated.

Magnesium carbonate in the form of Magnesite is known to occur in deposits in the area surrounding the city of Musina. This mineral is the source of commercial magnesium products. Graphite deposits are known to exist in Musina, although the economic value of the deposits are not known and need to be investigated. In Musina Municipality, graphite is found in the form of Garnet bearing Graphite Gneisses. Talc also occurs in several locations in the Musina Local municipality.

Pegmatites are coarse-grained indigenous rocks that have a similar composition to Granite. They function to concentrate other more valuable Minerals making their extraction economically viable. Ore bearing Pegmatite's are known to occur in the Musina along the boarder with Zimbabwe.

Vermiculite is a group of platy micaceous minerals that expand perpendicular to the cleavage plane when heated rapidly and will then hold up to 2.5 times their weight in water. It is commonly used as a growing medium in nurseries, fertiliser carrier, soil conditioner and moisture retainer. It is also used as a filler and texturiser in the production of plastics and as a fire retardant and insulator in the construction industry. In the Musina it is found in the Mount Dowe rock formation.

The deposits of these minerals has of yet not been proven to be particularly abundant or viable for extraction and further investigation into the feasibility of utilising these resources should be undertaken.

The Musina Municipality, does however appear to have significant deposits of minerals characterised as gemstones. A gemstone is the naturally occurring crystalline form of a mineral, which is desirable for its beauty. Gemstones that generally occur in the Municipality include Kyanite (a blue crystal), Malachite (a green coloured gemstone), which occurs in copper deposits and Rose Quartz, which contains traces of titanium. The majority of gemstones are cut and polished for usage as gemstones and can be beneficiated for use in beadwork, arts and crafts, as well as in jewellery making.

4.2.3 Current projects, activities and initiatives in the Mining sector

While the Diamond mining industry has not been included in the Limpopo PGDS as a specific cluster to be targeted for development, the Diagram below does indicate the location of the Venetia Mine and the diamond deposits related to it.

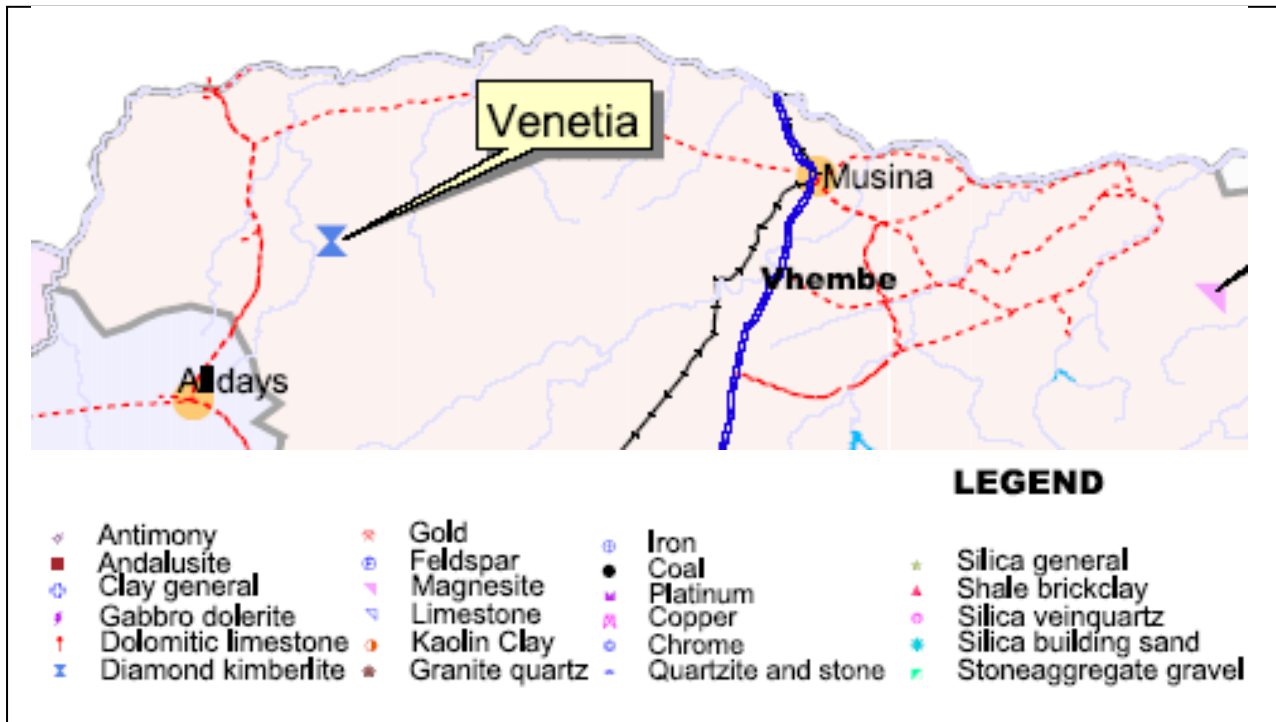
As is evident from this Diagram, little other mineral deposits have been identified as significant in the Musina Municipality.

A number of mines and mining related activities are operational in the Musina Municipality, the largest of which is the Venetia diamond mine. The Venetia Mine forms part of the De Beers Group and was opened in August 1992. The mine produces approximately 8 million carats of diamonds per year, comprising some 50% of South Africa's diamonds, with as much as 5.9 million tons of ore being treated per annum by the plant in Musina Municipality. The Venetia Mine operates an open cast mine, with the size of the pit measuring at 17 ha. The entire mining area of the Venetia Mine comprises some 151 hectares, all of which is located within the Musina Municipality.

The production process involved in the mining of diamonds at Venetia Mine involves the initial planning undertaken by engineers, the blasting operations, which have been outsourced, the removal of kimberlite to the primary crushers, with the waste ore going to dumps. The kimberlite is then crushed down and taken to a secondary crusher, which then produces diamonds. This entire process (apart from the blasting operations) is

undertaken by the Mine itself. Diamonds are then sorted and sized at the Mine, after which it is transported to the Harry Oppenheimer House (HOH) in Kimberley, where it is again sorted and sized, finally being sent to London where the diamonds are once again sorted, sized and sold. The Venetia Mine is not involved in the cutting and polishing of diamonds or in any further beneficiation.

Diagram 4.14 Mining Cluster in Musina



Source: PGDS, 2004

The Venetia Mine is also in the process of expanding, with the open cast mining operations now reaching Cut 4 level. By utilising the split cell method of mining, waste is able to be taken away on one side of the pit while ore is mined from the other side, ensuring a continuous output. It is expected that the opencast mining method will be utilised until approximately 2021, reaching to Cut 5 level, if this appears feasible. It is expected that, if found to be viable, the mining operations will continue underground. A conservative estimate indicates that the mine has a life span stretching up to at least 2053.

The Venetia Mine currently has 928 employees, including all management level staff and mine workers, with as much as 6% of employees being female. Following the expansion of the mining operations, it is expected that the Mine will employ approximately 1300 employees. The average educational level of employees is grade 8, with un-skilled labour being sourced locally, mainly from the Musina Municipality, but also from the Blouberg Municipality, although higher skills levels are recruited from outside the Municipality. The Mine provides employees with continuous skills programmes and training relevant to the mining context, through the use of facilitators. The Mine also faces challenges in respect of equity issues, with employees being lost to other mining

houses in North West and Mpumalanga, as well as to other operations within the De Beers Group.

Employees of the Mine are not accommodated in mine hostels on the premises, but local employees rather live in their own homes in Musina/Nancefield. The Venetia Mine also owns approximately 250 houses in the Musina town area, which provide accommodation for its employees. The Venetia Mine also provides daily transport for its employees to the Mine by way of luxury busses. The transport is currently outsourced to Megabus, as local transport company. However, from May 2007 Vaal Maseru bus services will take over the contract. This company is headed in Klerksdorp, although it will be locally based for the duration of this contract. Change house facilities and lockers are provided on the mine's premises, with laundry services being undertaken there as well. A recreation hall and gym is also provided in Musina. The Mine does not have a canteen on the premises, with employees bringing in their own lunches. However, there is a shop on the premises, which is operated by a private individual who was awarded the contract on tender.

In terms of procurement, many of the suppliers to the Venetia Mine have contracts to supply the whole De Beers Group of mines. In terms of procurement, approximately 30% of all the Mine's supplies are provided by BEE suppliers, although this is hoped to reach 50% by end of June 2007. In terms of the services and goods that are being outsourced to other entities, the Mine is strongly encouraging its suppliers to get involved in community projects. In this respect, Vaal Maseru will be providing 8 learnerships to local people.

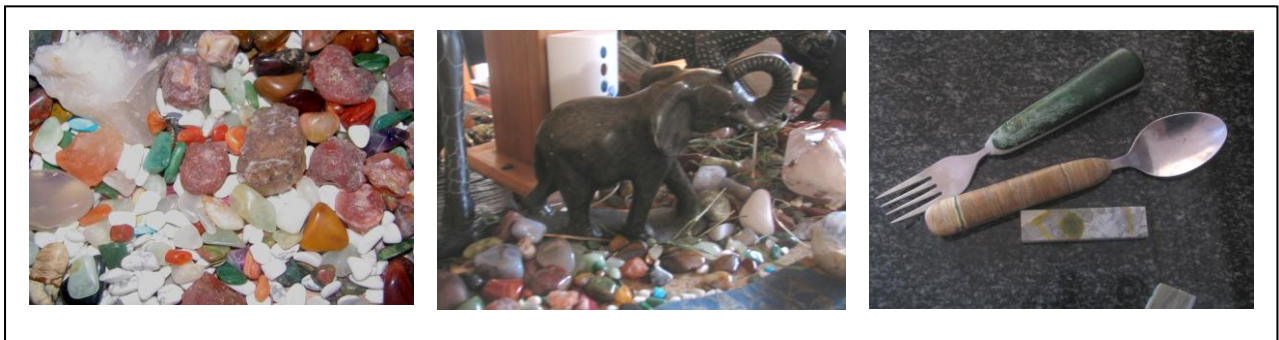
In terms of the Mine's involvement in Corporate Social Investment, Venetia Mine has a good relationship with both the Musina Municipality and the Vhembe District Municipality, focusing on projects and programmes such as infrastructure improvement, electricity, etc, as identified in the local IDPs. In this respect, the Venetia Mine spends approximately R10 million per year in Musina and Blouberg Municipalities. For 2007, the Mine will be making a R1 million contribution to the electrification of Nancefield Extension 8. A further R2 million is budgeted for each of 2008 and 2009. The Mine also makes smaller contributions to the training of teachers and other community projects surrounding safety, health and welfare, poverty alleviation and job creation.

Other mining-related activities that are currently also taking place in the Municipality include:

- Central Africa Crushers (Pty) Ltd is involved in gravel crushing, sand production and sorting. It is a surface mine located in Messina. Central Africa Crushers was established in 2002 and the company utilises waste rocks from the PPR platinum mine to crush into gravel for roads. Their main client is the same mine. The Central Africa Crushers Co, currently employs 58 full time employees and have recently expanded by building a new plant in the Mutatot Village 70km from the original plant. Their employees come from the local villages.
- The Greater Musina TLC Quarry is an Opencast mine located on the Artonville number 7 Mountain. The Quarry is involved in the extraction of Sand.
- Hope Bricks is Located on the Hope Farm Mountain number 109 in Musina. They are involved in the extraction of clay soil and the production of Bricks;

- The Bloemhof Salt & Chem. Co (Pty) Ltd and Crystal Salt Co. both manufacture salt through the process of evaporation in the Vivo area of the Musina Local Municipality. The Bloemhof Salt & Chem. Co was established in 1952 and currently employs 38 people full time. The majority of the employees come from the Blauwberag area rather than Vivo, the closest town. They produce 3,500 tonnes of Iodised salt for human consumption and 5,500 for the tanning process. The main consumers of the salt are local tanneries and local consumers of eatable salt. The main constraints on further expansion are the extent of saline water and the costs of transport.

A further project currently being undertaken in the Municipality is the Vhembe Colour Stone Mining Women's Co-operative. This cooperative consists of 30 members, of which only 5 are men and including the disabled. Approximately 10 casual labourers are also employed by the cooperative. The members of the cooperative are involved in prospecting, quarrying, sorting and stockpiling of semiprecious stones. The Stones that they mine include agates, unakite, amethyst, cornelian, aventurine, red jasper, rose, quarts sodalite and tiger's eye. There is, however, a need for further training of members in the identification and grading of the colour stones.



At present, the cooperative is producing approximately 34 tons rock per week, which is sold and transported to a beneficiation company located in Nelspruit. The raw stone is sold for approximately R5 per kilogram, while beneficiated stone can reach up to R200 per kilogram. There is thus a need for the cooperative to expand into the beneficiation aspects of colour stones. In this respect, SEDA is providing training support to the cooperative, with 2 members of the cooperative already having received training by Mintec and the Mining Qualifications Authority in respect of the further beneficiation of colour stones, as well as the carving of these stones and other decorative items.

The Vhembe District and Libsa have also been supporting the cooperative in terms of funding, with the District having allocated approximately R2 million to the cooperative for the purchasing of tumblers. However, there is a need for further funds to allow the purchase of smaller equipment such as polishers. The cooperative has also been allocated land on the farm Proefplaas, north west of Musina town, to undertake prospecting and from which these stones can be mined/removed. One of the major constraints, however, still experienced by the cooperative is the lack of operational finance, as a prospecting license/permit costs R15 000 per 1,5 hectares of land. Furthermore, the strict procedures and requirements set by the Department of Minerals and Energy appear to be quite prohibitory.

The beneficiation of these colour stones will allow the production of a large number of items, including the tumbling and polishing of spheres and different shapes, the development of arts and crafts such as wire ornaments, the making of jewellery and other decorative items, the undertaking of beadwork and the production of table tops, tiles and other construction related items. The main markets for the cooperative include wholesalers, retailers, mining houses, jewellery manufacturers, etc. The expansion of this enterprise into the beneficiation of the colour stones will not only create additional job opportunities and develop new skills, but will also create economic linkage opportunities with other sectors of the economy, such as the Tourism sector in respect of arts and crafts, the Transport sector, Manufacturing sector and the Construction sector.

4.2.4 Backward and forward linkages in the Mining sector

In general there is a lack of linkages within the Mining Sector of the Musina Municipality and between it and other sectors of the local economy, with many of the mining activities in the Municipality almost having a closed circle of expenditure, particularly in respect of the Venetia Mine. The backward linkages refer to the supply of inputs required to practice the activity and in respect of the Mining industry would include the machinery and equipment utilised in the mining processes, uniforms and apparel, catering, transport, roads, buildings etc. Most mining inputs are currently bought outside the Municipality, with many of the supplies utilised by the Venetia Mine being sourced locally by the De Beers Group. However, the Venetia Mine and other mining operations do outsource certain aspects to SMMEs and other local suppliers. These opportunities should be pursued, to ensure benefits for the local communities and businesses. In this respect, the Venetia Mine holds annual supplier days and local businesses should capitalise on these opportunities.

Forward linkages refer to the consumers of the products of a specific Sector. With regard to the Mining sector, this refers to the further beneficiation of the raw products produced by the mines, including activities such as the polishing of stones, jewellery making, glass production, pottery etc. None of these activities are taking place locally, with raw products being transported to other areas of the country for further processing. The lack of linkages between the Mining sector and other sectors of the local economy has led to a situation where, apart from the incomes earned by mine workers, the incomes generated by the Mining sector is not retained and circulated within the community, but are rather spent outside the Musina Municipality.

4.2.5 Mining sector gaps and opportunities

While the Mining industry remains important to the economy of the Municipality, there are a number of constraints which are not only preventing new mining operations from developing, but also existing mining enterprises from expanding operations. These constraints are also preventing local communities from getting more involved with the Mining industry and benefiting from these activities.

Some of the key constraints to the development of the Mining sector in Musina Municipality include:

- Lack of both mining skills and more advanced engineering skills;
- Inconsistent electricity provision;
- Cost and supply of water services;
- Lack of capital for efficient production;
- Inaccessibility and poor road infrastructure;
- High transport costs;
- Distance to markets;
- Depletion of resources due to inefficient extraction;
- Quality, consistency and cost of locally manufactured products.

Transport problems and poor road infrastructure, together with the cost of transport (including expensive road tolls) are constraining factors to the development of new small and medium scale mining activities in the Municipality, particularly in view of its somewhat remote location in relation to the major markets. Larger mining operations also tend to transport the raw materials themselves, thereby not creating opportunities for local transport contractors to link with mining activities.

Small scale and medium scale mining operations are also failing to develop and expand as a result of poor access to information technology, particularly in the more remote areas of the Municipality where telecommunication networks are poor or lacking. This prevents the effective development and expansion of enterprises.

The unreliable supply of utilities such as electricity and water also constrains their development by making production unpredictable and often causing damage to machinery and equipment.

Small-scale mining operations are also failing to gain access to finance and funding to set-up and operate mining activities, particularly from formal banking institutions. Without formal financing, small-scale mining operations are not able to afford machinery and tools that would make their production more efficient and profitable as well as environmentally friendly (Kruger, 2004). The lack of financing and lack of access to information technology lead to small-scale mining operations using techniques that are environmentally damaging, not only depleting the resources, but also negatively impacting on the environment in terms of pollution and the visual appearance of the environment, also affecting other economic sectors such as agriculture and tourism. These practices could also have a detrimental affect on the safety and health of those who are involved in the mining operations.

The lack of employment creation and linkages to other Sectors within the communities in which the mines operate are major gaps which should be addressed through the facilitation of appropriate procurement policies. Nonetheless, the finite nature of the mineral resources on which the Mining sector is based, implies the need for the Municipality to create a more diversified local economy, particularly in respect of the partial dominance of the Mining sector in output generation.

The Mining industry does, however, also present the local economy with certain opportunities for further development and in particular for the expansion of linkages with other sectors of the economy.

The Musina Municipality appears to possess some level of mineral resources which should be investigated in terms of the feasibility of these minerals being mined. The advanced technologies found today and the growing demand for copper could also allow the re-opening of the former Messina Copper Mine and further investigation should be undertaken into this matter. In order to develop a sustainable Mining sector in the Municipality, it is vital for the locations of mineral zones to be identified and made known to prospectors and/or potential investors.

As discussed above, the Mining sector utilises a large number and variety of supplies, related not only to the mining of mineral deposits, but also in respect of ancillary services such as cleaning services, the supply of consumables and clothing, support services for employees etc. The Municipality should actively engage with local mines to ensure that procurement policies benefit local SMMEs. Linkages with other sectors of the economy should also be pursued, such as linkages with the Transport and Construction sectors, as well as with the Tourism sector, where mining tours to redundant mines, as well as operational mining activities could be developed.

The Table below provides a brief summary of the opportunities that have been identified in the Mining sector of the Musina Municipality.

Table 4.12 Mining sector development opportunities in Musina Municipality

OPPORTUNITIES	POTENTIAL PROJECTS
Untapped Mineral Resources/deposits	<ul style="list-style-type: none">▪ Investigation/prospecting to identify untapped resources▪ Promotion of mineral deposits to potential investors▪ Skills development and training▪ Local mineral processing and beneficiation activities▪ Small-scale mining operations▪ Magnesium production and beneficiation through the production of heat resistant bricks for the steal industry.▪ Production of moulds for glass manufacturing▪ Producing fire retardant construction materials from Vermiculite and plastics production▪ Facilitate financial and funding support for small-scale mining activities
Existing Mines	<ul style="list-style-type: none">▪ Providing skills training for higher level skills needs▪ Sub-contracting cleaning and transport services▪ Supplying manufactured inputs to mines▪ Linkages with tourism sector for guided tours
Demand for bricks and construction materials	<ul style="list-style-type: none">▪ Expand current brick making▪ Produce concrete

4.3 ANALYSIS OF THE MANUFACTURING SECTOR

4.3.1 Manufacturing Sector Overview

The Limpopo Province as a whole has a wealth of mineral and agricultural resources, which create opportunities for further development in the Manufacturing sector. The Manufacturing sector provides a locus for stimulating the growth of other activities, such as services, and achieving specific outcomes, such as employment creation and economic empowerment. This platform of manufacturing presents an opportunity to significantly accelerate Musina's growth and development.

The Manufacturing sector in the Vhembe District went through a period of decline between 1995 and 1999, when employment in the sector decreased by over 1,000 jobs, this represented a 5% decrease in the number of people formally employed in manufacturing. The Manufacturing sector has made a recovery in the period between 2000 and 2004 with an average per annum employment growth rate of 1.2%.

The formal Manufacturing sector in the Vhembe District is now primarily based on various forms of agro-processing, such as the slaughtering of animals, production and packaging of fresh meat and or fish products, preservation of meat and or fish products, preservation of fruit and vegetables through freezing, drying or canning, production of flour, production of oils from vegetables or animal fats, bakeries, dairy products production, breweries, etc. The Manufacturing sector in Vhembe District also includes charcoal production, paper production, carpentry, clothing manufacturing, etc.

