

A case for Investment in Human and Institutional Capacity Development for the Resilience of the Forests Sector in KwaZulu-Natal



A presentation to the Agriculture and Rural
Development (DARD) Colloquium

DUBE TRADE PORT, DURBAN, SOUTH AFRICA

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FORESTRY SOUTH AFRICA

WHERE DO WE INVEST THE MOST?

Land Audit | A Transactions Approach



Why is Growth in Agriculture Important for South Africa?

Agriculture Matters for Poverty Reduction

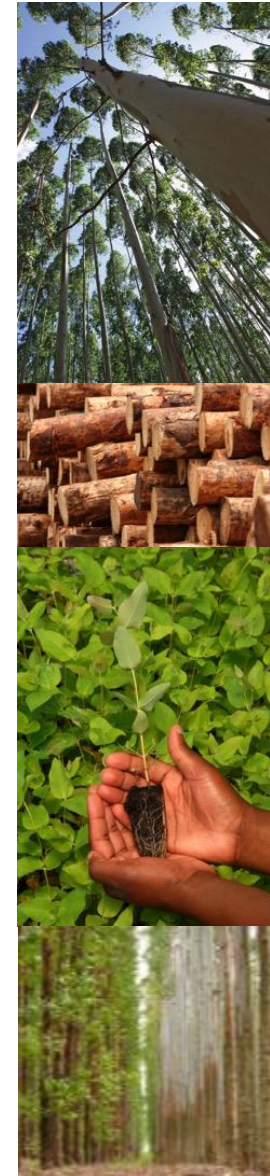
- 3.2 times better at reducing poverty than non-agriculture
- 1% in GDP due to agriculture increases income of poorest by more than 6%
- Substantial multiplier effects – significant job creation potential due to extensive linkages with the rest of the economy
- Can create economic opportunities in rural and peri-urban areas

The Job Creation Potential of Agriculture

- Agriculture employs 668,582 semi- and unskilled workers (Quantec, 2015) - Compared to 607,788 in manufacturing and 383,542 in mining
- Farm workers experienced real increases in wages between 1994 and 2012 that were accompanied by large increases in labour productivity (Wittenberg, 2014)
- Median monthly wages in formal agriculture remain competitive at R2,200 per month compared to R7,000 in mining and R3,300 in the retail and trade sector (Statistics South Africa, 2014)

Top Ten Multipliers for SA (Ranked by Employment)⁽¹⁾

Sector	Domestic Output	Employment
Other Business Services	1.9	6.1
Construction	2.2	5.8
Forestry	1.8	5.5
Trade Services	1.7	5.4
Live Animals	1.8	5.4
Construction Services	2.0	5.3
Fishing	1.8	5.3
Research & Development	1.7	5.2
Agriculture	1.7	5.1
Leasing & Rental Services	1.9	4.8



Source:

1. National Treasury Multiplier Model. Christianensen et al (2011); 3. Ligon et al. (2007); 3. Haggblade et al. (2007).



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FORESTRY IN KWAZULU-NATAL



FORESTRY IN KWAZULU-NATAL

By any measure, the Forestry and Forest Products Industry is a major contributor to KZN's economic wellbeing

- Sappi, Mondi, Merensky, NCT, R&B Group are major players in KZN. KZN is also home to +/- 1 000 commercial timber farmers and 20 000 small scale timber growers
- Plantations, in which R9.0bn is invested, cover 503 000 ha or 5.5% of the Province's land area
- These plantations produced 10 m m³ of timber in 2012 valued at R4.1bn
- KZN is home to major processing plants. In 2012 these plants processed 12.1m m³ of timber which was converted into products worth R13.6bn



