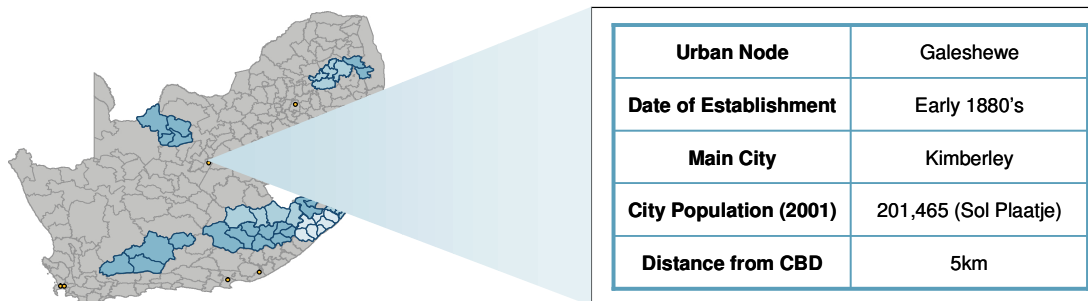


# Economic snapshot: Galeshewe, Eastern Cape



## Base data (Based on the Stats SA 2001 Census, unless indicated otherwise)

<i>Population</i>	103,727	<i>Urban population</i>	100%
<i>Employment rate</i>	26% (average for urban nodes: 33%; average for SA: 33%)	<i>Min Grade 12 education</i>	22% of population aged 20+
<i>Potential labour pool*</i>	65% of total population	<i>Access to electricity</i>	79% (average for urban nodes: 74%; average for SA: 70%)
<i>% of people living below HSL**</i>	67% (average for urban nodes: 69%; average for SA: 65%)		

\* Percentage population aged 15 to 64; \*\* Household Subsistence Level is defined as earning an annual income of R19,200

## Urban themes

<i>Residential</i>	Housing in Galeshewe is largely formal and mostly old township stock or more recent RDP structures. A number of informal settlements exist in the area. The overall scale of the housing backlog is, however, unknown and is a moving target, as household structures adjust in response to the existence of subsidies. Some opportunities exist in the low-cost and affordable-housing markets, but key challenges in respect of land availability, building material cost and margin pressure inhibit developers. Delays in processes relating to the allocation of land, planning and surveying also contribute to delays in the delivery of housing.
<i>Commercial</i>	The population of Galeshewe is poor and residential density is low. As a result, economic activity is limited and consists mostly of retail and personal / household services. Local businesses compete with Kimberley's CBD, as well as a recently opened commercial centre in Galeshewe, resulting in spending leakage and increased competition which has harmed some SMMEs. With the exception of two national chains, nodal businesses tend to be small, family-owned, family-operated and heavily cash-based.
<i>Linkages</i>	While residents of Galeshewe must commute to and from work, the node is well located in Kimberley and transport links are relatively good. The public sector has built or is building a new police station, a correctional services facility and a psychiatric hospital in or near Galeshewe to create employment opportunities and integrate nodal residents into the circuits of the wider economy.

## Public sector performance: General observations

- Kimberley's economy is declining to the extent that the area is almost entirely dependent on State activity.
- Public sector initiatives focus on reconfiguring the spatial economy by investing public resources in Galeshewe to address poverty and create economic opportunity.
- The economic growth strategy is unfocused. Negative economic trends that are affecting the area following the closure of most of Kimberley's prominent diamond mines suggest that significant growth will continue to be elusive.
- Investment in commercial infrastructure in Galeshewe has led to the opening of new stores, increased competition and some job creation. However, investments in other LED projects (e.g. the tourism route and the SMME incubator) have struggled to get off the ground and have had little impact.

## General actions

- In the long term, Kimberley could be positioned as an important hub in the regional flow of goods between Johannesburg and Cape Town, and between Durban / Richard's Bay and the west coast of Southern Africa. This would require investment in the national transport network.
- In the absence of being able to reposition Kimberley in the national spatial economy, attention must be paid to upskilling residents for opportunities outside of the area.
- Based on current trends, the long-term prognosis for the Kimberley / Galeshewe economy is poor. More effort needs to be made to reposition the city within the national spatial economy, and to assess the consequences of the potential hollowing out of the CBD.