Although the number of businesses involved in Manufacturing has now begun to increase they are currently struggling to find a market niche for their products and remain profitable. The Manufacturing sector in the Vhembe District, as with the Limpopo Province in general, has particularly weak economic linkages as less than 2% of the consumer goods produced within the Limpopo province are consumed within the Province (IDC, 1996). In comparison, 85% of the manufactured goods are exported to other Provinces.

In terms of employment, the majority of manufacturers are considered SMMEs, with less than 200 employees. Particularly within the cut-, make- and trim clothing Manufacturing industry, employment is generally on a part-time contract basis and is not very reliable.

However, LimDev established 154 manufacturing concerns in 15 locations in Vhembe District, of which the most important are Thohoyandou (21), Thengwe (23) and Makhado (18). These concerns generated an estimated 448 direct employment opportunities.

The Table below gives a brief summary of the Manufacturing sector's role in the economy of Musina Municipality and Vhembe District.

Table 4.13 Summary of Manufacturing sector economic indicators, 2005

	SECTOR SHARE OF DISTRICT	SECTOR SHARE OF MUSINA	CONTRIBUTION OF SECTOR IN MUSINA TO SECTOR IN DISTRICT	GROWTH P.A IN MUSINA 2001 - 2005
Employment share	7%	5%	10%	0.0%
GDP share	3%	4%	11%	3.3%

Source: Quantec database 2006, Kayamandi calculations 2007

From the Table above it is evident that the Manufacturing sector only contributes approximately 4% to the overall output of the Municipality, placing it among the lowest performing sectors in terms of its contribution to the local economy. This Sector also contributes relatively the same to the District's economy. However, the Manufacturing sector in Musina Municipality provides quite a substantial contribution to the Manufacturing sector of the District as a whole, namely 14%. Furthermore, annual GDP growth was experienced in this Sector between 2000 and 2004, with this Sector growing by 3.3% in Musina Municipality.

The Manufacturing sector's share of employment is only slightly higher than its share of output. Musina Municipality contributes approximately 4% to the share of employment, whereas Vhembe District contributes approximately 7%. The relative strength of the Manufacturing sector is noted, due to the significant strength of the Tiger Food Brands as a Manufacturing industry in the economy.

4.3.2 Manufacturing Sector products and existing projects

Existing commercial scale manufacturing enterprises in Musina Municipality comprise the Tiger Food Brands tomato processing facility and MPAK. Tiger Brands is located in Musina town and processes approximately 60,000 tons of tomatoes per annum to produce bulk paste as an intermediate product, which is then transported to other factories of the Tiger Group located in Boksburg for further processing into final products. The facility is supplied by local commercial and small-scale farmers that grow the tomatoes from seeds supplied by the processor. The tomatoes are also grown according to the processors' guidelines.

MPAK is also located in Musina town and is involved in the processing of locally produced fruit and vegetables. MPAK is mainly involved in the packaging of vegetables such as chillies, sweetcorn, tomatoes and gem squash specifically for Woolworths, but also for the export markets. In addition, MPAK also dries mainly mangoes, but is also involved in the drying of pineapples and tomatoes.

The Table below lists the manufacturing related projects that were identified in the Musina Municipality's 2006/2007 IDP.

Table 4.14 LED projects for Musina Municipality

PROJECT NAME	STATUS	LOCATION
Riakona welding	Implemented	Nancefield – Ward 5
Thabang coffin making	Implemented	Nancefield – Ward 5
Tsogang bead making	Implemented	Nancefield – Ward 6
Rainbow sewing in Nancefield		Nancefield – Ward 3/4
Kutlwano Laundry	Implemented	Nancefield hawkers stalls
Brickyard	Planning	Domboni – Ward 1
Brickyard	Planning	Malale – Ward 1
Traditional beverages production	Planning	Musina
Toilet paper production	Planning	Musina
Community bakery	Planning	Domboni – Ward 1
Sewing	Planning	Malale – Ward 1
Toilet paper production	Planning	Malale – Ward 1
Recycling	Planning	Malale – Ward 1

Source: Musina IDP, 2006/2007

Projects related/linked to the Manufacturing sector, which were identified by the Musina Municipality IDP 2005/2006 include:

- Malale community enterprise (welding and brick making);
- Madimbo multi- purpose (brick making and cash crop production); and
- Spirulina project.

Additionally, the establishment of a multi-purpose arts and craft center in Musina town was identified as a key project for the community services cluster in the Musina Local Municipality's 2006/2007 IDP. The project has a budget of R300 000.

As discussed under the Agricultural sector, the UNDP along with the ILOT and the UNOPS are involved in developing the Musina Spirulina Project. The Project involves equipping a plant for processing Spirulina, a medicinal herb used as a food supplement. The Spirulina project in Musina Municipality is currently producing Spirulina in a powder form, but is also involved in converting this into tablets. The tablets are currently being sold to pharmacies in Musina and Polokwane. Further detail in respect of this project is provided under the Agricultural sub-section.

According to the Limpopo Spatial Rational, the Manufacturing sector in Vhembe District also presents some opportunities to drive the local economy. These include:

- Processing of fruit (e.g. Mango jam, Marula jelly, etc.); and
- The promotion and establishment of micro-scale enterprises that are based on appropriate technologies and focused on the local resource base.

According to the Vhembe District SDF (2006), the Manufacturing sector has undergone drastic changes in the last number of years, largely as a result of South Africa's (re)entrance into the global economy and the change from "import replacement" to

"export promotion". In line with this shift in policy, the support provided by government changed from "demand-side incentives", which encouraged firms to produce for a highly protected domestic market, to "supply-side incentives", which encourage firms to produce for the international market. A key element of the former policy was the so-called Regional Industrial Development Programme (RIDP), the essential objective of which was to promote economic development in or near the former TBVC states and self-governing territories by way of the establishment of industrial development points. Eight such Industrial Development Points (IDPs) were identified in the former Region G. In the current Vhembe District, three of these RIDP's occur namely at Makhado, Musina and Thohoyandou. The newly introduced "supply side measures" include a Tax Holiday Scheme (THS), the Small / Medium Manufacturing Development Programme (SMMDP), and the Accelerated Capital Allowances. Whereas the last two incentives apply to all manufacturing concerns, the THS only applies at pre-selected points. Four towns in the Limpopo Province qualify for the THS (none in Musina Municipality). In terms of the former RIDP, the towns of Makhado, Musina and Thohoyandou qualified as IDP's. None of these nodes were considered particularly successful as until 1987, Makhado only managed to attract 23 concerns, Musina 16 and Thohoyandou 22.

LimDev established 154 manufacturing concerns in 15 locations in Vhembe District, of which the most important are Thohoyandou (21), Thengwe (23) and Makhado (18). These concerns generated an estimated number of 448 direct employment opportunities. Casual observation indicates a net inflow of buying power to the towns of Makhado, Thohoyandou and probably to a lesser extent Musina, but a net outflow of buying power from the District to nodes such as Polokwane and Gauteng.

According to the Musina Municipality IDP (2005/6), Manufacturing (industries) is a very important sector of the economy as it provides job opportunities to skilled and unskilled labour and creates spin-offs which bring about additional economic activities in the local economy. Therefore, industrial development should be attracted to Musina in order to generate additional economic / employment opportunities.

At present, two industrial nodes are found in Musina, which are located in Messina Extension 3 to the south of the town and Messina Extension 1 (Blikkiesdorp) to the north, opposite Nancefield.

Industrial Node - I1, located in Messina Extension 3 is situated to the south of Musina, adjacent and to the west of the N1-National Road. The industrial area has rail facilities and caters mainly for heavy and noxious industries. This industrial area does not appear to be fully utilized, with sufficient even for heavy industries still being available in the medium and long term. Sufficient land, which is owned by the Musina Municipality, is also available to extend the industrial node (I1) towards the south. Industrial Node - I1 should continue to accommodate heavy and noxious industries in future. Existing industries located in this node include the Tiger Food Brands factory and the MAC transport company. It is important that these industrial sites are promoted to attract investment for the establishment of industries, thereby creating further job opportunities in the Municipality.

Industrial Node - I2, located in Messina Extension 1, is located to the north of Musina, adjacent and to the east of the N1-National Road and opposite Nancefield. This industrial area caters only for light and service industries, which include activities such as vehicle parts, coffin making, tombstones, as well as the M-PAK fruit packaging enterprise. Sufficient erven for light and service industries are still available for the medium and long term. The Musina IDP indicates that Industrial Node - I2 should continue to accommodate light and service industries in future.

Other smaller service-related industries focused on serving the local communities are also located in Nancefield Extension 5 (Ward 6), with various other light industries being scattered throughout Nancefield.

Consultation has also revealed that two new industrial areas are currently being set out and will be serviced for release in the near future. These industrial areas are located in Messina Extensions 17 and 18, to the north of the Musina town and will cater for mixed small businesses and industries. This industrial area will be set out as serviced stands only, without any buildings being provided on these sites. The purpose of these industrial areas is to move some of the businesses and industries out of the residential areas.

4.3.3 Manufacturing Sector linkages

One of the major constraints in the Manufacturing sector of the Municipality is the lack of linkages between this sector and other sectors of the economy, particularly with the Agricultural sector. There are possibilities for expanding both the backwards and forwards linkages within the Manufacturing sector. In this respect, there are opportunities to provide the inputs required locally, such as raw agricultural products, chemicals, packaging materials and machinery, etc. The majority of manufacturing inputs, particularly in respect of machinery and materials, are currently bought outside the Municipality, although they could and in some cases are produced in the Musina Local Municipality.

Forward linkages refer to the consumers of the products of a specific sector. With regard to the Manufacturing sector, this refers to the wholesalers, retailers, other manufacturers and construction companies or the final consumers. In this respect, there are opportunities for further beneficiation or value adding to the existing products that are being produced locally. Given that there is an abundance of game farming and particularly hunting activities taking place in the Municipality, opportunities for leather industries and meat packaging are created. The Tourism industry also allows opportunities for the development of the Arts and Crafts market in the Municipality.

At present there is a lack of both forward and backward linkages in the Manufacturing Sector in the Musina Local Municipality. The linkages between the formal and informal manufacturers should also be investigated as a way of increasing the multiplier effects of LED projects, aimed at job and income generation.

4.3.4 Manufacturing Sector Gaps and Opportunities

The following Table summarises the opportunities that can be exploited and the potential opportunities that could be utilised to develop the Manufacturing sector in the Musina Local Municipality.

Table 4.15 Opportunities and potential projects

OPPORTUNITIES	POTENTIAL PROJECTS
Agro-processing	<ul style="list-style-type: none"> ▪ Expansion of the Tiger Food Brands supply chain to include more emerging farmers ▪ Venison preparation and packaging ▪ Game biltong production ▪ Animal feed production ▪ Beauty products ▪ Vegetable processing ▪ Fruit processing ▪ Cotton processing ▪ Tomato processing ▪ Juice making ▪ Sun-dried tomatoes ▪ Tomato jam, purees, paste, etc ▪ Producers co-operatives ▪ Spirulina production & processing ▪ Pumpkin chutney and jam ▪ Traditional beverages
Abundance of animal hides for leather (game and livestock)	<ul style="list-style-type: none"> ▪ Production of leather consumer goods ▪ Production of leather for export ▪ Production of leather furniture ▪ Taxidermists
Increased demand for construction goods	<ul style="list-style-type: none"> ▪ Brick making ▪ Fence making ▪ Welding of window and door frames
Abundant mineral resources	<ul style="list-style-type: none"> ▪ Processing of minerals for industrial and commercial purposes ▪ Decorative clay pots ▪ Concrete garden accessories ▪ Welding
Promotion of the local cultural activities	<ul style="list-style-type: none"> ▪ Arts and Crafts (beads, wooden crafts, traditional ware and clothing)

The following constraints to the further development and expansion of the Manufacturing sector in Musina Municipality have been noted:

- Access to start-up capital and funding;
- Lack of business support services locally;
- Lack of business management skills;
- Lack of entrepreneurship culture;

- Distance to Gauteng markets;
- Transport costs;
- Low incomes of local communities to invest into business;
- Emerging farmers do not have access to production chain;
- Lack of youth involvement in skilled crafts;
- Lack of certified leatherworkers;
- Environmental standards and chemical pollution;
- Need for water;
- Lack of contracts with producers;
- Lack of municipal water;
- Poor infrastructure; and
- Lack of direct access to retail and tourist markets for manufactured products.

Transport problems are a constraining factor on the development of a vibrant and sustainable Manufacturing sector. This is particularly the case for SMMEs and entrepreneurs who are trying to enter into the market. As was the case with the Agricultural sector, most products manufactured by SMME companies are unable to reach the markets directly due to the lack of formalized and reliable freight transport for smaller shipments of products that are fragile. The cost of transporting goods, therefore, proves to be prohibitory and local manufacturing companies are only able to sell to Middlemen at less than the market rate or within the more limited local market. Additionally, many of the products destined for the tourist market are sold in locations that are not easily accessible or else alongside main routes where it is not perceived safe for tourists to stop.

Consultation has also revealed that SMMEs wanting to start up new manufacturing and business enterprises often experience problems with registering their businesses. Other constraints experienced include lacking skills to manage businesses or to write comprehensive and appropriate business plans in order to gain access to funding.

One of the main constraints facing the development of emerging manufacturing is the lack of access to financing to be able to afford the capital necessary to expand their production and to market themselves to the outside market. Additionally, the lack of access to market prices of commodities leaves the farmers and co-operatives vulnerable to misinformation from local purchasers. Access to information technology would help facilitate direct purchasing contracts between farmers and processors.

4.4 ANALYSIS OF THE TOURISM SECTOR

4.4.1 Tourism Sector analysis

Tourism includes travel for a variety of reasons, including amongst others, leisure and recreation; business; education; health and healing; religious pilgrimages; sport; visiting friends and relatives; meetings and conferences. The most important market in respect of Musina Municipality is the leisure and recreation market, as this is a sector that can be identified and influenced to visit specific products or destinations.

According to the South African Domestic Tourism Survey 2001, most of the tourists visiting the Limpopo province were residents of the Province. The survey differentiated between the following trip purposes:

- Visiting Friends and Family
- Holiday and leisure
- Business
- Health
- Religion

Visiting Friends and family (VFR) constituted 49%, followed by the religious trips, which made up approximately 30%, with holiday and leisure contributing 10% to the trips made to the Province. Health and business each accounted for 2% of the tourist market.

The most visited region Limpopo Province was that of the Vhembe, followed by the Soutspansberg region, comprising 49% and 21% respectively. The other popular destinations in the Province were the Valley of Olifants, with approximately 20% and the Bushveld as destination, accounting for 9% of the trips.

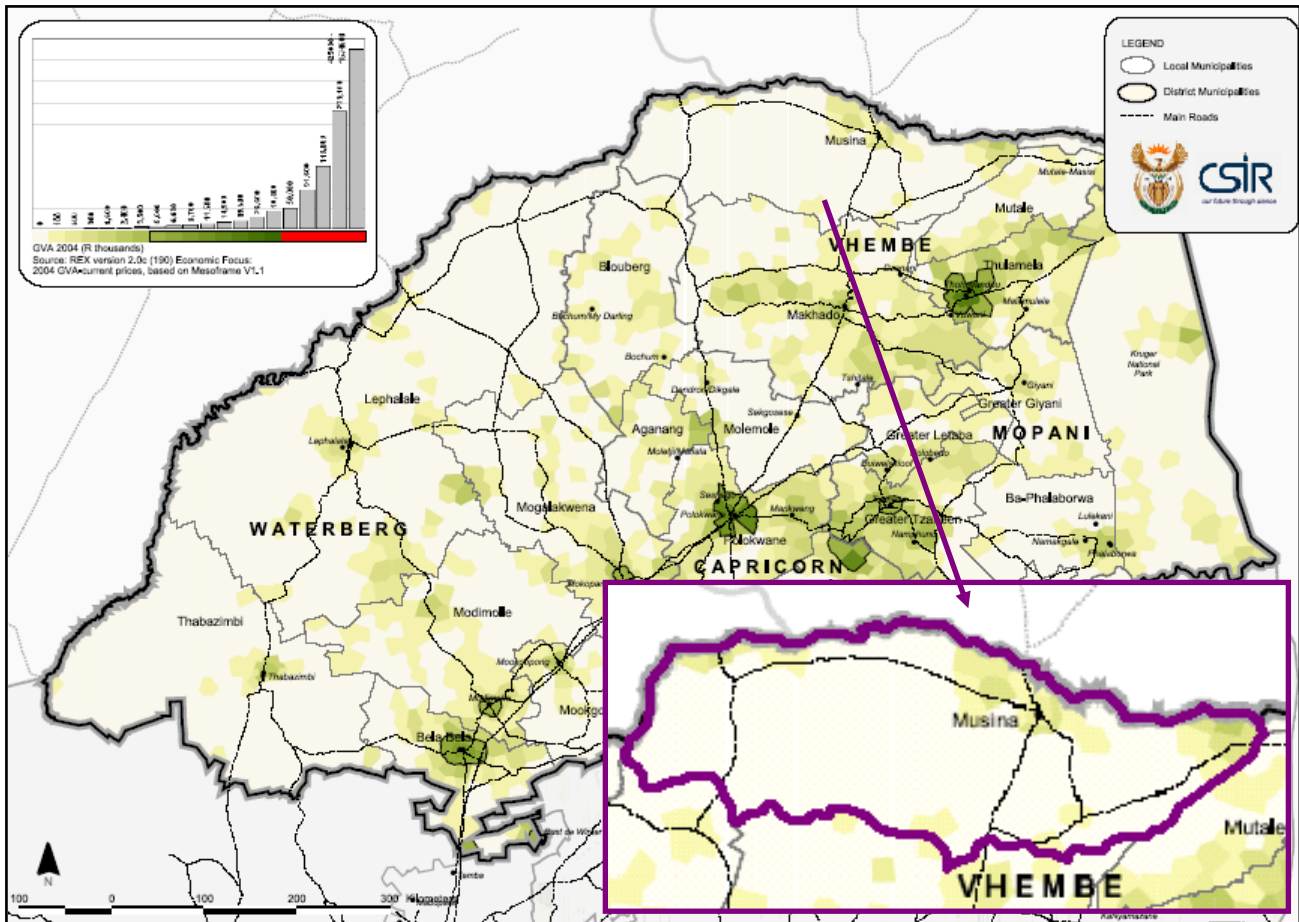
The Diagram below sets out the GVA for the Tourism, Sport and Recreation sectors as classified by the NSDP for the Province as a whole and includes recreational, cultural and sporting activities, as well as hotels and restaurants (Badenhorst, Huyssteen & Naude, NSDP Resource Pack, 2006). The Diagram gives a clear spatial indication of where these tourism-related activities are taking place.

As is evident from the Diagram below, the majority of tourism-related activities in the Municipality are taking place around Musina town, as well as in the north eastern corner of the Municipality. Tourism-related activity is also taking place around the Tshipise and Mopane areas, as well as along the north-western border surrounding the Mapungubwe Nature Reserve.

Musina Municipality is characterised by large areas of private game farms, which provide not only accommodation facilities and tourism activities, but in some instances also caters for the hunting market, both for the national and international market. There are also leisure facilities in the Municipality in the form of holiday farms and resorts, such as

Tshipise, which cater for the more commercial recreational market. Further details on these facilities are provided below.

