

# In these trying times

The North West Province, 2008/09, and the road ahead according to Invest North West



There has been significant development of agriculture-related clusters within the North West over the past few years



The North West boasts splendid game reserves

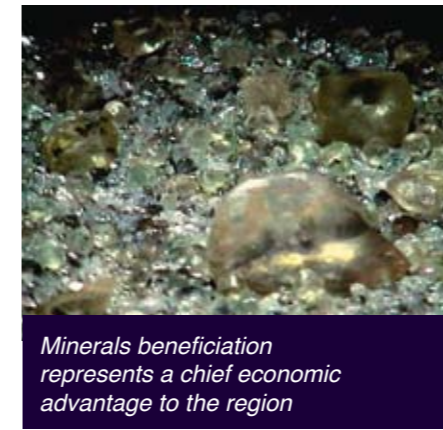


As the official trade and investment promotion agency of the North West Provincial Government, the role of Invest North West (INW), its form and shape, as well as its co-operation with other Government-supported institutions (GSIs), are informed by the Provincial Growth and Development Strategy (PGDS), principles of co-operative governance, accelerated or 'massified' economic development, the fundamentals of "Business Unusual" which define the urgency for service delivery, and Investment Promotion Agency Best Practices.

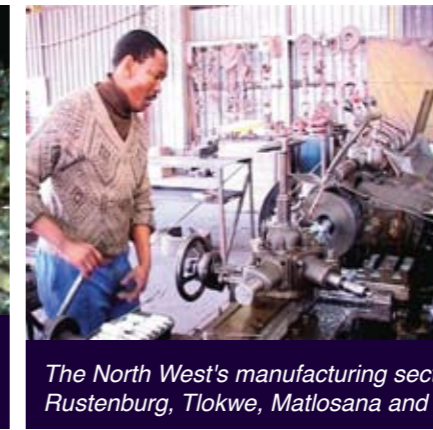
Economic conditions in developed countries, most of whom are the province's traditional sources of foreign direct investment (FDI), declined drastically in the third quarter of 2008.

All indications are that the world will experience an economic decline in the year 2009, only to start showing improvements in the third quarter of 2010, but stand on good ground towards the end of 2011.

Against these-unanticipated economic conditions, the year 2008/09 folded as the most extraordinary business year in the history of FDI worldwide. As the ripple effects of the current recession spread, developing countries such as South Africa experienced a major setback in FDI.



Minerals beneficiation represents a chief economic advantage to the region



The North West's manufacturing sector is largely centred around Brits, Rustenburg, Tlokwe, Matlosana and Mafikeng



The crisis itself, translated into a macro-economic environment of limited and restricted access to foreign investment.

Global growth forecasts have been revised from 3.9% to 0.5% (International Monetary Fund) with developed countries growth forecasts slashed to -2.0% and emerging countries are developing much faster growth at 3.3%.

In response to the prevailing economic environment, INW was caused to revisit this year's strategy with the idea of realigning the organisation with international growth targets and to reposition the agency for maximum output in this slowed growth environment.

The North West Province contributed 6.1% to South Africa's gross domestic product, only 0.6% short of the PGDS target of an average 6.6% growth rate until 2014. INW targets have been readjusted with -16.7% on 2008/09 for job creation and -10% for FDI generation.

Looking at the road ahead, the next 18 months present a challenge, surmountable only by giants and INW considers itself one of those giants. The new corporate strategy is informed by a situation analysis conducted on an international, national and local level.

Serious consideration would also be given to the comparison between INW and similar agencies in other provinces, with the aim of benchmarking and forming partnerships to pursue our mandate. The new approach also encouraged change in INW's organisational structure to reposition its response forces for better efficiency and productivity.

Major focus is given to the Aftercare Programme, where resources have been allocated to focus on the retention of current investments and encouraging expansion of same.

As part of the ongoing strategy, INW has launched the IPA's annual golf day that is set out as a day of power business networking with investors and local business people to encourage an expanded network of active business and increased trade. In the year 2008/09, INW set out to achieve investment generation of R220 million.

We facilitated investment of more than R3 billion for the same year. Job creation targets were set at 1 200 for the

2008/09 and INW managed to exceed this target by 75.5%, resulting in the creation of 2 106 jobs.

More emphasis will be on fast-tracking high potential initiatives that are in the pipeline, to a level of readiness by the time the global economic bounces back. A focused dedication on pipeline consolidation will also allow for further development in support, retention and expansion strategies.

Informed by the value-impact matrix, the business strategies of INW are underpinned by a conscious decision to facilitate investment only in projects that are over R10m in value, with a potential of creating at least 50 direct jobs. This is a focus on business initiatives with high value and high impact on the economy, with the main objective of maximising growth and development in the province.

INW's promotion strategy also changes course and looks to the East, as Asian markets are the least affected by the global calamity. Investor targeting and lead generation underpin a more scientifically calculated method of attracting high quality FDI, improved trade within the Southern African Development Community and ensuring provincial export readiness.

The imminent revision of brand North West breathes new life into the provincial look and feel as well as the provincial brand promise to strongly position the province as the preferred destination for trade and investment in Africa.

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