Diagram 4.15 Distribution of tourism, sport and recreational activities



Source: DTI, NSDP Resource Pack, 2006

According to the Spatial Development Framework of the District, three macro tourism/conservation initiatives are currently being pursued by the Province, which include:

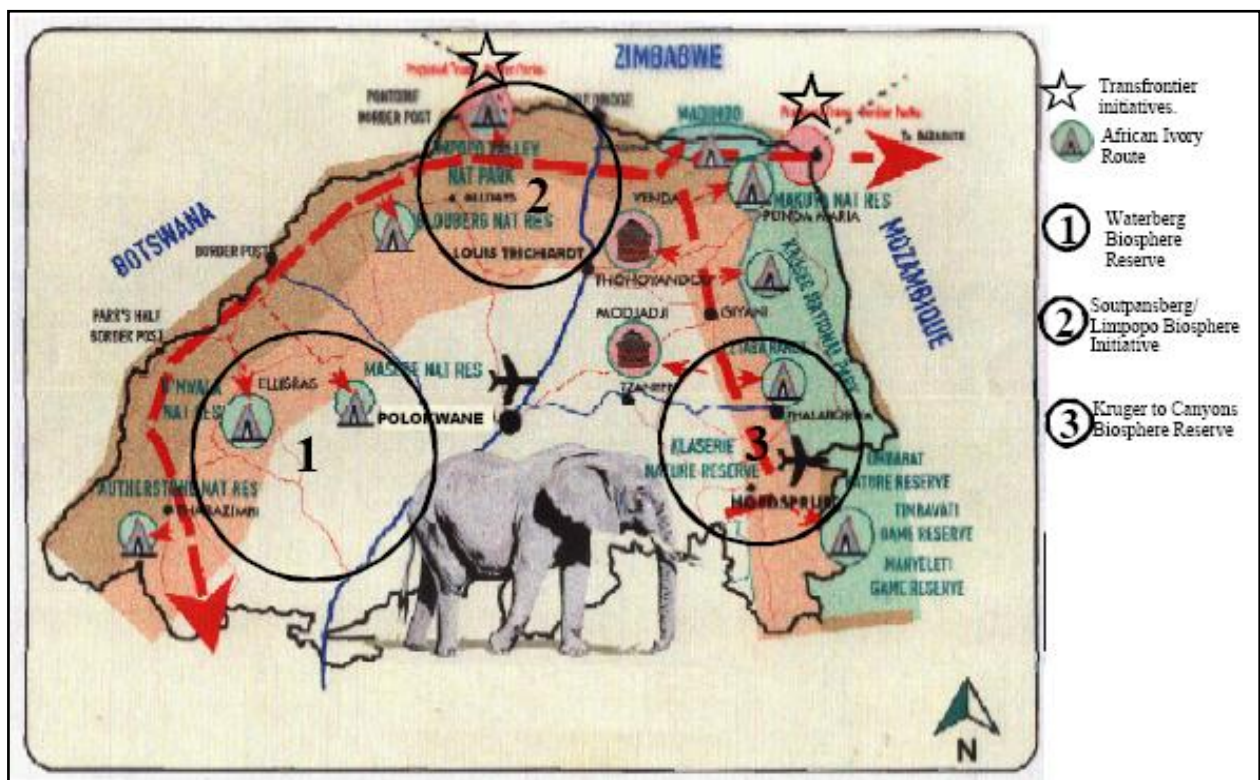
- Golden Horseshoe;
- Biosphere;
- Privatisation of pre-selected game reserves.

The Golden Horseshoe initiative endeavours to provide a spatial framework for eco-tourism development in the Vhembe District as well as the Limpopo Province and comprises a large, almost symmetrical arc of land, which lies adjacent to the eastern, northern and western borders of the Limpopo Province, crossing the whole northern section of the Vhembe District. The initiative is aimed at consolidating some 4 million hectares of wilderness, linking national parks, archaeological sites, provincial and private reserves and conservation areas through corridors of game farms and other areas of unspoilt land, to form one of the world's ultimate eco-tourism experiences

(www.sehd.org.za/limpopo.html and www.til.co.za/trans_limpopo_sdi5.htm). The Diagram below gives an illustration of the envisioned Golden Horseshoe initiative.

The initiative also includes the formation of various Biospheres, which are also indicated in Diagram below. Biosphere reserves form part of the United Nations Education, Scientific and Cultural Organisation's (UNESCO) Man and Biosphere Programme, which "innovate and demonstrate approaches to conservation and sustainable development" (www.unesco.org). Biosphere reserves are regions where internationally important protected areas lie next to human settlements. In many instances, people in the area were displaced when the reserves were declared, restricting access to communities' historic resource bases, thereby increasing pressure on local resources and in some instances changing land-use patterns for the worse (www.southafrica.info). Biosphere reserves are therefore aimed at reduce biodiversity loss, improving livelihoods and enhancing social, economic and cultural conditions for environmental sustainability.

Diagram 4.16 Golden Horseshoe initiative



Source: De Klerk, 2003

As is evident from the Diagram above, the Soutpansberg/Limpopo Biosphere initiative is focussed around the Mapungubwe Nature Reserve and the Soutpansberg mountain range.

The Limpopo Tourism and Parks Board (LTPB) has embarked on a programme to commercialise some of their tourism facilities in 15 of their nature reserves, in order to attract local and international tourists, raise the standards of the parks and provide communities with increased revenue and facilities (www.limpopotourism.org.za/Parks/index.htm). The commercialisation of Provincial nature reserves will allow optimise

the economic potential, enhance community participation and benefits, manage the natural resource base on sound ecological principles and enhance equity shareholding and creation of SMMEs in and around park developments (www.treasury.gov.za).

In this respect, the Musina Nature Reserve has been identified by LTPB as one of the nature reserves for privatisation/commercialisation. The Musina Nature Reserve, situated some 10 km south of the town of Musina, comprises an area of 4910 hectares and boasts a high concentration of baobab trees and numerous species of game. The purpose of the Reserve is mainly to protect the baobabs in its natural state, with the impala and kudu also being present. The reserve also houses the oldest rock formations in the world, namely the Sand River gneiss. Existing facilities in the Reserve include a bush camp, guest house, hiking trail and picnic sites (www.southafrica.info). Through the privatisation/commercialisation process, investor opportunities exist for the establishment of self-catering accommodation, meeting rooms and caravan sites, with a further option for a separate petrol station and fast food outlet to be developed alongside the N1 (www.limpopotourism.org.za).

Another important conservation initiative that impacts on land-use is the Natural Heritage Sites. The South Africa Natural Heritage Programme (SANHP) was launched as a co-operative venture between the private sector and government, with the state president as the patron. The SANHP will inform the owner of the land of an occurrence that is considered significant (e.g. a red data species). The owner is then approached to register the particular site as a natural heritage site, which implies that s/he must conserve the site in its present state. It is a voluntary programme and the owner may withdraw giving 60 days notice.

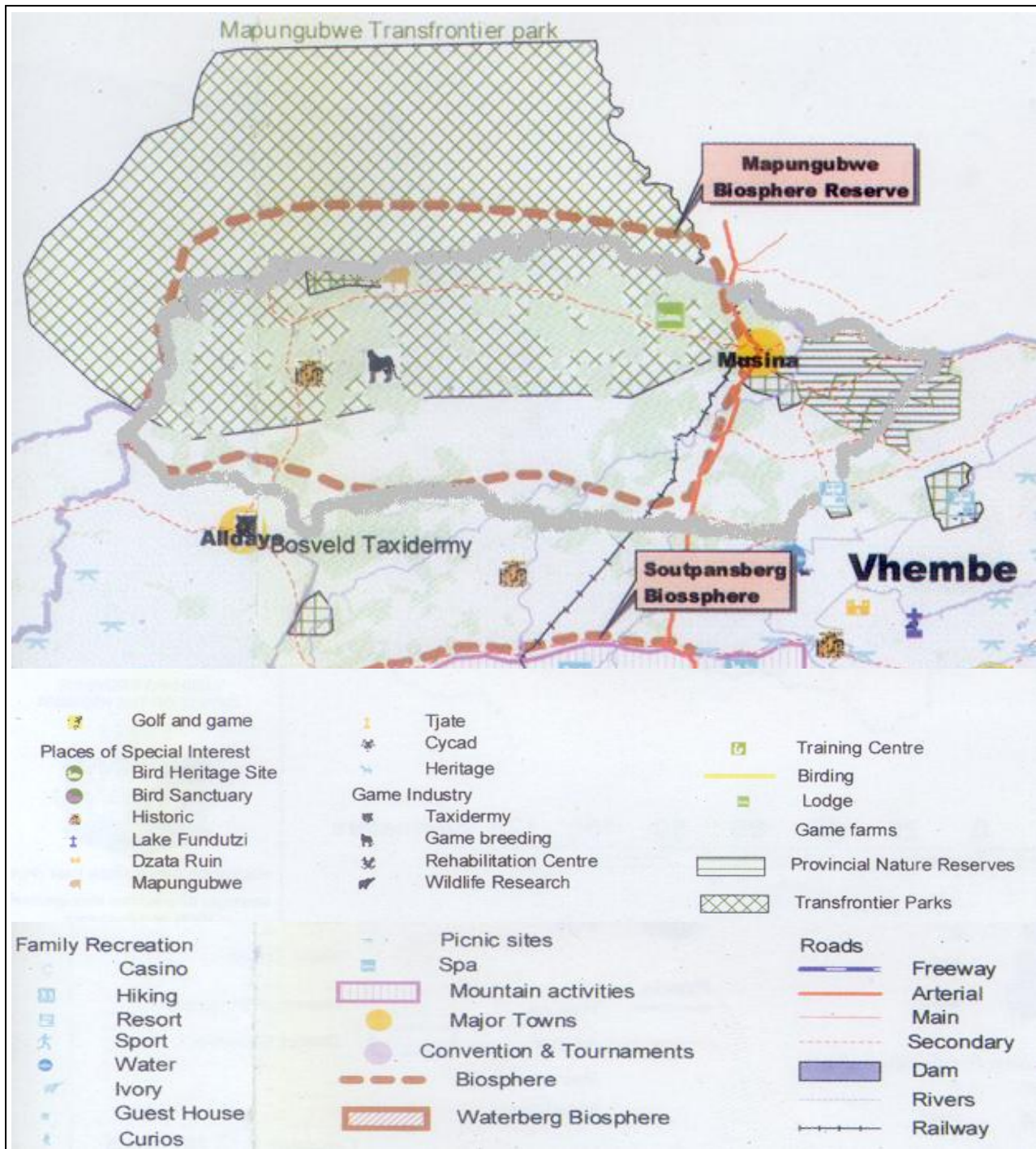
The Limpopo Province is renowned for its abundant wildlife, spectacular and contrasting scenery and wide open spaces, as well as a wealth of historical and cultural treasures, giving it the potential to develop into a major tourist destination. The importance of the Tourism sector as one of the main drivers of the Province's economy is further evident from its inclusion in the PGDS as one of the key industry clusters. The development of the clusters is centred on pro-poor economic growth through the priority sectors in which the Province enjoys a comparative advantage.

The Tourism cluster covers all the districts of the Province, as it is considered that the whole province offers unique attractions. As such, 8 sub-clusters have been identified, which include special interests; the game industry value-chain; golf and game tours; biosphere development such as Lowveld, Waterberg and Soutpansberg; family entertainment (resort, sport and picnic places); Polokwane business tourism; mountain adventure on escarpment and Trans-frontier Parks.

The Diagram below depicts the tourism cluster as identified in the PGDS.

As is evident from the Diagram below, a number of tourism activities have been identified by the PGDS for the Musina Municipality, notably the Mapungubwe Biosphere Reserve, which covers a substantial portion of the Municipality, as well as the Mapungubwe Transfrontier Park, which will be focussed around the Mapungubwe Nature Reserve and will incorporate large portions of private game farms, both in South Africa and Zimbabwe.

Diagram 4.17 Tourism Cluster in Musina Municipality



Source Limpopo PGDS, 2005

Other tourism activities identified by the PGDS for the Musina Municipality, as indicated by the Diagram above, include sites of historic importance and game breeding activities in the vicinity of the Venetia Nature Reserve. A lodge development is also proposed along the Pondrift Road to the north of Musina town.

The proposed Transfrontier Park is an initiative undertaken by the Peace Parks Foundation, which is aimed at incorporating large areas of land in Botswana, South Africa and Zimbabwe into a conservation area which stretches across national boundaries. The Peace Parks Foundation acts as the facilitators for the establishment of transfrontier conservation areas (TFCAs) and develops human resources, thereby supporting sustainable economic development, the conservation of biodiversity and regional peace and stability.

At present, no specific name for this Transfrontier Park has been decided upon, but in the interim it is referred to as the Limpopo/Shashe TFCA, named after the Limpopo and Shashe River confluencing at the centre of the TFCA where the countries Botswana, South Africa and Zimbabwe meet. It is envisioned that the TFCA will cover a total area of approximately 4,872 km², incorporating both existing conservation areas and nature reserves, with some 70% of the land being privately owned land. De Beers Consolidated Mines, owners of the adjoining 36 000 ha Venetia Limpopo Nature Reserve, also support this project. In the Botswana side, the TFCA will include the Tuli Circle and the Mashatu Game Reserve and in Zimbabwe, it will include the Maramani Tribal Trust land and the Sentinel Ranch.

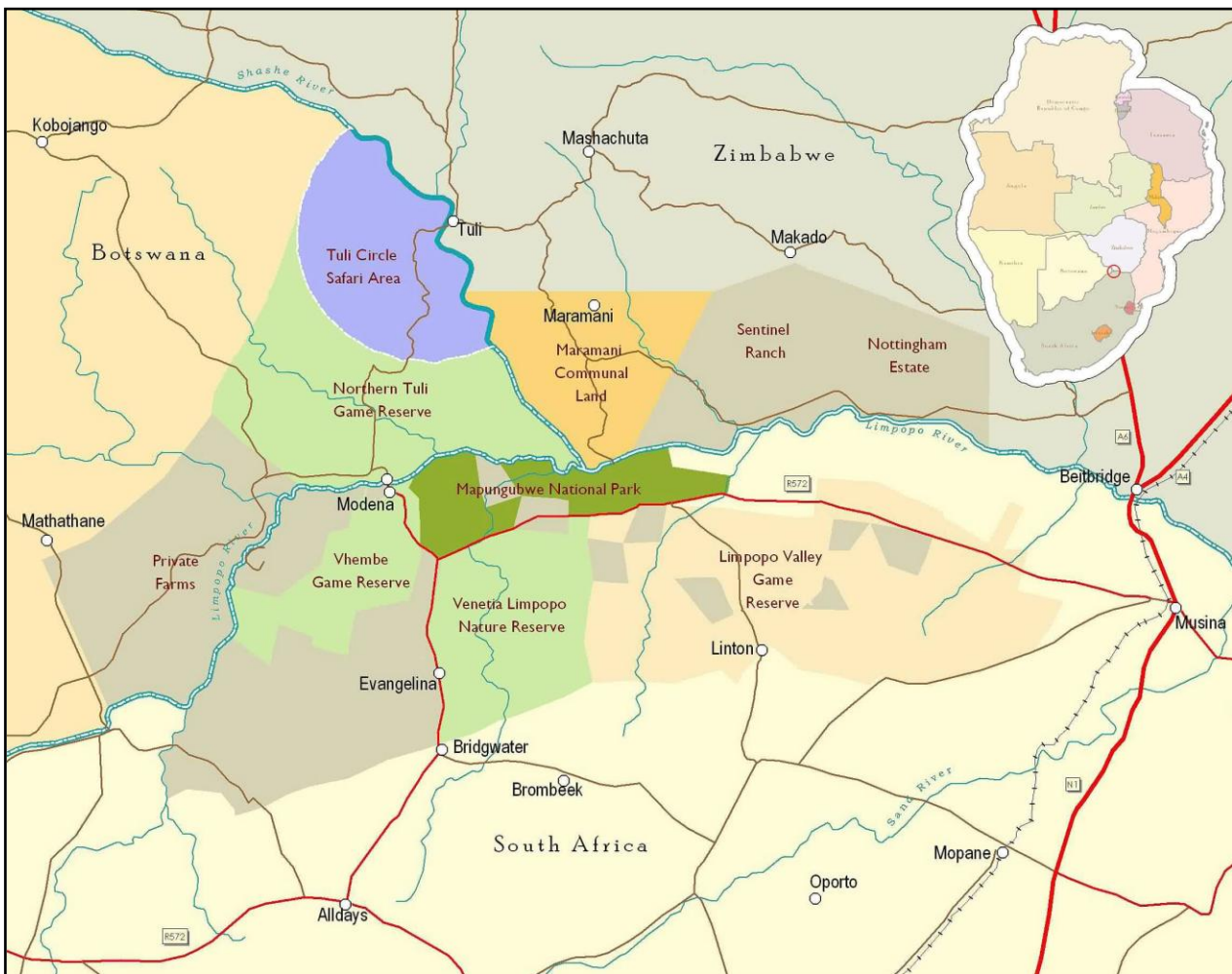
The aim of the proposed Transfrontier Park is to establish and manage on a sustainable basis, a viable Limpopo/Shashe Transfrontier Conservation Area, ensuring full stakeholder participation, fostering regional cooperation, biodiversity conservation and cross-border socio-economic development. In this respect, it is aimed at conserving the transboundary ecosystems and their associated biodiversity, promoting cross-border tourism and the sustainable use of natural resources to improve the quality of life of the peoples of Botswana, South Africa and Zimbabwe. On especially the Zimbabwean side of the TFCA, it is envisaged that the development of this peace park will dramatically impact - for the better - on the lives of the resident communities.

Although each country will still be responsible for the management of their respective areas after the signing of the MoU, there are certain aspects that would require joint management practices, which include aspects such as management of migratory animals, protection of rare/scarce species, problem animal control, anti-poaching, fire management and tourism management. Other joint activities to take place could also include joint marketing, infrastructure development, communication, etc.

It is considered that the region has excellent potential for a “big five” conservation area, with viable populations of lion, leopard, cheetah and spotted hyena still occurring in these areas. The proposed TFCA will be developed in phases, as it will not be possible to acquire all the properties simultaneously. The initial phase of the development could link Notugre with the Tuli Circle Safari Area and also with the Vhembe/Dongola National Park (now the Mapungubwe National Park).

The Diagram below gives a visual representation of the proposed TFCA.

Diagram 4.18 Limpopo/Shashe Transfrontier Conservation Area



Source: www.peaceparks.org

In terms of the progress of the TFCA, the draft memorandum of understanding was approved by a Trilateral Planning Committee on the 31st of August 2001 and forwarded to the respective governments for their consideration. Following years of intricate negotiations, the MoU signalling the three nations' intent to establish and develop this transfrontier conservation area, was signed by Mr Kitso Mokaila, Botswana's Minister of Environment, Wildlife and Tourism, Mr. Marthinus van Schalkwyk, South Africa's Minister of Environmental Affairs and Tourism and Mr Francis Nhema, Zimbabwe's Minister of Environment and Tourism on 22 June 2006 (www.peaceparks.org). This initiative will provide a focused regional tourist attraction and it is essential that the Municipality takes advantage of this unique opportunity to attract tourists to the area.

Just more than half of Musina Municipality is rural (51%) in nature, thus providing a great platform for rural tourism. Rural tourism is characterised by natural and cultural resources, which in turn can be transformed or developed into tourism attractions that create jobs and generate income for the communities of Musina Municipality. Natural tourism attractions include geographic or other natural features such as parks and reserves, waterfalls, and other water catchments areas, caves, rock formations and other forms of unhampered natural beauty. Cultural Tourism also includes acknowledging history, the

way of living and handcrafted products of the population. A major constraint in respect of rural tourism in the Municipality is the proportion of land under private ownership. As the Municipality is to a large extent covered by private farms, there is little by way of villages, as large proportions of the rural population reside on these farms. As a result, there are limited opportunities for cultural tourism in terms of experiencing the indigenous cultures and ways of life of local people.

The Tourism sector is increasingly being recognised as an industry which has the economic potential to contribute to the reduction of poverty in developing countries and in remote rural areas, particularly as a result of its labour intensive nature, as well as the fact that many of the natural and heritage attractions are located in these rural areas, giving them a comparative advantage. The World Tourism Organization (2006) indicates that there are a number of reasons why tourism is especially suitable for economic development in the Least Developed Countries, and by extension rural areas, and include:

- Tourism is consumed at the point of production, which means that the tourist has to go to the destination, opening up opportunities for local businesses and ensuring local benefits;
- Tourism is a more diversified industry than many others, allowing linkages with and support for other economic activities;
- Tourism is labour intensive and supports a wide range of skills;
- It creates opportunities for small and micro entrepreneurs;
- Apart from the material benefits, tourism also provides the poor with cultural pride, creating greater awareness of the natural environment and its economic value; and
- The infrastructure required by tourism can also benefit poor communities.

The Tourism sector is, therefore, seen as “an engine of employment creation, poverty eradication, ensuring gender equality and protection of the natural and cultural heritage” (World Tourism Organization, 2006).

The Municipality currently has an existing tourism association by the name of the Musina Limpopo Valley Tourism Association (MLVTA). The MLVTA was initially established in 2002 in order for local tourism product owners to capitalise on the Solar Eclipse phenomenon. Since then, members’ interest and committed has somewhat depleted, with only a few members attending meetings and most operators only marketing their facilities on their own. The main reason for this appears to be the lack of a joint objective or goal, particularly between different segments of the industry. It is, therefore, necessary for the Municipality to facilitate communication and cooperation, in order to ensure the joint promotion and marketing of the Musina Municipality as a prime tourism destination.

The Municipality also has an existing Tourist Information Centre, located in Musina town. This Centre employs two members of staff, with on average 18 to 20 people visiting the Centre per day. The Centre provides pamphlets for only a few of the attractions and facilities in the Municipality, with printouts of other attractions and accommodation facilities being available on request. The Information Centre is, however, not attractive and does not effectively display the attractions on offer to the Municipality. There is, therefore, a critical need for a more dynamic display of what the Municipality has to offer,

as well as improved information by way of colourful and informative brochures, as well as maps indicating the location of these products. The Information Centre also currently only operates from Monday to Friday. There is ample land located adjacent to the Tourist Information Centre, which could be utilised for an extension of the Centre to include Arts and Crafts displays.

4.4.2 Existing tourist attractions and facilities

The Musina Local Municipality features a number of nature reserves and game reserves, as well as historically significant sites. According to the Musina IDP (2005/2006), there are four registered nature reserves in the municipal area, with varying degrees of potential for development and include:

- Vhembe/Dongola National Park - 2 504ha (now the Mapungubwe National Park);
- Messina Nature Reserve - 4 910ha;
- Honnet Nature Reserve; and
- Venetia Limpopo Nature Reserve – 37 000ha

The Municipality also boasts with the recently proclaimed Mapungubwe National Park, which contains the Mapungubwe Landscape, declared a World Heritage site on the 3rd July 2003. The Nature Reserve comprises the world famous Mapungubwe archaeological site, located on the “hill of jackals” at the confluence of the Shashe and Limpopo rivers, where golden artefacts, most notably the golden rhino, were found in ancient royal graves. The artefacts illustrate the sophisticated civilisation that was capable of working gold, the flourishing trade with the East and the advanced social systems of African Kingdoms during the 13th century. Mapungubwe is also seen as the forerunner of the Great Zimbabwe civilisation and it is estimated that up to 5000 people lived around the Mapungubwe Hill. The artefacts are now housed and on display at the University of Pretoria.

The Mapungubwe National Park comprises a number of facilities and attractions, which includes:

- Mapungubwe Hill and site museum;
- An elephant crossing from Botswana;
- An aerial wooden platform walkway at the confluence of the Limpopo and Shashe Rivers;
- Relics of SANDF occupation of the area;
- Historic building reputed to have been built by JC Smuts;
- Rock art and archaeological sites; and
- A variety of accommodation facilities, including the Leokwe Camp, the main camp of the Park close the Treetop Hide and the Confluence View Site & Picnic Area, the Limpopo Forest Tented Camp, the Thugulu Lodge and the Vhembe Wilderness Camp.

An interpretation centre is also currently being constructed in the National Park. The Park's facilities are illustrated by the Diagram below.

Diagram 4.19 Mapungubwe National Park facilities



The Municipality also benefits from a number of other tourism attractions, which include:

- The Baobab Reserve;
- Tshipise Resort and Honnet Nature Reserve;
- Limpopo Valley Conservancy;
- Rock Art Sites;
- The Limpopo River;
- Dinosaur Footprints;
- Dongola Kop and Tshamavhudzi hill at game lodge Klein Bolayi and Hoodia Hydro;
- Verdun Venda Ruins;
- Maremani Conservation Area; and
- Venetia Mine and Conservation area and Wild Dog breeding programme.

The former Baobab Forest Reserve was proclaimed in 1926 for the protection of the numerous baobab trees in the area, with these trees later being declared a national monument to protect them from economic exploitation. It features striking baobab trees, hiking trails and day visitor facilities and is considered to be a “must see” site on the Limpopo Valley tourism routes. This Reserve is currently being commercialised and has now been replaced by the Musina Nature Reserve. It is considered that the future development of appropriate chalet accommodation would appeal to north/south travellers along the N1 and would improve the economic benefit of the site for the Municipality and the District as a whole.

A number of San rock art sites are located within Mapungubwe National Park and on private land in the Machete area. Currently these sites are accessible on guided tours or by special appointment only. These sites would be made more accessible through improved marketing and the creation of Rock Art and archaeological site routes that are easily accessible to the travelling public. These sites should also be incorporated into existing similar routes in adjoining regions. The rock art sites on their own have limited potential. However, by packaging the sites with other places of more general interest, as well as improved interpretation, special events and guest speakers, their potential as a tourist attraction can greatly be improved. Specialist rock art visitors are likely to be few and far between. However, it should be strongly noted that these are extremely valuable sites that must be vigorously conserved. A balance between conservation and utilization should therefore be sought.

West of the Mapungubwe National Park and the R521 near Pontdrif there is a dinosaur footprint, which could in future, together with appropriate conservation and protection actions, be developed into a tourist attraction. However, there are no immediate actions planned for the development of this site, as giving general public access to the site may result in vandalism, as has happened at the Kokwane Fossil Footprint near Dzata.

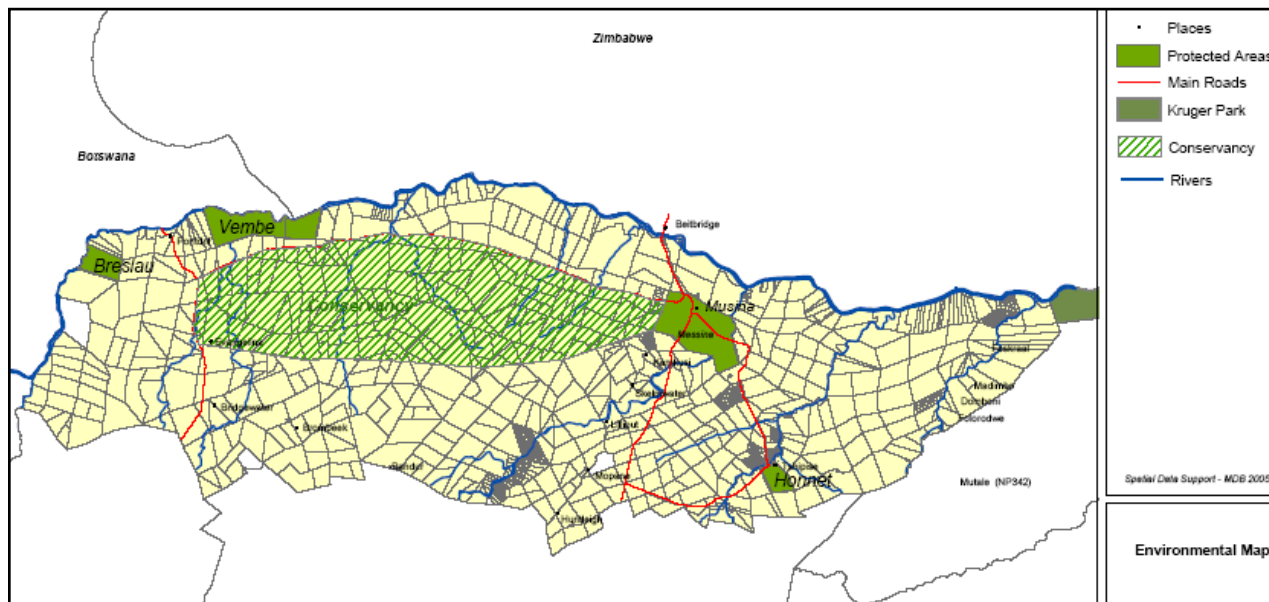
The Limpopo Valley Conservancy is comprised predominantly of privately owned land that could eventually create a block of conservation/tourism opportunities extending south of the R572 between the Pontdrif/Alldays road and the town of Musina. There are currently several lodges and other conference and accommodation establishments operating within the Limpopo Valley Conservancy, predominantly owned and managed by private operators. This conservancy has the potential to play a major supporting role in

the development of a tourism cluster in the Musina Local Municipality, by providing facilities and experiences not available within the Mapungubwe National Park.

In order to achieve this, support should be given to the efforts of the private sector to build the new destination around and including Mapungubwe. The distance from major markets is a major constraint in the development of attractions in this area, however the area has the potential to become “must see” on international safaris and overland tours. Developments within the National Park must be sensitive not only to ensure protection of the cultural integrity of the sites but also to allow access to certain sites by special interest visitors.

The Diagram below illustrates the location and extent of the Limpopo Valley Conservancy.

Diagram 4.20 The Limpopo Valley Conservancy



Source: Musina SDF, 2005

Located within the Limpopo Valley Nature Conservancy are the Venetia Mine and a conservation area called the Venetia Limpopo Nature Reserve, which is also indicated by Diagram 4.18 above. The Reserve is within driving distance of the Mapungubwe National Park and can currently only be accessed by arrangement with local lodges and operators and features guided vehicle tours. The site also features wild dog viewing experiences and game drives that are very rarely available elsewhere, with researchers tracking the free-ranging wild dogs.

Along the R572 Pongriffs road, forming the northern border of the Limpopo Valley Conservancy, there are striking geological features that are of historical and cultural significance. The Hill/rocks at Klein Bolayi were used as execution rocks, where minor offenders met their fate. This Hill is accessible to guests staying at the Klein Bolayi lodge. There are no actions planned for this site at present, but some interpretation (info cairns) would help to break a moderately tedious road journey.

The conservancy has the potential to form a valuable component of the Mapungubwe destination where a greater variety of attractions and experiences will strengthen the appeal. However, it is necessary to liaise with the private landowners to be able to integrate the marketing of this site with others in the area. In this respect, a number of private tourism product owners have undertaken the promotion and joint marketing of the Mapungubwe Route, the route between Musina Town towards Pongolapoort, and the accommodation facilities and activities along this route. However, it appears as though this initiative is not functioning optimally, with motivation and commitment to the route dwindling. It is essential that the Municipality promotes this route, as it brings together a package of attractions which can establish the area as a viable tourism destination.

Additionally, the Maeremane Conservation area is open for private guests and features an up-market lodge as well as wildlife and archaeological and rock art sites. The Rock art sites are likely to open to guided tours in 2007. This site has high potential to attract high spend visitors to the areas around Musina Municipality, and can form part of a package of attractions which support a destination-building programme for Musina and Limpopo Valley, thereby enticing visitors to spend longer periods of time in the Municipality.

The Tshipise Resort and Honnet Nature Reserve features a major hot spring resort, as well as outdoor recreational facilities. This site has a high future potential as a recreational facility. However, in the short term there is a need to create a new conservancy linking Honnet to Greater Kudu and Nwanedi in order to boost the awareness and access to the Honnet Nature Reserve. This step will require coordination and cooperation with the Mutale Local Municipality.

The Limpopo River forms the northern boundary of Musina Local Municipality for almost 200km. It is, however, only accessible in very few places, one of which is the Tollo Azime waterfall, west of Beit Bridge. The waterfall is spectacular when the river is in flood. However, the land is privately owned and the waterfall is not generally open to the public. The decision to open access to the public will rest with private landowners that see commercial opportunities and therefore it is essential for the Municipality to negotiate with local landowners in order to develop these attractions to the benefit of the Municipality. The future expansion of the Limpopo River as a tourism site is limited by the fact that the riverbed itself is an international boundary and will always be a “sensitive” political environment.

The Verdun Venda Ruins are located in the South of the Musina Municipality. The site consists of stonewalling that is of no great tourist interest, and is not currently open to the public. The site is currently degrading and conservation of site is required. The potential of the site is limited to special interest guided tours.

At the Pongolapoort border crossing, a ferry or “pont”, after which the post was named, was used by elephant hunters on ox wagons to cross the Limpopo River. The remnants of the first ferry can still be seen at this site. Visitors to Pongolapoort are elevated in carts and taken over the river to view large numbers of elephants which roam the area.

There are also two crocodile farms, Ratho and Parma, situated some 60km north of Alldays on the route to Musina. These crocodile farms are open to the public and currently house some 4000 crocodiles.

The Beit Bridge is located some 12km north of the town of Musina and spans the Limpopo River, carrying road and rail traffic and forming the main border post between South Africa and Zimbabwe. This border post is the largest South Africa shares with neighbouring countries and has the most traffic flowing through annually (Radley, 2005). The bridge was named after Alfred Beit, founder of the De Beers diamond mining company and could be included in a package of local tourist attractions, particularly around the Musina town area.

A further attraction which could possibly be developed into a tourism attraction in the future is the now redundant Messina Copper mine, which formed the heart of a rich copper mining community, established in 1905 in the town Messina. This mine was closed down after the copper deposits became depleted, with the mine shaft to the north of the CBD remaining as a reminder of past times. The redundant copper mine and mining shaft present opportunities for the development of mine tours, particularly as the mine is no longer operational. Such tours could also be linked to visits to the still operational Venetia Diamond mine.

The sites with the highest potential for development are a cluster of tourist sites within the vicinity of the Mapungubwe National Park, given the concentration of tourist sites in the north west of the Local Municipality between the Beitbridge and Pontdrift border crossings. A major constraint faced by the Tourism industry in the Municipality is the distance from major markets and the fact that Musina and even Mapungubwe, despite its World Heritage status, is relatively unknown, particularly by domestic tourists. Building on the World Heritage Site status of the Mapungubwe Landscape, the surrounding facilities and activities can successfully be linked into tourism routes or flows.

It is, however, essential that the sites and attractions to and from Mapungubwe and within the Limpopo Valley are effectively packaged, which would make the long journey from Gauteng more worthwhile. More critical, however, is the need for Mapungubwe, as the biggest attraction in the Municipality, and the area as a whole to effectively be marketed.

It is also considered that the eventual development of the Trans-frontier Park linking Mapungubwe (South Africa) to Botswana and Zimbabwe will create a substantial and very competitive destination.

Together with some of the attractions discussed above, the Table below also sets out other places of special interest located in Musina Municipality.

Table 4.16 Places of special interest

NAME	LOCATION	DESCRIPTION
Musina museum	Civic Centre	Antique equipment, instruments, etc, used by the old Messina Copper mine
Zeederberg's mail coach	Civic Centre	Original mail coach used between Pretoria and Zimbabwe
Erich Meyer Park	Just east of Musina	Famous Elephant's Trunk Boabab tree (also known as the "slurpie")
Matakwe	10km north-west of Musina on the farm Boston 152 MS	Three Sisters, a single rock of bulai granite measuring 38ha in size
Bulai/Dongola Execution Rocks	20km west of Musina, adjacent to the R572	The Musina chiefs executed their prisoners at these rocks

Source: Musina IDP, 2006/2007

As part of the Municipality's IDP, the Musina Tourism Plan (2006) was developed as a Sector Plan, indicating the following cultural tourism activities currently taking place in the Municipality:

- Aventura Tshipise youth centre and the old army Arton have been identified as a part of cultural tourism which specifically accommodates the local people and enhances their tourism knowledge;
- The Mapungubwe Heritage Cultural Landscape has been identified as the tourism based site that specializes in conserving and protecting the ecologically viable areas of Mapungubwe's biodiversity;
- The Limpopo River has been identified as a historical site that represents the natural landscapes of Limpopo;
- The botanical highlights of the region include fine specimens of baobab trees and impala lilies, which are both protected species. Agricultural products include citrus, mangoes, tomatoes and dates;
- Musina Municipality's entity called Letsema has recently embarked on tourism projects under the Local Economic Development initiative, which includes the running of the Singelele camp, which promotes hunting and tourism;
- Musina has a number of tourism related attractions and developments such as Ngoanezhe game lodge, DeBeers game farm, Musina nature reserve, crocodile farm, Mapungubwe heritage cultural landscape, the Beit bridge, Limpopo river, Iron ore mine, Musina copper mine, DeBeers Venetia diamond mine, Spirulina Plant, Nwanedi and Tshipise village.

As discussed above, the majority of the land in the Municipality is in private ownership, with a large proportion of this land comprising game farms utilised for the leisure tourism market and for hunting purposes. The following Table provides summarises the game farms and Nature Reserves present in the Municipality.

Table 4.17 Game farms and Nature Reserves

NAME	LOCATION FROM MUSINA	FARM NAME	AREA (HA)	ACCOMMODATION	TYPE
A Fourie Game Farm	50 km west	Hayoma	2 000	17 beds: 3 chalets + 2 rooms	Private Game Farm
CA Young Game Farm	25 km west	Halton	3 500	16 beds: 8 chalets	Private Game Farm -mainly for local hunters
De Villiers Game Farms	65 km west	Kilgour 176 MS, Dersby	2 135	10 beds: 1 tent	Private Game Farm - biltong hunting
HFT De Swardt Game Farm	24 km west	Stoke	4 000	10 beds: 4 rooms (in a house)	Private Game Farm - biltong hunting
Honnet Nature Reserve	37km south east	Honnet 137MT			
Ilala Lodge	8 km north-west	Tovey	240	32 beds: 6 chalets + 4 guest rooms	
JJ Klaff Game Farm	40 km west	Moulton	4 500	10 beds: house	Private Game Farm
Messina Nature Reserve	Adjacent and to the south and east	Toynton 49 MT; Princenhage 47 MT; Stockford 46 MT; Berenrode 45 MT and Veenen 48 MT	4 910	Guest house - 6 people Bush camp (tent) - 12 people	Nature reserve
Montie Sheldrake Game Ranch	28 km south-west	Sheldrake; Fontainebleau, Ryswyk; Voorburg & Zwartrant	11200	100beds: 23 chalets	Private Game Farm & Holiday Farm
Piet Lee Game Farm	7 km north	Munnichausen; Templehof	4 300	14 beds: farmhouse	Private Game Farm
PJL van der Merwe Game Farm	60km west	Linton	4 000	14 beds: 4 tents (bush camp)	Private Game Farm (local and international)
Sonskyn Game Farm	47 km south	Frans (Delf, Kitchner' Erasmus)	1 100	24 beds: 4 chalets	Private Game Farm (local and international)
Thaba 'Nkwe Game Lodge	61 km west	Riebelton, Twyfelfontein	7 000	15 beds: 7 rondavels	Private Game Farm - only corporate hunting
Venetia Limpopo Nature Reserve	90 km west	20 farms	37 000	31 beds: 8 tents + 6 chalets	Private Game Farm (local and international)
TOTAL AREA			85 885		

Source: Musina IDP, 2006/2007

As is evident from the Table above, the Municipality benefits from 85 885 hectares of land covered by game farms or conservation areas, taking up a considerably proportion of the land in Municipality. It is therefore important that the Municipality capitalises on this vast amount of land which provides the potential for tourism development.

Musina Municipality also operates a game conservancy that is located adjacent and to the east of Musina. The Singelele Game Conservancy covers approximately 2 000ha and consists of portions of the farms Singelele 6 MT, Berkenrode 45 MT and Stockford 46 MT. The land is owned by the State, but the Municipality has the “right of commonage” on the land for conservation purposes. Game is stocked in the area and limited development in the form of a bush camp (tent camp) was completed recently. Negotiations with adjacent landowners led to the removal of fences between some of the adjacent game farms to form a Cooperative Nature Reserve/Conservancy.

As discussed above, the Municipality also benefits from natural heritage sites located in the Musina municipal area. The sites classified by the South African Natural Heritage Programme are indicated in the Table below.

Table 4.18 Natural heritage sites

SITE	SIZE (ha)	SIGNIFICANCE
Tuscanen (Soutpansberg) (adjacent to Vhembe NR.)	400	The natural gradation from Riparian woodland through Ecotone woodland to a Mopani woodland is presented on this site. In these woodlands fine examples of the sycamore fig (<i>Ficus sycomorus</i>), Ana tree (<i>Acacia albida</i>), nyale tree (<i>Xanthocercis zambesiaca</i>) and apple-leaf tree (<i>Lonchocarpus capassa</i>) are found. Red Date species include two reptiles and nine birds of which Pel's fishing owl (<i>Scotopelia peli</i>), the ground hornbill (<i>Bucorvus leadbeateri</i>) and Cape parrot (<i>Poicephalus robustus</i>) are most noteworthy.
Vhembe Nature Reserve (Musina) (Now Mapungubwe National Park)	2 503	Limpopo River Gallery Forest in which enormous specimens of the sycamore fig (<i>Ficus sycomorus</i>) occur, is protected on this site. Interesting sandstone formations are also a feature of the site. Two archaeological features, the Mapungubwe Kopie and rock paintings are also found on the site.

The Municipality also has a vast amount of local accommodation facilities, stretching from lodge developments to guesthouses and bed and breakfast facilities. The Table below sets out the accommodation facilities located in the Municipality and includes the facilities of both members and non-members of the Musina Limpopo Valley Tourism Association.

Table 4.19 Musina Municipality accommodation facilities

NAME	TYPE	ADDRESS
ACCOMMODATION – FULL MEMBERS		
AFRIC-TULI GUEST LODGE		
BUSHBABY LODGE	Lodge	Alicedale Estates, Tshipise 37km
COEN VERMEULEN KOSHUIS	Flats	Irwin Street, Messina
COLINTON GAME FARM	Lodge	Colinton Farm, Alldays 105km
CONSTANTIA GASTEHUIS	Lodge & guesthouse	Farm Tshipise MT105, Tshipise 36km
CRIMEA FARM	Lodge	Belvedere Farm, Waterpoort
DEN STAAT GUEST HOUSE	Lodge & camping	Farm Den Staat, Pontdrift 68km
DONGOLA RANCH	Lodge & camping	R572, Pontdrift 40km
EVELYN GAME FARM	Lodge	Pontdrift Road, Messina
FAR NORTH SAFARIS	Camping	Aventura Tshipise
GAME LODGE KLEIN BOLAYI	Lodge	20KM on Pontdrift Road
GREATER KUDULAND SAFARIS	Lodge	4km East of Tshipise
HANLEY WILDLIFE SERVICES	Lodge	Farm Hanley, Messina
HHH SAFARIS		
KOEDOE REST CAMP	Lodge & camping	Farm Ostrolenka, Messina
KWANGULULE SAFARI LODGE	Lodge	Farm Albasini, Messina
LIMPOPO RIVER LODGE	Lodge	6 National Rd, Messina
LINTON GAME FARM	Lodge & camping	Farm Linton, Messina Pontdrif
MANANGE SAFARIS	Lodge	Denlynian District, Beit Bridge
MAPESU RANCH		65km from Messina, Pontdrift Rd
MASELELE GAME RESERVE		
MATOPPI GUEST HOUSE	Bed & breakfast	45 Kerk Str, Messina
MOHO LELE	Lodge & guesthouse	Moho Lele Farm, Alldays
MOPANE BUSH LODGE	Lodge	65km from Messina, Pontdrift Rd
MUDZWIRI LODGE	Lodge	Iverson Place, Messina
NARI DANGA SAFARIS	Lodge	Farm Papenbril, Messina
NEWMARK	Guesthouse	Farm Newmark, Messina 121
POPALLIN RANCH		Popalin Ranch Tshipise
PRACHTIG BUSH LODGE		
RIVER GUEST HOUSE	Guesthouse	River Farm, Messina
RATHO BOSKAMPE	Camping	Ratho Crocodile Farm
SAMARIA SAFARIS	Lodge & camping	Samaria Farm, Pontdrift
SINGELELE CONSERVANCY		
SINGULELE GUEST HOUSE		
THAVANI SAFARIS	Lodge	Farm Munnichausen, Messina
THE GUEST HOUSE	Guesthouse & Bed & breakfast	22 Irwin Str, Messina
ELEPHANT INN	Lodge	12 km N1 road to Makhado
NON-MEMBERS		
IMPALA LILY MOTEL		N1 Road Musina
BAOBAB CARAVAN PARK		N1 Road Musina
BAOBAB CHALETs		N1 Road Musina
GUNTHERS COUNTRY HOUSE		Irwin Street/ R508
PRIDE OF AFRICA		N1 Road Musina

Source: Musina Limpopo Valley Tourism Association – Membership database, 2007

4.4.3 *Planned tourism activities, initiatives and projects*

The Musina Tourism Plan (2006) identified a number of tourism opportunities and activities which could be developed in the future, which include:

- The development of the Musina copper mine as tourist attraction;
- The development of a Museum, displaying the area's history, its cultural dynamics and its rich nature;
- The development of a recreational park focussed on the local communities, in particular the youth;
- The planting of additional Baobab trees as visual enhancement;
- The development of cultural villages focussed on the industrial theme of Musina;
- The development of additional accommodation facilities focussed on the tourist and business market and people travelling through the Municipality;
- The development of route to the Kruger National Park from Mapungubwe National Park via Musina and the capitalisation on its central location between the two National Parks; and
- The expansion of the Information Centre.

Other projects identified by the Musina IDP include a multi-purpose arts and craft centre in Musina and the Tsogang beads making project in Nancefield (Ward 6).

According to the Musina Municipality IDP (2005/2006), the previous **Northern Province Development Corporation (NPDC)** was in the process of drafting a framework and action plan to kick-start tourism development in the northern areas of the Limpopo Province, better known as the Land of the Legend Tourism Region, bounded by:

- The Blouberg mountains, Alldays area to the Platjan border post in the west;
- The R524 and R522 roads from Vivo in the west to Louis Trichardt and to Punda Maria in the Kruger National Park in the south;
- The Limpopo River, Botswana and Zimbabwean borders in the north; and
- The Mozambican border in the east.

The specific objectives of the framework were the following:

- To make a holistic assessment of the tourism potential of the area;
- To identify the position of the area in the provincial, national and Southern African tourism context;
- To zone the tourism potential of the area in order to optimise its potential;
- To identify and propose the potential role of each tourism "hot spot" in the context of the whole area;
- To identify tourism assets/areas as priorities for protection;
- To identify priorities for development; and
- To recommend short and longer term actions to kick-start development.

In respect of the objectives, the following potential tourist 'hot spots' located in the Musina municipal area have been identified by the NPDC. These were then rated on a scale of 1 to 10 to determine their potential role in the area as a whole, with one being

totally insignificant, 5 being moderate and 10 being of world class standard. The identified 'hot spots' and their rankings are:

- Greater Nwanedi /Kuduland/Tshipise complex: 8
- Messina Nature Reserve to Limpopo valley: 6
- Mapungubwe/Vhembe/Dongola (Venetia/Langjan reserves): 10
- Makuya/Mashakhatini/Pafuri/Thulamela complex: 10

The Greater Nwanedi/Kuduland/Tshipise, Mapungubwe/Vhembe/Dongola and the Makuya/ Mashakhatini/Pafuri/Thulamela complexes are included in the Big Five of the Land of Legend and development efforts should be focussed on these "hot spots".

The then NPDC made the following proposals with respect to these three complexes:

Mapungubwe/Vhembe/Dongola "hot spot": The minimum facilities required in this complex include an information and visitor centre at the Mapungubwe site; a small resort built in stone style at the former Vhembe army base site, consisting of 20-30 chalets, a restaurant and a visitor centre, which must be a highly accessible public facility and serve as the main service point with the access road to this site needing to be improved to cater for tour (bus) groups.

Greater Nwanedi/Kuduland/Tshipise complex: This complex is the most active tourism attraction in the Northern District, having a combined turnover of about R20million. This is largely the result of the Aventura (Forever Resorts) Tshipise resort, which is the largest single tourism operation in the Northern District, possibly even exceeding the Punda Maria Camp and Entrance Gate of the Kruger National Park. Active negotiations are currently under way to manage this complex as an integrated tourism project. The strategic arrangement in place between Protea Aventura (Forever Resorts) and the NPDC on the Nwanedi Resort would have resulted in an investment of R3 million in the 2001. All indications are that this project could snowball almost indefinitely if two urgent issues could be resolved, i.e: The access road of ± 12 km from the Tshipise/Pafuri road to the entrance gate of the Nwanedi Nature Reserve should be tarred and the resolution of the land claims/tenure arrangements to facilitate private investment. Once the current negotiations are completed and the two pressing issues mentioned before, resolved, it should become a magnet for tourists as well as investors on adjacent private and community land. It will also be the ideal location for the core project to kick-start tourism in the region. The NPDC proposal is that it should be an African Renaissance City Resort celebrating the African cultural heritage incorporating an international conference centre and a golf estate. This should be done to position the whole area at the centre of the Southern African Tourism industry - the Arusha centre of South Africa.

Makuya/Mashakhatini/Pafuri/Thulamela complex: This complex is largely located outside the Musina municipal area and only a portion of the Madimbo corridor that is located in the municipal area forms part of the complex. The complex has, however, a definite impact on the Musina Municipality, as the major access route to this complex extends through the municipal area. In the longer term, this complex should become the number one attraction in the northern district because of its position as the corner stone of the Kruger/Gaza/Gonarhezhou Transfrontier Conservation Area. The greater threats to its

success would be unplanned development spoiling its wilderness character and unresolved land claims in the Madimbo corridor. The success of this complex would be greatly strengthened by the growth of the Greater Nwanedi Complex and the development of the Transfrontier Park into Mozambique. An integrated master plan for the development of this whole complex was indicated as a need.

Furthermore, according to the NPDC, no large-scale inflow of tourists will occur unless an aggressive marketing campaign is not implemented. The generic marketing of the Land of Legend needs special attention to make the South African and international public aware of its attractions. A reputable private tourism company having the necessary expertise and capacity should be appointed to drive this campaign in conjunction with the local Soutpansberg: Land of Legend Tourism Association. The Musina Municipality can actively assist with the marketing of the area.

The NPDC also revealed that a comprehensive Conservation and Eco-tourism Land-Use Plan should be implemented. According to the NPDC, zoning should be approached in the following manner:

- Identification and zoning of key eco-tourism “hot spots” having exceptional attractiveness, potential and in need of maximal protection;
- Identification of eco-tourism green corridors linking these hot spots in order to facilitate continuous natural experiences and systems and which are in need of maximum protection;
- Wilderness areas having exceptional wilderness character and should be protected as such;
- Development/transport zones peripheral to the above three zones where high impact development should be done and where tourism routes should be developed and facilitated;
- Critical corridors - areas threatened with other forms of development but critical to enable a continuous eco-tourism experience. These areas often need not only protection but also rehabilitation;
- Rehabilitation zones - areas with high tourism potential but in need of active rehabilitation if to be utilised for this purpose;
- Intensive development areas where facilities supporting tourism such as resorts, picnic areas, etc. should be developed. These are actually the key tourist areas where 90 % of tourist income is generated; and
- Buffer zones - areas protecting the areas having high eco-tourism potential.

A number of critical conservation priorities from an eco-tourism point of view were identified by the NPDC which needed to receive urgent attention. The conservation priorities relevant to the Musina municipal area are:

- The formation of a green corridor of protected land and game farms between Vhembe and the Messina Nature Reserve and/or Beit Bridge area, with the Limpopo River area and adjacent sandstone ridges being especially important;
- The continuation of this green corridor from the Messina Nature Reserve along the Danish Foundation land, Poppalin Ranch, the Madimbo Corridor to the Maluleke Resource Area and the Kruger National Park;

- Another proposed green corridor(s) is to link the Vhembe Reserve to the Limpopo Venetia Nature Reserve via Langjan Nature Reserve to the Western Soutpansberg Conservancy and possibly the Blouberg reserves; and
- The Greater Nwanedi project should form the base from which these Green Corridor conservancies should be developed and come together because of its central location, established tourism infrastructure and emerging state, private land and community relationships. Every effort should be made to facilitate the linkage of this complex to other core conservation areas.

Furthermore the NPDC revealed that the local job creation potential could be strongly expanded if the following principles were adopted:

- Only guided tours to be allowed in the Green Corridors, especially on community land;
- Tourism investors and operators should use local labour for 90 % of their labour needs;
- Monies generated for the community in terms of a community empowerment model should be used to subsidise small business development and especially for training, attracting small business agencies to operate offices in or adjacent major projects and to pay for training services to local entrepreneurs;
- Pro-active identification and supporting of small business opportunities flowing from major tourism projects; and
- Facilitating small tourist camps that could be operated by local entrepreneurs as an integral part of the projects and under the guidance of the big tourism operators.

According to the Musina IDP (2005/2006), the Limpopo Economic Development Enterprise (LIMDEV) made the following recommendations in respect of Tourism in the District, which includes the following:

- Proclamation of the Transfrontier Park as soon as possible;
- The minimal development of the five (three in Musina Municipality) prioritised eco-tourism “hot spots” in the District to give effective access to these sites;
- The upgrading of a number of infrastructural bottlenecks hampering access to the above sites;
- The generic marketing of the District by a private company in co-operation with the Soutpansberg Tourism Association and the Northern Province Tourism Board;
- The demarcation and conservation of critical tourism assets and a network of Green Corridors should be facilitated. These areas should be zoned for conservation, route development and eco-tourism purposes;
- The facilitation and marketing of the tourism plan and investment opportunities to potential investors and land-owners;
- The acceleration of land reform and the removal of uncertainty to investors in the prioritised five (three in Musina Municipality) areas;
- The adoption of a clear community empowerment model understood and supported by major stakeholders in order to simplify the relationship between investors and communities;
- That a strong SMME development model and strategy be implemented as part and parcel of the tourism strategy;

- That about R20 to R25 million per year be allocated by government over the next five years to fund the strategy;
- That tourism routes be developed in the Golden Horseshoe to bring tourists into the northern district;
- That the Nwanedi Task Team and/or Vhembe Dongola Task Team be strengthened to drive the whole tourism plan on behalf of the Northern Province Government.

Other initiatives noted in the Musina IDP (2005/2006) include:

- **The Golden Horseshoe:** The Golden Horseshoe is a conceptual spatial framework that aims to provide a receptacle for a diverse portfolio of Tourism and related activities. In descriptive terms, the Golden Horseshoe refers to a relatively unspoiled arc of land that stretches along the western, northern and eastern borders of the Northern Province. This band of land not only boasts with a rich and diverse spectrum of scenic beauty and wildlife, but also with a rich cultural history;
- **Dongola Trans-National Park** (referred to as Limpopo/Shashe TFCA): In June 1995 an agreement was signed which committed the National Parks Board to develop a national park in the Shashi/Limpopo border area, which has now been proclaimed as the Mapungubwe National Park. This is the first step towards the establishment of a major national park in the area and the eventual Trans-National Park;
- **Madimbo corridor:** The Madimbo corridor is located between the Tshipise / Pafuri road and the Limpopo River and comprises a ribbon of land, about 30km wide, stretching from the KNP in a western direction along the Limpopo River for approximately 70km. Similar to the Dongola, this area is also significant in terms of the artefacts found there and boasts with several red data species. The development of this area for tourism and conservation purposes is a source of conflict as mineral deposits occur in the area, and because the local population want to use the area for grazing purposes. Unresolved land claims also hamper future development.
- **Overnight accommodation and hiking trails on the banks of the Limpopo River:** The Musina Local Municipality is in the process of establishing hiking trails of ± 30 -40km in length along the banks of the Limpopo River and the construction of at least 6 serviced chalets for overnight accommodation along the hiking trails. The proposed development will also include the establishing of 5-15km hiking trails on the farms Singelele and Berkenrode, along the banks of the Sand River, the construction of a bush/hunting camp on one of the farms and the construction of one chalet along the hiking trails;
- **The Hunting Industry:** According to the records in the South African hunting directory (1996), there are 180 registered game hunting farms in the Limpopo Province. However, this is considered a gross under-count as the response to the survey (done by SATOUR in 1995) was very limited (40% reaction). In addition, not all game farmers want their farms to be registered in a directory. Casual observation suggests that the industry is growing at a fast rate, judging from the growing number of farmers applying for "exempted farms".

In addition, the Musina IDP (2005/2006) indicates that the Provincial Department of Finance, Economic Affairs, Tourism and Environment (DFEAT) is making an effort to facilitate economic and social development through spatial development initiatives

(SDI's). The Trans-Limpopo SDI is a development corridor that involves an area of 100km from the west to the east and is bisected by the N1 - National Road from Pietersburg to Beitbridge on the Zimbabwe border, with the SDI also extending into Zimbabwe.

Numerous publicly owned nature reserves, cultural sites and tourism facilities fall in the area covered by the Trans-Limpopo SDI, which could be developed by the private sector in partnership with the provincial government.

Tourism-related projects identified for the Musina Municipality by DFEAT and the NPII and that are being investigated for viability include the Nwanedi Nature Reserve, the Mapungubwe (Dongola) National Park and cattle and game farming (agriculture/tourism) at Messina/Tshipise.

The Vhembe SDF (2006) identified similar projects to that indicated in the Musina IDP above, which include the following tourism initiatives:

- The development of the Madimbo corridor; and
- Dongola Trans-national park (proposed Limpopo/Shashe TFCA).

According to the Limpopo Spatial Rational, the Tourism sector presents some opportunities to drive the local economy. Those that also apply to Musina Municipality with regards to tourism are:

- The development of the Limpopo Trans-national Park extending into Botswana and Zimbabwe; and
- The development of the Madimbo-Mashakatini Eco-Tourism Park.

Trade and Investment Limpopo (TIL) have also identified the following projects to be implemented/facilitated in the Musina Municipality:

- Facilitate investments in Game breeding tourism with linkage to the Zimbabwe – Mutare Rhino project (Phafuri Gate):
 - Budget: R150,000
 - Timeframe: Commence January 2007 & complete April 2007;
- Musina limb investment consolidation, including Beitbridge Border Post: Exchange Plan and Game breeding and hunting development. (The Musina limb to be linked to history museum initiatives. Facilitate investments in the Beitbridge Musina limb):
 - Timeframe: February 2008

It is important for the Municipality to take into consideration all of the tourism projects that have previously been identified for implementation in the Musina municipal area, regardless of who proposed these projects or whether the agencies responsible are still operational or not, as these projects may still remain viable options for future development. It is, therefore, necessary for the Municipality to take cognisance of these projects and to investigate the feasibility of taking implementation forward.

4.4.4 Tourism gaps and opportunities

The Musina Municipality benefits from a vast array of existing nature reserves, game farms and other attractions focussed on the natural environment and the cultural heritage surrounding Mapungubwe, providing a number of opportunities for tourism development in the Municipality. However, it is important to note that the Tourism sector in any given area will not just develop because a specific attraction or product is located in the area. Rather, the development of the Industry requires significant investments in planning, development, training, operational expertise and marketing; a base of resources with intrinsic tourism appeal; the right position within an established destination or along a strong flow of visitors; innovative and creative product development and the full dedication and commitment of all role-players and stakeholders (Gardner, 2006).

Against this background, the following gaps in the Tourism industry are identified:

- Lack of effective marketing of Mapungubwe, as the prime attraction and destination in the Municipality;
- Musina Municipality is not perceived as a tourism destination as such, with tourists only driving through the Municipality on the way to Zimbabwe;
- Lack of effective packaging of tourism products and activities around Mapungubwe and other areas in order to entice visitors and to encourage them to stay in the area for longer;
- Dwindling enthusiasm of product owners in terms of Mapungubwe Route;
- Lack of involvement by local communities in Tourism industry;
- Lacking awareness in local communities in terms of the value and importance of the Tourism industry for economic development and job creation and the benefits it presents;
- The Musina Limpopo Valley Tourism Association is not operating effectively due to a lack of communication, cooperation and a shared vision by its members. This situation should be improved to ensure the joint promotion of the Municipality as tourism destination;
- Ineffective cooperation between product owners and local government, with the private sector not always being represented at local, district and provincial level, preventing the effective expansion of the Tourism industry in the region;
- Lack of effective information on the sites and activities available for tourists in the Municipality, not only in terms of brochures, but also in electronic media;
- The Tourism Information Centre is not welcoming in that there are only limited and fading displays, with not all attractions and products being represented in the Centre. The Centre is also not open on weekends and no maps indicating the location of tourism products and activities are available;
- Ineffective marketing linkages with other tourism attractions in the District, Province and neighbouring countries;
- Insufficient interpretation at tourism sites and lack of training for tour guides;
- Sometimes poor accessibility of tourism attractions;
- Existing attractions are not always properly maintained with limited facilities being available for visitors, eg. Eric Meyer Park;
- Lack of proper signage to major tourist sites in the Municipality;

- Lack of appropriate branding through which the Municipality can market itself as tourism destination, or a lack of integration into existing branding initiatives in the larger region;
- Conservation of archaeological and cultural sites is unacceptably low considering the significance of many of these sites to the local people and the nation as a whole;
- There is a lack of information on tourism flows and general visitor profiles especially with regard to changes and trends that will mould future market demand;
- From the projects identified above, it is clear that there are a large number of strategies, frameworks and plans for the development of the Tourism industry in the Municipality, while the implementation of these initiatives are generally not taking place;
- Lacking support for emerging tourism operators and SMMEs in terms of product development, despite its importance in the Province;
- Limited involvement of private sector and larger operators in terms of outreach programmes to support emerging operators;
- Training that is appropriate and relevant to the growing tourism industry needs to be introduced;
- Little involvement of local communities and entrepreneurs in tourism linkages, such as arts and crafts manufacturing etc.
- Capacity at Municipal level to support the industry is very low, with funding for marketing and development being inadequate;
- Standards of personal service at many tourism products and tourism-related operations are not always acceptable;
- The process of selecting projects that go forward for possible funding by Poverty Alleviation Programmes requires strengthening by introducing pre-feasibility studies;
- The involvement of existing tourism products and activities in the special interest market, such as bird-watching, plants and trees and rock art should be further developed and should be encouraged to integrate with existing special interest routes; and
- Wayside information and refreshment stops are rare along the major routes of the Municipality.

The further development of existing tourism assets and the future identification of new tourism opportunities will to a large extent depend on the entrepreneurial attitude of the communities in the Municipality. The Municipality can, however, create an atmosphere in which the Tourism industry can expand, by improving the awareness of local communities in terms of the benefits and needs of the Tourism sector. In this respect, the Municipality should play a supportive role in assisting entrepreneurs and new developers in the preparation of business plans, the procurement of funding, the registration of the facilities/enterprises with the relevant bodies and the effective operation of these new enterprises.

The opportunities available for development in the Municipality may in some instances appear to mirror the gaps described above, as these gaps often create opportunities for improvement of the industry locally. In this respect, the opportunities identified below may not necessarily in all instances relate to physical developments, but also include marketing strategies and campaigns, development facilitation matters and other issues to be addressed in order to improve the Tourism industry.

The main opportunities that could potentially be developed further include:

- Facilitation of cooperation and commitment of all local role-players to establish a shared vision for the Tourism industry in the Municipality;
- Create a strong, active and well-resourced institutional structure to help guide tourism planning and implementation. In this respect, the implementation of strategies and projects appears to be one of the biggest constraints preventing new opportunities from coming to fruition;
- Strengthen the capacity and involvement of the Musina Limpopo Valley Tourism Association to promote and market the attractions and products of the Municipality;
- Expand and improve the database of tourism assets, attractions and activities and enhance the accessibility of database information to potential visitors;
- Develop an extensive marketing campaign to promote the attractions of the Municipality, with particular focus on the Mapungubwe National Park as primary attraction;
- Establish an annual event focused on special local assets, eg. Game Festival etc.;
- Facilitate the training of tour and site guides in order to improve interpretation at local attractions;
- Undertake tourism awareness campaigns amongst local communities;
- Establish strong tourism support structures for emerging entrepreneurs and SMMEs in terms of tourism development opportunities, appropriate training, business development etc.;
- Create linkages with the other sectors of the local economy in terms of the special interest market, such as the Venetia mine, former Messina Copper mine, agricultural and game farming enterprises etc.;
- Undertake the effective packaging of existing attractions, sites, products and activities to give visitors value for time and money, enticing them to stay in the Municipality for longer;
- Include relevant historical sites into existing special interest routes, eg. Skirmishes Route etc.;
- Facilitate inclusion of relevant natural attractions into special interest routes, eg. Baobab trees in Musina Nature Reserve in tree routes; Sand river gneiss in geological tours etc.;
- Support and promote existing route initiatives, eg. Mapungubwe Route, Limpopo Rock Art Route, Footsteps of the Ancestors etc.
- Facilitate the finalisation of negotiations to have Mapungubwe artefacts displayed in the Interpretation Centre or other facility at the National Park;
- Improve displays and information available at the Tourism Information Centre, to provide visitors with up-to-date and relevant information;
- Expand the Tourism Information Centre to allow the opportunities for manufacturing and/sales of arts and crafts;
- Create an effective brand for the Municipality, focused on Mapungubwe;
- Increase utilisation of technology in the promotion of local assets and facilities and the distribution of information to visitors;
- Facilitate and negotiate with private owner the public access to the Tollo Azime waterfall, west of Beit Bridge;
- Facilitate and negotiate the improvement the situation at Beit Bridge;

- Develop further accommodation facilities targeting through-traffic to Zimbabwe;
- Create linkages between hunting and the Manufacturing sector for development of leather tanneries and taxidermists; and
- Investigate possible access to Limpopo River and related adventure activities.

4.5 ANALYSIS OF THE WHOLESALE, RETAIL AND TRADE SECTOR

4.5.1 Wholesale, retail, and trade sector overview

In Musina Municipality, the Wholesale, Retail and Trade sector is to a large degree focussed on the retail component, both in terms of the formal and informal sector. The formal retail activities of the Municipality are centred in Musina town, with the largest part of the CBD occurring on either side of the N1 through road. Little other significant retail activities are taking place elsewhere in the Municipality, although there are a few commercial activities taking place around the Beitbridge border crossing, with scattered spaza shops located in Nancefield. Retail and trade activities taking place around the border post are mainly informal in nature, although a cash and carry shop, a petrol filling station and car and vehicle sales outlets are present around the border post.

As discussed above, Musina town does not have a shopping/entertainment Mall, but retail outlets are generally located to either side of the N1 and adjacent streets. In this respect, the Musina IDP (2005/2006), identifies the CBD as the most important node within the spatial framework of Musina town, with the CBD being divided into distinctive zones, which include the retail hard-core and peripheral zones. The IDP indicates that the Retail Hard-Core Zone is the most intensively utilised area of the CBD, where high quality and specialised retailers, financial institutions and offices on properties with high values are located.

Some of the larger retail outlets in Musina town include supermarkets such as SuperSPAR, KwikSPAR and Score. There is a further need for supermarkets, as these few shops serve the large farming community of the Municipality, as well as shoppers from Zimbabwe. Retail shops in Musina are furthermore generally small shops, many of which are in foreign ownership, trading a large array of goods, including clothing and bulk foodstuffs. There is currently a lack of wholesalers in Musina, with smaller shops often going to Polokwane to stock their retail shops.

Musina also has a number of furniture outlets, which include Town Talk, Ellerines, Savvells etc. The Town has a number of small restaurants and take-away outlets, which include some of the more popular chains such as Spur, Kentucky and Nando's. In terms of clothing outlets, there are a few clothing chains in the Musina such as Ackermans and Jet, although some of the other larger clothing retailers are generally absent. Musina town also provide hardware and building material outlets.

According to the Musina IDP (2006/2007), a number of undeveloped business erven are found in the retail core area. If all undeveloped erven are regarded to be available for business development, then 24 627m² (excl. TRANSNET land) of land for business development are still available in the retail core area. Despite this, consultation has revealed that potential investors want to locate in the main street, but are not finding sufficient vacant space to do so. The IDP suggests that the potential exists to densify business development in the retail core area by utilising existing land/erven more

effectively. The establishment of businesses by means of “filling-in” and densification within the existing CBD will ensure that the CBD develops into a functional unit.

The following Table provides an indication of some of the key economic indicators for the Retail, trade and wholesale sector in Musina Municipality.

Table 4.20 Retail and trade sector economic indicators, 2005

	SECTOR SHARE OF DISTRICT	SECTOR SHARE OF MUSINA	CONTRIBUTION OF SECTOR IN MUSINA TO SECTOR IN DISTRICT	GROWTH P.A IN MUSINA 2001 - 2005
Employment share	14%	6%	6%	1.7%
GDP Share	13%	7%	6%	2.2%

Source: Quantec database, 2006 and Kayamandi calculations 2007

The Retail and Trade sector also makes an important contribution to the local economy of Musina Municipality, with 7% of the local GDP output being generated by this sector, making it the fourth largest contributor to the Municipality's economy. The growth of the Trade sector in Musina Municipality in terms of its output between 2000 and 2004 was 2.2%. Its employment share contribution is almost equal to the Municipality's output and is responsible for 6% of the Municipality's employment. As is evident from the Table above, the importance of the Wholesale and Retail sector to the Municipality's economy is far less than the importance of this sector to the District, which has a relatively equal GDP and employment share of approximately 14%.

4.5.2 Business Profile

In order to get a better understanding of the businesses operating in Musina Municipality, a survey of local businesses was undertaken. The results of this survey enable a better understanding of the nature and the current status of businesses in the Municipality, as well as the problems perceived by local business owners. This sub-section of the report provides a summary of the survey findings, accessing local businesses in terms of:

- Type of business;
- Employment levels;
- Business classifications; and
- Business growth.

The survey of 100 businesses was conducted in different regions of the Municipality, based on larger population concentrations, allowing results which are representative of the whole of the Municipality. Results from the questionnaires were grouped into 5 regions, as indicated in the Table below.

Both formal and informal businesses were surveyed in order to ensure a representative overview of local businesses. The number of formal and informal businesses included in the survey were based on the expected and observed formal to informal ratio in the

Municipality. This allows a better understanding of all types of businesses and the different problems faced by different business types.

The definition of a formal business is one that is registered and pays taxes. Formal businesses normally trade from a permanent structure. An informal business is unregistered, non-tax paying and usually trades from a non-permanent structure.

The survey sample included 64 formal businesses and 36 informal businesses, representing 64% and 36% of the sample. More formal businesses were surveyed in the urban settlements, such as Messina, which fulfil a central function in the Municipality in terms of trade and service provision.

Table 4.21 Number of surveys per area

	BEITBRIDGE	MESSINA	MUSINA NU	NANCEFIELD	TSHIPISE	TOTAL
Formal	7	23	17	16	1	64
Informal	8	15	1	5	7	36
TOTAL	15	38	18	31	8	100

Source: Kayamandi Business Survey, 2007

As can be seen from the above Table, formal businesses were concentrated in Messina which made up 35% of the formal businesses surveyed in Musina. This was followed by Musina and Nancefield contributing 26% and 25%, correspondingly.

Informal businesses are mostly drawn to areas where there is large pedestrian and traffic movement, such as the centre of larger towns, at busy intersections or at taxi ranks. The informal businesses are not regulated and do not pay taxes. This implies a substantial loss of income for the Municipality and country as a whole. As these businesses are not regulated, informal trading activities may negatively impact on the environment in terms of health issues, cleanliness, and aesthetics, as well as the obstruction of vehicular and pedestrian movement. These issues may work against efforts to attract investors, tourists and visitors to the area. Nonetheless, informal business activities are for large numbers of people the only means of generating income.

The Table below gives an indication of the types of businesses in the Municipality, referring to a single business, a business which is a main business with other branches located elsewhere, or a business which is a branch that is linked to a main business located elsewhere.

From the Table below, it is clear that 83% of businesses surveyed in the Municipality are single business units, with no linkages to other branches or larger support systems. This is particularly true in the more rural regions of the Municipality, with 100% of businesses surveyed in places such as Tshipise being single businesses. A further 5% of businesses are branches of a larger main business, with only 9% of businesses surveyed consisting of a main branch being located within the municipal area. Branches and main branches of larger businesses tend to be located more in the urban centres such as Messina.

Table 4.22 Percentage distribution of business type

	SINGLE BUSINESS	MAIN BUSINESS (BRANCH ELSEWHERE)	BRANCH BUSINESS (MAIN BUSINESS ELSEWHERE)	TOTAL
Beitbridge	100%	0%	0%	100%
Messina	88.90%	5.60%	5.60%	100%
Musina NU	66.70%	11.10%	22.20%	100%
Nancefield	76.20%	19.00%	4.80%	100%
Tshipise	100%	0%	0%	100%
TOTAL	83.30%	9.30%	7.30%	100%

Source: Kayamandi Business Survey, 2007

4.5.3 Business sector employment

In terms of employment the following Table gives an indication of the number of permanent employees (including the owners) supported by local businesses that formed part of the business survey.

Table 4.23 Percentage distribution and average number of permanent employees

NO. OF EMPLOYEES	1	2 - 6	7+	TOTAL
Beitbridge	27%	53%	20%	100%
Messina	42%	39%	18%	100%
Musina NU	6%	50%	44%	100%
Nancefield	29%	52%	19%	100%
Tshipise	35%	65%	0%	100%
TOTAL	30%	48%	22%	100%

Source: Kayamandi Business Survey, 2007

More than a third of businesses surveyed only employ 1 person, which means that these are one-man run businesses that only support the owner of the business. A large proportion of these owner-run businesses will usually be informal businesses. While these small businesses do provide employment and income for the owners, it has a limited impact on the economy of the Municipality, particularly when the activities are informal in nature. Nonetheless, it does allow for the supply of goods and services locally. Nearly half (48%) of the businesses employ between 2 and 6 permanent members of staff. Businesses surveyed that employ 7 or more members of staff are mostly located peripheral areas of the larger urban centres such as Musina NU, where 44% of the business surveyed employed 7 or more people. The peripheral activities normally tend to be more manufacture-related activities, where larger numbers of employees are needed. On average, the businesses in Musina Municipality that were surveyed employ only 1 person.

The survey also sought to understand the levels of temporary jobs supported by local businesses and the results are indicated in the Table below.

From this Table, it is evident that more than 80% of the local businesses surveyed provide no temporary or contract employment opportunities, which may again be an indication of the nature of local business being mainly single person run business enterprises. Once again, businesses surveyed that are able to offer employment for more than 1 person on a temporary basis appear to be located in the larger activity centres such as Messina.

Table 4.24 Percentage distribution of temporary employment

NUMBER OF EMPLOYEES	0	1	2	3	8	TOTAL
Beitbridge	100%	0%	0%	0%	0%	100%
Messina	76%	13%	3%	5%	3%	100%
Musina NU	72%	11%	11%	6%	0%	100%
Nancefield	86%	0%	10%	5%	0%	100%
Tshipise	88%	13%	0%	0%	0%	100%
TOTAL	82%	8%	5%	4%	1%	100%

Source: Kayamandi Business Survey, 2007

4.5.4 Business Sector Analysis

The following Table indicates the business sectors in which the businesses surveyed are operating.

Table 4.25 Percentage distribution of business sectors

MAIN PLACE	BEITBRIDGE	MESSINA	MUSINA NU	NANCEFIELD	TSHIPISE	MUSINA
Construction	0%	2.6%	0%	0%	0%	1.0%
Retail/ Shop	73.3%	71.1%	38.9%	42.9%	100%	62.0%
Motor vehicles sales	13.3%	5.3%	5.6%	4.8%	0%	6.0%
Accommodation	0%	2.6%	5.6%	0%	0%	2.0%
Restaurants, take aways and bars	6.7%	0%	27.8%	9.5%	0%	8.9%
Banking and Loans	0%	2.6%	5.6%	0%	0%	2%
Business Services	6.7%	0%	11.1%	0%	0%	3%
Personal Services	0%	15.80%	5.60%	42.9%	0%	16%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Kayamandi Business Survey, 2007

In terms of the main responses received from the businesses surveyed, 62% of local businesses indicated that they fall within the retail sector of the economy, with a further 16% providing personal services, 8% restaurants/take-away/bars and another 6% for motor vehicles. A substantial amount of businesses are involved in personal services in some of the more rural areas such as Nancefield with a 42.9% of the businesses in that area falling into this category.

Retail businesses can also be categorised further in terms of the types of products they sell. The most important types of retail businesses in the Municipality, in order of importance, are:

- Other 28%
- Food 18%
- Fruits & Vegetables 10%
- Retail/Furniture 8%
- Super market 8%
- Motor Spares 8%
- Restaurant & Butchery 6%
- Hair Salon 5%
- Dress Making/Clothing 5%
- Liquor Store 4%

The retail businesses are dependent on a strong client base. The main clients for the local businesses of the Municipality are the public (represented by 98%). Other clients indicated by businesses in the Municipality include retailers, mining and office.

As can be seen from the Table below, which gives a further breakdown of public clients, there is also a reliance on passers by.

Table 4.26 Percentage distribution of main public clients

	BEITBRIDGE	MESSINA	MUSINA NU	NANCEFIELD	TSHIPISE	MUSINA MUNICIPALITY
Surrounding Population	13.3%	50.0%	88.9%	66.7%	25.0%	54.0%
Pedestrians	20.0%	18.4%	0%	18.5%	0%	13.0%
Passers by (Traffic)	66.7%	26.3%	5.6%	14.3%	62.5%	29.0%
Tourists	0%	5.3%	5.6%	0%	12.5%	4.0%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Kayamandi Business Survey, 2007

Approximately 54% of local businesses surveyed rely on the surrounding population to support their businesses, particularly in the semi-urban areas of Musina (NU) and Nancefield. Passers by in terms of traffic, which constitutes 29% of public clients, are also important in terms of major public clientele groups. This section of the public is particularly important in the Beitbridge and Tshipise areas, constituting 66.7% and 62.5% respectively.

While not particularly reflected by the Table above, a large proportion of public customers in the Musina Municipality, and particularly in Musina town, are people from Beitbridge in Zimbabwe who regularly visit the Municipality to buy bulk food and clothes and other goods, using bakkies.

Suppliers are as important as clients are to businesses and the following Table outlines the main suppliers of the businesses in Musina Municipality.

Table 4.27 Percentage Distribution of main supplier sectors

MAIN SUPPLIERS	BEITBRIDGE	MESSINA	MUSINA NU	NANCEFIELD	TSHIPISE	MUSINA MUNICIPALITY
Public	13.3%	2.6%	16.7%	4.8%	0%	7%
Forestry	0%	2.6%	0%	0%	0%	1%
Agriculture	20.0%	10.5%	5.6%	0%	37.5%	11%
Warehouse	6.7%	0%	5.6%	4.8%	0%	3%
Manufacturers	0%	10.5%	16.7%	4.8%	25.0%	10%
Wholesalers	20.0%	39.50%	27.8%	81.0%	12.5%	41%
Distributors	0%	0%	5.6%	0%	0%	1%
Retailers	40.0%	26.3%	22.2%	4.8%	25.0%	24%
Offices	0%	5.3%	0%	0%	0%	2%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Kayamandi Business Survey, 2007

From the above Table, it is evident that wholesalers make up 41% of suppliers to the local businesses surveyed, followed by retailers (23%) and the agricultural sector/farmers (14%). Messina, Musina NU and Tshipise source more than 60% of their goods from retailers, with Beitridge sourcing 40% of their goods from retailers. This is probably related to mainly informal business activities that sell fruit and vegetables. It could also indicate a lack of local wholesalers in the Municipality. A large percentage of businesses in Nancefield and Messina source their goods from wholesalers, and 37.5% of the goods sourced from businesses in Tshipise are from the Agriculture sector.

Many of the suppliers to local businesses are not located within the Municipality and the Table below gives an indication of where supplies of local businesses are sourced from.

Table 4.28 Percentage distribution of location of main suppliers

MAIN SUPPLIER LOCATION	BEITBRIDGE	MESSINA	MUSINA NU	NANCEFIELD	TSHIPISE	MUSINA MUNICIPALITY
Same Town	40.0%	36.8%	27.8%	38.1%	50.0%	38.0%
Another town in Musina			11.1%			2.0%
Another town in Vhembe			5.6%	4.8%		2.0%
Town outside Vhembe	60.0%	60.5%	55.6%	57.1%	50.0%	58.0%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Kayamandi Business Survey, 2007

More than half of the suppliers (58%) to the local businesses surveyed are situated in Towns outside of the District, while 38% of local business supplies are sourced from within the same town as the local businesses. In particularly Messina (60.5%), businesses indicated that their suppliers were located outside of the District altogether. This reflects the largely formal nature of the local businesses in town, with any retail outlets forming part of larger chains, whose products are sourced centrally from major centres, such as Gauteng. Other suppliers which are located outside of the District will also be located in Polokwane, as a major centre in Limpopo Province.

4.5.5 Business perceptions and aspirations

As part of the business survey, business owners of both formal and informal businesses were questioned about their business operations in the past 3 years, as well as their future expectations and aspirations for their respective businesses. Issues covered by the survey include different aspects that have an influence on their business and include:

- Location;
- Turnover;
- Employment;
- Physical business space; and
- Growth and opportunities.

The results from the business survey indicated that local businesses perceived the following advantages and disadvantages of being situated in a specific location. The most important positive and negative aspects identified are contained in the Table below.

Table 4.29 Advantages and Disadvantages of location

ADVANTAGES	DISADVANTAGES
Businesses friendly environment	Lack of Development
Lack of Competition	Lack of space
More Customers	Lack of marketing
Safety	No Dumping Site
Increased demand because of growing population	Poor Service delivery
New Development	High cost of renting
Tourism Attraction	No Water
Not having to pay rent	No Municipality Support
Competition for their product	Crime
Central Business Location	

Source: Kayamandi Business Survey, 2007

As can be seen in the Table above, there were a wide variety of both advantages and disadvantages to the Towns in which the businesses were located. The main advantages were seen to be a business friendly environment, lack of competition, growing number of customers and the higher level of safety in the Town. Informal business owners also perceive their specific locations as particularly beneficial in that no rents are payable, which largely limits its expenses.

Other advantages noted by local businesses were:

- Large amount of youth;
- Central location;
- Cheap labour;
- Availability of industrial sites;
- Greater access to customers;
- Busy area with high population;
- Good location with respect to border post;
- Cleanliness; and
- Good products and services on offer.

In terms of disadvantages, Musina Local Municipalities the lack of development and the lack of space were considered the main locational disadvantages. Other disadvantages noted from the survey included:

- Lack of storage facilities;
- Lack of banks and financial institutions;
- Safety and lack of police services;
- Noise;
- High unemployment;

- Unstable business;
- Lack of by-laws;
- Lack of cleanliness;
- Lack of public tenders to local SMMEs;
- Travelling costs due to long distances to suppliers; and
- Lack of information dissemination.

Regardless of the disadvantages associated with the specific locations, most of the businesses surveyed did not plan to relocate their businesses in the next year.

Contained in the Table below is an indication of the annual turnover sales the local businesses that were surveyed are currently experiencing.

Table 4.30 Percentage distribution of annual turnover sales

TURNOVER (R)	10 800	10 000 - 50 000	50 000 -100 000	100 000 - 150 000	150 000 - 250 000	250000+	TOTAL
Beitbridge	0%	21.74%	15.38%	16.67%	0%	30.77%	18.46%
Messina	0%	39.13%	46.15%	16.67%	22.22%	38.46%	35.38%
Musina NU	0%	4.35%	7.69%	16.67%	22.22%	23.08%	12.31%
Nancefield	0%	21.74%	15.38%	33.33%	55.56%	0.00%	21.54%
Tshipise	100%	13.04%	15.38%	16.67%	0.00%	7.69%	12.31%
TOTAL	1.54%	35.38%	20.00%	9.23%	13.85%	20.00%	100%

Source: Kayamandi Business Survey, 2007

As can be seen from the Table above, more than a third (35%) of the local businesses surveyed in the Municipality indicated an annual turnover of between R10,001 and R50,000, followed by the R50 000-R100 000 turnover category (20%). In Messina, Beitridge and Musina NU, sales turnovers of R250 000 or more were indicated by 38%, 30% and 23% of businesses surveyed respectively. In contrast to this, Nancefield had no businesses generating this level of sales turnover. This again gives an indication of the small service type businesses and spaza shops scattered throughout Nancefield.

4.5.6 Business Problems and Perceptions

The survey also sought to understand the main problems being encountered by local business owners in Musina Municipality. This allows the proper assessment of constraints and gaps, in order to assist with the finding of appropriate solutions. In this respect, local businesses that were surveyed were asked to indicate what they perceived to be required in order for their businesses to expand. More than a quarter of

respondents indicated a need for additional space, as is indicated by the responses below, in order of importance:

- | | |
|------------------------|-----|
| ○ More Space | 27% |
| ○ Marketing | 26% |
| ○ Financial assistance | 20% |
| ○ Other | 17% |
| ○ Training | 8% |

The lack of space for further expansion of businesses is a serious concern, which also affects whether potential investors will start new businesses in the Municipality. In terms of Musina town, businesses would prefer to be located adjacent to the main road (N1), making other available spaces less attractive. However, the Municipality should set aside further areas for business development.

Certain circumstances can often lead to businesses relocating from a certain town or area to other towns. It is important for the reasons why businesses are choosing to relocate to be addressed, to ensure the retention of existing businesses in the local economy. The following outlines the main perceived “push” factors which are pushing businesses out of the area:

- | | |
|-----------------------------------|-----|
| ○ Decrease in number of Customers | 14% |
| ○ High Local Competition | 13% |
| ○ Competition from Towns | 5% |
| ○ High rentals | 4% |
| ○ Crime | 4% |

As can be seen from the above, one of the major factors pushing business out of their local areas is competition, both locally and from urban areas outside of the Municipality. The businesses also noted a decrease in the numbers of clients that their businesses were receiving, along with high rental costs and crime rates as factors that were making doing business difficult. Other factors ‘pushing’ business out of the area include:

- Lack of industries;
- Lack of finances;
- Unemployment;
- Lack of accessibility to resources;
- High water and electricity costs;
- Over crowding and over populated;
- Poor service delivery;
- Lack of space;
- Traffic congestion; and
- Crisis in Zimbabwe.

However, certain locational advantages in the Municipality will also cause certain businesses to be “pulled” into the area. The main perceived “pull” factors or issues that could be addressed to see more businesses locating in the Municipality include:

○ Market Tourism opportunities	14%
○ Nothing	12%
○ High Population growth	6%
○ Improve Safety	5%
○ Opportunities due to businesses closing	5%
○ Improve Services	4%
○ Improve business environment	1%

As can be seen from the above, local businesses see the Tourism sector in the Municipality as a particular pulling factor in terms of creating business linkages, if these attractions can be properly marketed. Other improvements generally thought necessary to attract businesses relate to improving the general business climate and marketing efforts, along with service delivery. Other factors 'pulling' business into the area, as noted from the survey, include:

- Less competition;
- Numerous facilities;
- Financial stability;
- High population growth rate;
- Plenty of agricultural opportunities;
- Good services; and
- Availability of labour.

4.5.7 Wholesale, retail, and trade sector projects and initiatives

Musina Municipality officials have indicated that there are plans for a retail Mall to be developed by a private developer. This Mall is to be located just north of Musina Town, with existing business sites being in the process of being sold.

Other Wholesale, Retail and Trade related projects identified for Musina Municipality in the Vhembe District IDP (2006/2007) are:

- The establishment of 2 vending points at strategic points within the Musina Municipality. The budget allocated for this project amounts to R120 000;
- The establishment of vending points in Madimbo. This project is to be funded both by the Municipality and by other loans, with budget of R320 000 being allocated to this project;
- The development of a community bakery in Domboni.

The community bakery project in Domboni has also been identified in the Musina IDP (2006/2007) and is currently still in its planning stages. Own funding sources will be obtained for this project.

4.5.8 Wholesale, retail, and trade sector linkages

The Wholesale, Retail and Trade sector is probably the sector in the economy which can benefit the most from linkages with other sectors of the economy. The Retail sector can latch on to other well-performing economic sectors in both the provision of inputs and the sale of products. A large variety of services linked to other sectors can also be undertaken by local SMME's. In Musina Municipality, linkage opportunities exist with particularly the small-scale Agricultural, Tourism, informal trade and Manufacturing sectors. Linkages could also be established with Mining sector in terms of the sale of equipment, clothing and apparel, as well as laundry services and the sale of food. When investigating the possibilities for linkages, the informal and small-scale sectors of all industries should also be investigated as a way of increasing the multiplier effects of LED projects, aimed at job and income generation.

Backward linkages or inputs into the Trade industry mainly relate to supplies or products that are sold by traders. Most inputs, particularly in relation to the formal retail outlets and retail chain shops in Musina town, are currently bought outside the Municipality, although they could and in some cases are produced by local companies. Other smaller traders also obtain the products they sell from wholesalers in larger activity centres such as Makhado and Polokwane.

Informal trading in the Municipality is to a large extent focussed on the sale of agricultural produce, which is obtained from local farmers. Non-food items are in some instance, however, also sourced from wholesalers in Polokwane.

Forward linkages with regard to the Trade sector refer to products sold and the consumers of the products of a specific sector. The majority of the products sold in the Municipality are serving the local communities, although the off-set market of local businesses in Musina town is to some extent increased as a result of the large numbers of Zimbabwean shoppers. Very few of the retail products in the Municipality are, however, sold outside of the Municipal boundaries.

4.5.9 Wholesale, retail, and trade sector gaps and opportunities

The following Table summarises the opportunities that can be exploited and the potential projects that could be utilised to develop the Wholesale Retail and Trade Sector in the Musina Local Municipality.

Table 4.31 Opportunities and potential projects

OPPORTUNITIES	POTENTIAL PROJECTS
Development of retail & wholesalers	<ul style="list-style-type: none"> Establish national wholesale outlets Expansion of the retail sector
Large informal sector	<ul style="list-style-type: none"> Demarcate informal trading zones Build shelters for informal traders Development of an informal trade strategy to accommodate the sector

Presence of Mining activities	<ul style="list-style-type: none"> ▪ RUNNING OF TUCK-SHOPS AND SELLING OF FOOD ▪ SELLING OF CLOTHING AND APPAREL ▪ LAUNDRY SERVICES
Strong Agricultural sector	<ul style="list-style-type: none"> ▪ Selling of seed, seedlings and fertilizers ▪ Selling of pesticides used in the Agricultural sector ▪ Selling of irrigation equipment ▪ Selling of packaging materials ▪ Selling of machinery, tractors and specialized agricultural implements
Tourism related businesses	<ul style="list-style-type: none"> ▪ Development of Arts and Crafts market ▪ Development of accommodation facilities ▪ Development of conference facilities ▪ Laundry services ▪ Promotion of locally produced, processed and manufactured products to neighbouring regions.

4.6 ANALYSIS OF THE CONSTRUCTION SECTOR

4.6.1 Construction Sector Overview

According to the Standard Industrial Classification of all Economic Activities (Central Statistical Service, 1993), the Construction sector involves aspects activities such as site preparation, building of complete constructions or parts thereof, civil engineering, building installation, building completion and the renting of construction or demolition equipment with operators.

The key economic indicators of the Construction sector in Musina Municipality is are indicated in the Table below.

Table 4.31 Construction sector economic indicators, 2005

	SECTOR SHARE OF DISTRICT	SECTOR SHARE OF MUSINA	CONTRIBUTION OF SECTOR IN MUSINA TO SECTOR IN DISTRICT	GROWTH P.A IN MUSINA 2001 - 2005
Employment share	5%	2%	6%	2.9%
GDP share	2%	1%	5%	7.4%

Source: Quantec database2006 and Kayamandi calculations 2007

As is evident from the Table above, the Construction sector contributes only 1% to the overall economy of the Municipality, lower than its contribution in the District (2%). This makes the Construction industry one of the lowest contributors to GDP both on a District and Local level. Nonetheless, the GDP generated by the Construction sector in the Musina Local Municipality grew quite substantially (7.4%) between 2000 and 2004. The GDP contribution the Construction sector in Musina Municipality made to the same sector in the District is 7%.

In terms of employment, the Construction sector, while not significantly so, made a bigger contribution (2%) than it did in terms of output. The sector also contributed 5% to the District's employment. The growth in employment for the Musina Municipality in the period 2000 to 2004 was 3%.

The Building and Construction sector is at the forefront of the country's economic development, as it is a sector that has the potential to employ a large number of people, catering for a wide range of skills levels. The construction of low cost housing is a significant feature of the building and construction industry at present, as it allows for the participation of new role players, skills transfers and income generation.

Within the Musina Local Municipality, the high average growth rate of the local Construction industry between 2000 and 2004 conceals the boom and bust cyclical nature of this activity. The Construction industry has grown considerably over the last few

years, with significant increases in (property development) construction of residential areas.

The Table below gives an indication of the number of buildings completed in the Municipality.

Table 4.32 Number of buildings completed, 2005

BUILDINGS COMPLETED	Residential	Office & Banking	Shopping	Industrial & Warehousing	Other Non-Residential	TOTAL	Additions & Alterations
Musina Municipality	18	0	2	0	2	22	9

Source: Statistics South Africa, Building Statistics 2005

As is evident from the Table above, only 22 new buildings were completed in the Musina Municipality in 2005, 18 of which comprised residential dwellings. Only 2 areas of shopping space were developed, with only 9 additions and alterations being undertaken locally.

4.6.2 Current and proposed construction projects

According to the Musina IDP (2006/2007), the following construction related projects and initiatives are being planned for development in the Musina Municipality:

- Install Highmast Community Lighting: Nancefield
- Internal Sewerage Reticulation, Phase 11: Musina
- Upgrading Of Oxidation Ponds: Musina & Nancefield
- Upgrade Of Water Supply: Madimbo, Domboni & Malale
- Installation Of Pre-Paid Water Meters, Phase 11: Musina & Nancefield
- Installation Of Pumps And Equipment For
- Underground Reservoir: Musina
- Construction Of Concrete Roads: Nancefield
- Upgrading Of Tar Roads: Musina
- Solid Waste Upgrading: Musina
- Housing: Musina
- (Include farming Areas)
- Installation Of Highmast Lighting: Nancefield, Madimbo, Malale & Domboni
-
- Water: Mopane
- Road Upgrading: Mopane
- Internal Roads: Nancefield Ext.5
- Small Bridge Extention: Nancefield Ext.5
- Internal Roads: Nancefield Ext.7
- Erection Of A Connecting Road: Nancefield Ext. 8 & 6
- Regravelling Of Road To The Graveyard: Domboni

○ Provision Of Sewerage System:	Domboni, Malale & Madimbo
○ Regravelling Of Internal Roads:	Domboni
○ Households Water Taps Connections:	Madimbo, Malale & Domboni
○ Electrification Of Outstanding Households:	Madimbo, Malale & Domboni
○ Erection Of Storm Water Channels:	Madimbo
○ Regravelling Of Streets:	Madimbo
○ Construction Of A Road:	Doreen & Hope Farms
○ Provision Of Water:	Farming Areas
○ Renovation Of Mtd Stadium:	Nancefield Ext.5
○ Renovation Of Community Hall:	Nancefield Ext.7
○ Renovations Of Tennis Court:	Nancefield Ext.7
○ Earthmoving And Fencing:	Cemetery in Musina
○ Infrastructure and upgrading Of Reticulation & Electricity	

Other Construction related developments likely to take place in the Municipality include the development of 350 housing units in the three rural settlements, Malale, Domboni and Madimbo, as well as in Nancefield. In Malale, Domboni and Madimbo, Unicorn Houses was appointed to build 80, 100 and 20 housing units respectively. In this respect, the Municipality should encourage the use of local labour in these projects.

In Nancefield, the People Housing Process (PHP) commenced in October 2006 to build 150 state-funded units, which are expected to be completed by the end of March 2007.

A new retail Mall will also be developed by a private developer to the north of Musina town. Once again the developers should be encouraged to employ local labour and to procure building materials and services locally.

4.6.3 Construction Sector Linkages

Backward linkages in respect of the Construction industry refers to the supply of inputs required to practice the activity and include inputs such as building materials, labour, electricity, tools, etc. Most Construction inputs, particularly in respect of tools and machinery are currently bought outside the Municipality, although they could be and in some cases are produced in the Musina Local Municipality. In some instances, contractors for particularly larger projects are sourced from other Municipalities, although in general local labour will be utilised by contractors.

Forward linkages of the Construction sector relates mainly to business owners, estate agents, homeowners, etc.

There are also possibilities for the Construction sector to strengthen its linkages with other sectors of the economy, such as the Retail sector, the Tourism and the Mining industries. In the expansion of mining activities (such as expected with the Venetia mine) and in the development of further Tourism products and facilities, local SMMEs should be encouraged to tender for Construction jobs, while larger developers should employ local labour. The local manufacturing of building materials and the use of local small service industries such as welders etc. should be encouraged.

4.6.4 Construction Sector Gaps and Opportunities

Housing construction in Musina Municipality continues to prevail as the most prominent potential labour intensive activity for local people, particularly in view of the growing housing demand in the Municipality. This phenomenon is also increasing as a result of the perpetual in-migration of people from Zimbabwe.

The Construction sector is also likely to benefit from the growth in the Tourism sector, which will see a need for new facilities. The development of the Limpopo/Shashe Transfrontier Park will also contribute to this, with opportunities for fencing and new road development presenting itself. This will provide a valuable mutually beneficial opportunity for cooperation between the Musina and Beitbridge Municipalities, as per the Twinning Agreement.

The following Table summarises the opportunities that can be exploited and the potential projects that could be utilised to develop the Construction sector in the Musina Municipality.

Table 4.33 Construction sector opportunities

OPPORTUNITIES	POTENTIAL PROJECTS
Increased demand for housing in urban areas	<ul style="list-style-type: none">• Renovation skills training• Upgrading of Municipal infrastructure• Prefab housing establishments
Construction of shopping mall north of Musina	<ul style="list-style-type: none">• Construction skills training for youth• Establishing construction workers co-operatives

4.7 ANALYSIS OF THE TRANSPORT SECTOR

4.7.1 Transport Sector Overview

The Transport sector is an important component of the National economy and is becoming more important, with the contribution of this Sector to the national GDP reaching almost 11% in 2004.

The following Table gives an indication of key economic indicators in the Transport sector of the Musina Municipality.

Table 4.34 Transport sector economic indicators, 2005

	SECTOR SHARE OF DISTRICT	SECTOR SHARE OF MUSINA	CONTRIBUTION OF SECTOR IN MUSINA TO SECTOR IN DISTRICT	GROWTH P.A IN MUSINA 2001 - 2005
Employment share	2%	1.5%	12%	0.2%
GDP share	13%	19%	15%	13.2%

Source: Quantec database 2006 and Kayamandi calculations 2007

The above Table reveals that the Transport sector has shown a considerable growth in its output in the economy between 2000 and 2004, with its GDP output increasing by 13.2% between 2000 and 2004. The Sector is also an important contributor to the output of both the Municipality (19%) and the District (13%). As is evident from the Table above, Musina Municipality's Construction sector also makes a considerable contribution to the sector in the District (17%). This sector is however not as important in terms of its contribution to employment, as it contributes a mere 1% to the Municipality's employment.

In terms of the transport system in Limpopo Province, freight transport is an extremely important component, given the Province's strong Agricultural sector and the need for products to be transported to its markets elsewhere in the country, particularly that of Gauteng. Freight transport by way of rail is also utilised as a link between South Africa and Zimbabwe and the rest of Africa. However, the Musina IDP (2005/2006) indicates that the railway network is under-utilised.

Road freight is almost exclusively utilised as the transport mode for Agricultural and Manufactured goods, with major movements taking place along the N1 between Limpopo and Gauteng, as well as along other national and provincial routes. Road freight is also the most important mode of transport for exports to the southern and central African countries. In this respect, some of the larger Transport companies in the Municipality are Musina Associated Carriers (MAC) and Limpopo Vervoer. MAC is mainly involved in the transport of coal to the Musina railway station, while Limpopo Vervoer transports a variety of products.

According to Limpopo in Motion (Department of Transport, 2003), the rail infrastructure of Limpopo is quite well developed and is mainly utilised for the transport of goods and minerals. According to the Musina IDP (2005/2006), approximately 7 to 8 goods trains exit and enter South Africa to and from Zimbabwe through Beit Bridge on a daily basis. Approximately 15 - 20 000 tons of goods are exported and 10 - 15 000 tons are imported by rail per day through Beit Bridge. One goods train operates on a daily basis from Musina to Pietersburg and back, while another goods train, coming from Tshikondeni, stops in Musina to load coal that is transported to Yskor in Gauteng. This transport mode does, however, entail certain problems and constraints, particularly in relation to the transport of fresh produce for export and to the local markets. Furthermore, as rail transport is restricted to main lines and stations, further transport expenses are incurred, as further freight transfers are required from the stations to the end user.

Rail commuter services are not provided within the Province, although a mainline passenger service is provided along the N1 road network towards Zimbabwe. Two passenger trains arrive in and depart from Musina Station daily. One passenger train transports mainly class 1 and 2 passengers (also class 3), while the other train transports class 3 passengers only. The "class 3" train also stops at Beit Bridge, where-after it turns back to Musina and moves on to Johannesburg. Approximately 420 passengers make use of train transport daily. No passenger train service to Zimbabwe, via Musina, is provided.

Gateway International is the only commercial airport in the region from where both passenger services and freight movements are undertaken, with the only other international status airport being that of Hoedspruit Airport, which will mainly be utilised for the tourism sector. Private airstrips that are present in the Province are only used for private purposes and for the tourism industry. There are currently two airstrips in the Musina Municipality, located in Musina town and Tshipise respectively, with the Musina IDP (2006/2007) indicating that there are also approximately 12 smaller informal landing strips being located on private farms in the Municipality. The Venetia Mine also has its own private airstrip.

Existing manufacturers and exporters of agricultural products to the European markets mainly export their products via Durban. The development of an efficient transport corridor to Maputo can assist in overcoming the distance of local exporters from their markets. In terms of small scale farmers and manufacturers in the rural areas, the main constraint in respect of freight transport is their remote locations. This does not allow for easy transport access, which in turn restricts the access of these enterprises to the potential markets outside of their local areas, or prevents these enterprises from entering into larger supply contracts which require a consistent level of supply.

Commuter travel in the Limpopo Province is mainly fulfilled by the bus and taxi industries. The South Africa Yearbook 2005/2006 indicates that as many as 3.9 million people make use of public transport, with 2.5 million people using taxis as transport mode for work trips, a total of 63% of public transport work trips, with a further 325 000 commuters using taxis as linking transport to other public transport services.

According to Limpopo in Motion (Department of Transport, 2003), bus operators in Limpopo Province are either privately owned state-subsidised operators, parastatal state-subsidised operators or privately owned non-subsidised operators. The bus industry in Limpopo employs over 3000 people and operates a total of 1166 buses.

According to the Musina Municipality IDP (2005/2006), Musina/Nancefield is a relatively small town and no mass transportation system exists. The only form of public transport are a single private bus service operated by Megabus between Nancefield Extension 6 (Harper) and Extension 7 (Campbell) and the CBD and privately owned taxis that transport people within Musina & Nancefield and to Beit Bridge and other long distance destinations. The Venetia Mine contracts a bus operator (Megabus) to transport their employees to the Venetia Mine, located approximately 80km to the west of the town. A new contract for the transport of mine employees has been given to Vaal Maseru, a transport company based in Klerksdorp.

Musina has one taxi rank that is located in the central business area and was built in 1997. Two taxi associations operate from the taxi rank, namely the Musina Local Taxi Association, providing internal short-distance taxi services, and the Beit Bridge Taxi Association. Some 43 taxi operators and 119 taxis are registered with the Beit Bridge Taxi Association. The following six routes operate from the Musina Taxi Rank:

- Beit Bridge to Musina;
- Beit Bridge to Dzanani / Louis Trichardt to Pietersburg to Johannesburg;
- Louis Trichardt to Pietersburg to Johannesburg;
- Musina to Mashishi / Thohoyandou;
- Musina to Alldays / Weipe / Pontdrift; and
- Local routes within Nancefield.

Only one bus service with a restricted service delivery is found in the Madimbo, Malale & Domboni area. Taxi transport (limited service) is only available from Madimbo and people have to walk from Malale ($\pm 15\text{km}$) and Domboni ($\pm 8\text{km}$) to access public transport. Some illegal taxis are operating between Musina and the three settlements.

4.7.2 Transport sector Gaps and Opportunities

One of the major constraints in respect of the Transport sector is the remote locations of some of the villages and the farming areas in the Municipality. Together with the poor road infrastructure in some of these areas, these remote locations lead to major difficulties for local communities and farm workers to gain access to the commercial services in Musina town and other urban areas, as taxi services to these areas are particularly infrequent. The remote locations and poor road linkages also affect the ability of emerging farmers to gain access to markets. Emerging farmers often also do not have access to their own transport, which presents opportunities for the development of a cooperative or SMME involved in the transport of produce or the letting of vehicles.

The taxi industry in Musina Municipality is largely owned and dominated by people from Venda, preventing local people from gaining access into the industry. This leads to a

leakage of income out of the Municipality. It is, therefore, necessary for the delays in obtaining taxi operating licences and permits to be addressed, to see more local people operating taxis.

A large proportion of road transport through the Municipality is derived from transport companies located in Gauteng, transporting goods to Zimbabwe and other SADC countries, with little economic benefit being generated for the Musina Municipality.

Agricultural goods and products that are produced in the locality need viable transport and packaging of products to ensure quality is retained, particularly when these products are sent to the markets in Gauteng, or for export purposes. In this respect, there is a lack of refrigerated trucks for the transport of fresh produce such as tomatoes and other perishable goods, with the only cold trucks available being based in Makhado Municipality.

Table 4.35 Transport sector opportunities

OPPORTUNITIES	POTENTIAL PROJECTS
Strong Tourism sector	<ul style="list-style-type: none">▪ Development of schedule flights at Musina Airport▪ Development of shuttle service SMMEs to transfer tourists from major airports to Musina Municipality
Strong Agricultural sector	<ul style="list-style-type: none">▪ Establishment of refrigerated truck SMME
Rural integration	<ul style="list-style-type: none">▪ Development of car-pooling cooperatives

4.8 ANALYSIS OF THE COMMUNITY SERVICES SECTOR

4.8.1 Community Services Sector Overview

Local Government is the primary point of community services and thus service delivery. The services offered by Government and Community Services can be classified as follows:

- Basic Services;
- Social Cluster;
- Economic Development Cluster; and
- Institutional Transformation Cluster.

The needs of the Municipality for service delivery within these clusters are as follows:

- Water and Sanitation;
- Electricity;
- Roads and public transport;
- Land and Housing;
- Economic development;
- Educational facilities;
- Health and welfare facilities and services;
- Safety and security;
- Environmental and waste management;
- Communication facilities;
- Sports, Arts and culture and recreational facilities;
- Emergency and disaster services; and
- Institutional issues.

Both community services and infrastructure play a vital role in the development of the local economy of a region. The level of service in both of these categories directly and indirectly affects the ability of a region to attract and retain talented individuals and to compete for business.

In terms of the general infrastructure provisions and services in the Municipality, the Musina Municipality IDP and the Vhembe District SDF indicates the following:

Water Supply

Only 6% of the people in Musina Municipality do not have access to RDP level water supply. Furthermore 95% of the population of Musina Municipality is within 0-200m from a water supply point. Consultation with Ward Councillors also revealed that residents find water provision too expensive, preventing backyard gardening to supply residents with their own vegetables, etc.

According to the Musina IDP (2005/2006), the urban areas of Messina & Nancefield obtain its bulk water from the Limpopo River by means of 16 water extraction points in the

riverbed, which is located on portions of the farms Tempelhof, Maryland and Artonvilla. The Musina Local Municipality is allowed to extract up to 110l/s per farm under current legislation. The extraction points are situated over a distance of approximately 12.5km, approximately 4.5km downstream from Beit Bridge and approximately 2.5km upstream from the confluence of the Sand and Limpopo Rivers. The volume of water that may be extracted from the Limpopo riverbed is $\pm 240\,000\text{ m}^3/\text{km}$. The total estimated yield of the sand reservoir of the Limpopo River, measured over a distance of 15.5km, is 3.7 million cubic meters, with a potential yield of 508 l/s under normal rainfall conditions. The present pump rate from the riverbed is 116 l/s. The proposed Luphephe/Nwanedi Regional Water Supply Scheme will supply water to 23 villages in the Dzanani/Mutale area, including the settlements Madimbo & Malale. The scheme will be implemented in phases and Madimbo & Malale will not benefit from the scheme within the next 5 years.

Sanitation

Musina Local Municipality is fairing well in respect of sanitation, with 93% of the total population meeting RDP sanitation standards or better. However, private farms in the rural areas are not serviced, in terms of sanitation or water services, by the Local Municipality. There is one water treatment plant and sewage works located in Musina town, which serves the entire Municipality.

Waste disposal

In terms of waste disposal in the rural areas of the Municipality, waste is mainly either burnt or transferred monthly to a dumpsite. In the more urban areas surrounding Musina town and Nancefield, waste is sent to one of 3 dumpsites. All 3 sites are operating below the minimum environmental standards and are therefore not authorised.

Telecommunications services

In the Musina Local Municipality the Musina/Musina-Nancefield settlements are well provided with TELKOM facilities, but the three settlements to the east of the municipal area do not have any TELKOM facilities. These settlements are fairly remote, making adequate coverage difficult. Telecommunication services are an essential component for the carrying out a viable and profitable enterprise, with the lack of these services, therefore, severely impeding the ability of residents in these areas to enter into new businesses or for emerging farming activities to expand into profitable commercial enterprises.

Access to housing

The Musina Local Municipality has the largest number of informal dwellings/shacks in the Vhembe District, erected in backyards or elsewhere and represents approximately 14,34% of all the housing in the municipal area. While the other local municipalities in Vhembe District also have informal dwellings/shacks, they make up less than 2% of all the housing in these municipal areas. The Vhembe SDF, however, reveals that this situation may have improved due to a housing project approved for Musina since the Census was done in 1996. However, informal dwellings/shacks still exist on a reasonably large scale in the Musina Municipality, which indicates a definite need for housing.

Musina town experiences an influx of people from surrounding rural areas, which puts pressure on the available housing stock, with a large number of illegal immigrants from

Zimbabwe currently settling in shacks and informal dwellings in Nancefield Extension 9 (Ward 5). The backlog of low-income housing in 2003 was taken as the number of applicants that appeared on the “housing waiting list” of the Municipality, amounting to a backlog of 4109 housing units. Consultation with the Municipality revealed that the housing need at present stands at 4870 units.

It is proposed that future low-income residential development takes place to the south of Nancefield Extension 8, in the direction of Nancefield Extension 6 (Harper) and to the south of the Harper/Campbell tarred road. The main reasons for developing this area are the following:

- Sufficient land is available in this area to cater for the need in low-income residential erven for the short, medium and long term;
- The land is owned by the Musina Municipality;
- The development will take place in the direction of the workplace (CBD & Industrial area) and lead toward a more compact urban area;
- The development of this area will have the advantage that Nancefield Extension 6 (Harper), which is located some distance away from existing residential areas, will be incorporated in the urban structure of Musina;
- This area will be very accessible to the future N1 - National Road Bypass, as the Bypass will be built adjacent and to the east of this area, and a proposed off-ramp will give direct access onto the Harper/Campbell road; and
- It will be possible to provide the area with bulk sewerage infrastructure.

Sufficient vacant residential erven and land is also available for the development of middle and high-income housing in Musina for the short, medium and long term. Although market forces usually determine the development of middle and high-income housing, a need for middle-income housing is experienced in Nancefield. The Municipality recently took the responsibility to address the situation and developers are in the process of providing 177 additional middle-income housing units in Nancefield.

There is also a need for low-income housing units at Madimbo, Malale & Domboni. The existing housing backlog in the rural settlement area is derived from the “housing waiting list” of the Municipality. Sufficient land is available for the extension of the rural settlements. The land is owned by the State (in trust for the tribal communities) and development on such land should be negotiated with the Department of Land Affairs and the relevant tribal communities in the area.

Consultation has revealed that for the 2006/2007 financial year the Municipality has been allocated a budget to build 350 housing units in 3 rural settlements and in Nancefield. In Malale, Domboni and Madimbo, Unicorn Houses was appointed to build 80, 100 and 20 units respectively. In Nancefield, the People Housing Process (PHP) commenced in October 2006 to build 150 state-funded units, which are expected to be completed by the end of March 2007.

A need for 1223 low-income housing units also exists in the rural areas on the State owned farm of Magazant 123 M.T. The majority of people in the area are farm workers working on commercial farms in the eastern areas of the Musina municipal area. The

Musina Municipality is in the process of applying for funding to develop an agri-village/s in the area.

There is also a need to develop rental stock accommodation exists in Musina to cater for business people and officials of provincial and national departments who work in the municipal area on a temporary or permanent basis.

Health facilities

The availability of hospitals on a District municipality level, based on the total population it serves, gives an indication of the level of health services in terms of hospitals. According to recent calculations, there are approximately 119000 people per hospital in the Vhembe District. The latter does not include any private hospital. If private hospitals are included the ratio will improve, although the majority of the population does not have access to private hospitals.

The average number of people per clinic in the Vhembe District amounts to 1 clinic for every 11700 people. However, Musina Municipality only has 1 clinic for 13600 people.

Furthermore, approximately 65,63% of the communities in the Vhembe District Municipality area are within a 20km radius from an existing hospital. Musina Municipality, however, has approximately 57% of its communities not being within a 20km radius of a Musina Hospital. Approximately 43% of the communities in Musina Municipality are situated outside a 5km radius from a clinic. The clinics in Musina are Nancefield Clinic, Musina Mobile and Madimbo Clinic. Many of the smaller settlements have mobile clinic services, which is more appropriate. It is not cost effective to build a clinic in every settlement, (especially those with less than a 1000 people).

Other constraints noted through consultation, in this respect, is the fact that there are insufficient numbers of staff to man the existing health facilities, with other facilities having been built, but not being operational.

Education facilities

The departmental norms with regard to learner-to-classroom ratios are 1:40 for primary schools and 1:35 for secondary schools. The learner to classroom ratio for the Vhembe District for primary schools is 1:35 learners. The lowest ratio in the District occurs in Musina Municipality, with a 1:24 learner-to-classroom ratio.

The learner-to-classroom ratio for secondary schools in the Vhembe District Municipality is one classroom for every 40,68 learners. The secondary learner-to-classroom ratio in the Musina Local Municipality is 1:28.

A list of schools in Musina Municipality are as follows:

- | | | |
|--------------------------------------|-----------------------|-----------------------|
| ○ Bonwa udi primary | ○ Madimbo primary | ○ Ramana primary farm |
| ○ Doreen-bridge combined | ○ Makushu primary | ○ Rixile primary |
| ○ Esmefour primary farm | ○ Malale primary | ○ Schuitdrift |
| ○ Hoërskool Eric Louw
(secondary) | ○ Masala primary | intermediate |
| | ○ Mopane intermediate | ○ Skutwater primary |

- Hope primary
- Kranenburg primary
- Laerskool Messina (primary)
- Luphai secondary
- Musina secondary
- Nehemiah Christian
- Overvlakte farm primary
- St martin de porrez

As is evident from the List above, there is a distinct lack of secondary education facilities, with as much as 9 primary schools in Musina/Nancefield feeding into a single secondary school. Consultation has, however, revealed that there is the possibility of a new secondary school being built in the Municipality in the near future. Furthermore, the rural areas of the Municipality also have lacking school facilities, with particularly Domboni being affected, as the closest school is located 15km from the village.

Musina Municipality does not have any tertiary educational institutions, with the closest tertiary facilities being located in the Thulamela Municipality, housing the Venda University and Techniven. There is also a distinct lack of other training facilities in the Municipality. This creates particular constraints in the ability of local populations to gain access to job opportunities which require higher skills levels. This could result in higher unemployment levels and the inflow of people with higher skills levels from other municipal areas, rather than seeing these job opportunities going to local people.

There are two libraries located in Musina town, with no mobile libraries operating in the Municipality.

Pension payout points

The following pension pay-points are located in the Municipality:

- Brombeeck (shop);
- Doreen (shop);
- Folovhodwe (serve part of Domboni)
- Linton (shop);
- Madimbo (shop - Happy farm) (serve Malale and Domboni);
- Messina/Nancefield (Nancefield Community Hall);
- Mopane (shop);
- Pontdrift (police station);
- Tshipise (Gordonia Store).

One of the major constraints experienced in respect of pension pay-points is the lack of banking facilities and/ATM's near these points for beneficiaries to deposit the funds they have received. This often leads to beneficiaries being made susceptible to being robbed.

Sport and Recreation

The following sport facilities are found in Musina Municipality:

- Messina Golf Club: A municipal 9 hole facility exists - open to members of the club;
- 1 rugby field;
- 6 tennis courts;
- 2 bowls greens;

- 1 badminton court;
- 2 basket-ball fields;
- a pistol shooting range (SANDF);
- a micro-light club; and
- a horse riding school.

The De Beers Health and Racquet Club is also located in Musina town and comprises of the following facilities:

- 2 squash courts,
- 1 action cricket field,
- a gym,
- aerobics facilities; and
- an archery range.

The following sport facilities are found in Nancefield:

- The Lesley Manyathela Stadium in Nancefield Extension 1, providing soccer and athletic facilities and 2 tennis courts;
- a badminton court (community hall);
- 2 tennis courts;
- a soccer field in Nancefield Extension 5;
- 1 volley ball court; and
- 1 netball court.

Through consultation with the local Ward Councillors, a need for further sporting and other community facilities was revealed, particularly in reaching the youth, as the lack of these facilities often lead to youngsters getting involved in illegal activities and anti-social behaviour, due to a lack of alternative activities to partake in.

Military Bases

The Musina Municipality also previously had 3 military bases operating within the Municipality, namely Madimbo, SMG and Artonvilla. The Madimbo military base is no longer operational and is the subject of a land claim. Soutpansberg Military Area military base is currently utilised by the South African Police Service, while the Artonvilla military base has also closed down, with the existing facilities on the base not currently being utilised. Consultation revealed that the Department of Public Works has given parts of the land to the Department of Agriculture for development, while there is a possibility that the land could be used for the development of a repatriation centre/camp for illegal immigrants).

4.8.2 Community Services and Infrastructure Gaps and Opportunities

Road infrastructure and accessibility has been noted as one of the stumbling blocks in facilitating and consolidating community economic development. Significant in this regard is the distance of the three villages in the east of the Municipality in relation to Musina town. The existing transport network in these areas is quite poor, with the utilization of

bakkies to commute to town compounding a dangerous situation of vehicles not being roadworthy or insured. This lacking road infrastructure not only serves to further remove these villages and its residents from the urban facilities of Musina, but also constrains the ability of emerging farmers in these rural areas to gain access to markets, thereby restricting their ability to expand production or to provide a consistent supply in produce.

The lack of tertiary education institutions and training facilities in the Municipality leads to particular skills shortages and the inability of local people to gain higher skills levels and get access to higher skills jobs and by extension higher incomes. The lacking facilities are also seeing an outflow of bright young people to other municipalities and provinces for further education, many of whom are not returning to the Municipality. One of the key skills gaps that exist in the Musina Municipality is the lack of mining engineers, with many of these skills being sourced from elsewhere. While the Venetia mine does provide some training opportunities for its employees, further skills development in the Municipality could allow the procurement of rare skills from within the local population. There is also a lack of skilled younger farmers in the Musina Local Municipality as the average age of current farmers is in the mid 40's. Further training in new technologies and farming practices could also allow emerging farmers to improve production, giving them the opportunities to gain access to larger contracts. There is also a need to have skilled workers accredited, so that their skills can be formally recognised.

In terms of telecommunications, the rural areas are the hardest hit, with no Telkom services being provided to these villages, while many areas do not receive cell phone signals. This lack of communication means that entrepreneurs are not able to converse with potential clients or suppliers, or to advertise on the Internet. This severely impedes the ability of these areas to grow and become more developed. The existing lack in telecommunications provides an opportunity for a small business enterprise to be developed which provides central services to the public, such as phone, fax and Internet services.

4.9 ANALYSIS OF THE BUSINESS AND FINANCE SERVICES SECTOR

4.9.1 Business and Finance Services Sector Overview

According to the Standard Industrial Classification of all Economic Activities (Central Statistical Service, 1993), the Business and Finance Services sector includes economic activities such as monetary and financial intermediation, insurance and pension funding, real estate activities the renting of machinery, equipment and goods, computer related activities, legal, accounting, architectural, engineering and other technical activities and advertising.

As discussed elsewhere in this Section, the commercial development of Musina town is focused around the main road running through the town (N1) and is characterised mainly by retail facilities. However, office uses and other businesses are also located here. Notably, the majority of banking facilities are also located in this zone along the N1.

Business uses are, however, also located in the Peripheral Zone Pz1 - Office and High Density Residential Zone, as described in the Musina IDP (2005/2006). This area consists mainly of mixed land uses, such as business erven, old residential dwelling units and other community facilities. This area is indicated to be in a transitional phase where office developments, dwelling house offices, high density housing, guest-houses and other tourism-related uses will be allowed. Notably, Finance and Business services appear to be developing along Irwin Road towards the Civic Centre of the Municipality.

Further areas where business development is likely to occur and will be allowed are in Peripheral Zone Pz2 - Office, Institutional and High Density Residential Zone. This area is earmarked as an office, public-use and high-density residential area, where different office uses, dwelling house offices, home undertakings and tourism related uses will be allowed.

Business services in Musina town comprise of a mix of financial and business services, which mainly cater to local residents of the Municipality. Business uses occurring in Musina town include various personal services, from financial, legal and real estate activities to car repairs, with other services including shipping services and car repairs. This is coupled by a number of financial institutions, which include banks such as ABSA, First National Bank, African Bank and Standard Bank, as well as other small financial institutions providing loans for local people. Consultations revealed that business services are generally limited and there is a need for the further expansion of these services. As discussed under the Retail trade sector, the biggest constraint in this respect is the availability of land for further business development, particularly along the N1 main road through Musina town. However, the proposed mix of residential, retail, financial institutions and office development in a short distance from each other will allow a compact town with 24 hour activity in the CBD. A viable mix of business services is not only important for local residents, but as the gateway to the African continent, Musina town is the last town for travellers passing through. The Municipality should therefore capitalise on this unique position in terms of business development.

Little other business and financial institutions occur in the remainder of the Municipality, with residents of areas such as Nancefield having to travel to Musina town to deposit salaries or social grants, or to conduct other business activities. However, an existing business node is located in Nancefield Proper. The Musina IDP (2005/2006) suggests that development should be stimulated at this node to enable it to provide a greater variety of personal services to the community of Nancefield.

Even harder hit are the rural and more remote areas of the Municipality, such as the villages of Madimbo, Malale and Domboni, where these services are all but non-existent. These villages do not even have access to ATM facilities.

In this respect, the Musina IDP (2005/2006) suggests that a hierarchy of business centres be developed in the Municipality, although it is not expected that a need for regional or community centres will arise over the next 15 years. Nonetheless, it is proposed that neighbourhood centres be established in Nancefield, particularly in view of the residential areas that are fairly removed from the Musina CBD, such as Nancefield Extension 8. It is proposed that this centre should provide for convenience goods and personal services and should be able to cater for future residential extensions in the area.

A constraining factor preventing the viable expansion and development of the Business sector in the Municipality is the lack of cooperation and a shared vision for the business community. At present, the Business Chamber is not operational. The lack of cooperation between local business owners not only prevents the expansion of existing businesses, but also results in a business environment which is not conducive to the development of new businesses, or the attraction of others from areas outside of the Municipality.

In terms of the development of new businesses and SMMEs, consultations with NAFCOC and FABCOC representatives revealed a need for business cooperation and for local skills transfers and mentorship programmes. In this respect, there is a particular training need in the development of entrepreneurial skills, as local people that have gained critical skills through employment do not know how to convert those experiences and skills into viable businesses. Major challenges for new businesses in the Municipality also include issues such as access to funding through loans and other credit facilities, access to information, lacking business management skills or lacking skills in writing business plans etc. The issue of business registration is also a hindering factor.

Therefore, there is a need for business support services to be located in the Municipality. Some of the support services which could provide businesses with assistance are listed below, together with a short description of the mission of each:

LIMDEV: To develop and promote a suitable SMME sector through the provision and facilitation of business and investment opportunities.

TIL: To promote the Province as the preferred investment and trade location in Southern Africa, through marketing the competitive advantages of establishing and maintaining a business in Limpopo.

NAFCOC: To meet the challenges and opportunities that arise in the new as the leading independent, non-profit business-support organisation that primarily, but not exclusively, serves the interests of broad-based black economic empowerment (BBBEE) companies and small and medium sized businesses (SMMEs).

SEDA: To provide information to small enterprises and prospective entrepreneurs that will help and encourage them to start and build sustainable businesses.

SETA: To facilitate skills development in the education, training and development (ETD) sector.

LIBSA: To provide developmental support in all economic sectors through:

- Business Information;
- Business Incubation;
- Business Training and development;
- Co-operative Development; and
- Business mentoring and counselling.

The Table below sets out some of the support services and gives an indication of the location of the nearest offices to the Municipality.

Table 4.36 Business support services

ORGANISATION	LOCATION OF NEAREST OFFICE
LIMDEV	Thohoyandou
Trade and Investment Limpopo (TIL)	Polokwane
NAFCOC	Musina
FABCOC	Musina
SEDA	Thohoyandou
SETA	Thohoyandou
LIBSA	Thohoyandou

As is evident from the Table above, only NAFCOC and FABCOC have local representation. This results in potential entrepreneurs having to travel long distances to retrieve information or to get assistance. This is a major deterrent, which has a negative impact on the further development of the Business and Finance services sector in Musina Municipality.