FORESTRY IN KWAZULU-NATAL

- R19.1bn worth of FPs were exported through Richards Bay and Durban in 2014
- The Forestry Industry provides 80 000 direct and indirect jobs in the Province. After dependents are taken into account, 300 000 people in KZN are dependent on the Industry for their livelihood
- KZN also home to 8 Category B&C Plantations totaling 30 000 hectares
- The Forestry and Forest Products Industry contributes 3.9% of the Province's GGP
- The Forestry Industry in KZN accounts for 24% of the total Provincial Agricultural GGP

Forestry in KZN is a major catalyst for rural economic development & can assist greatly in poverty alleviation – both Govt. strategies





SUSTAINABLE FOREST MANAGEMENT & THE SDG'S

Food security
Ending Poverty



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	SUSTAINABLE DEVELOPMENT GOALS

Water resources / clean water

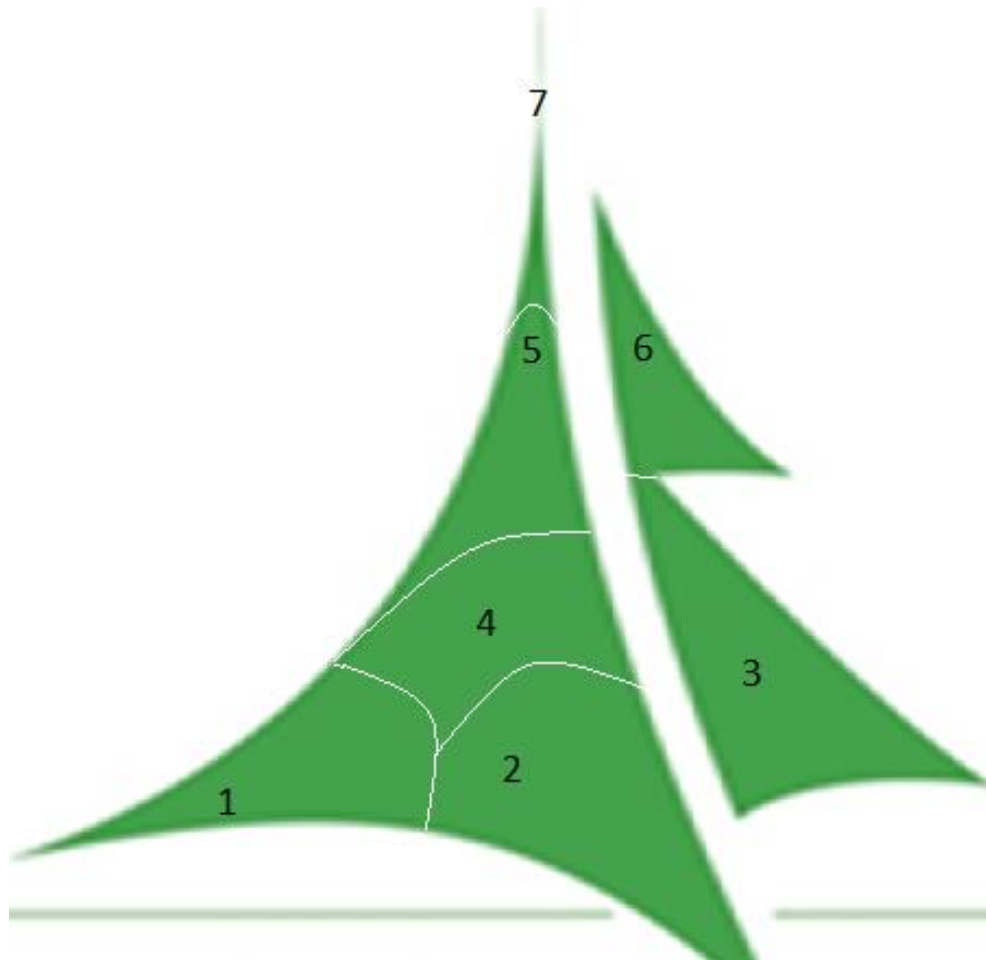
Combating Climate Change

Aquatic biodiversity

Restoration/ Conservation



KEY SUCCESS FACTORS FOR NEW ENTRANTS

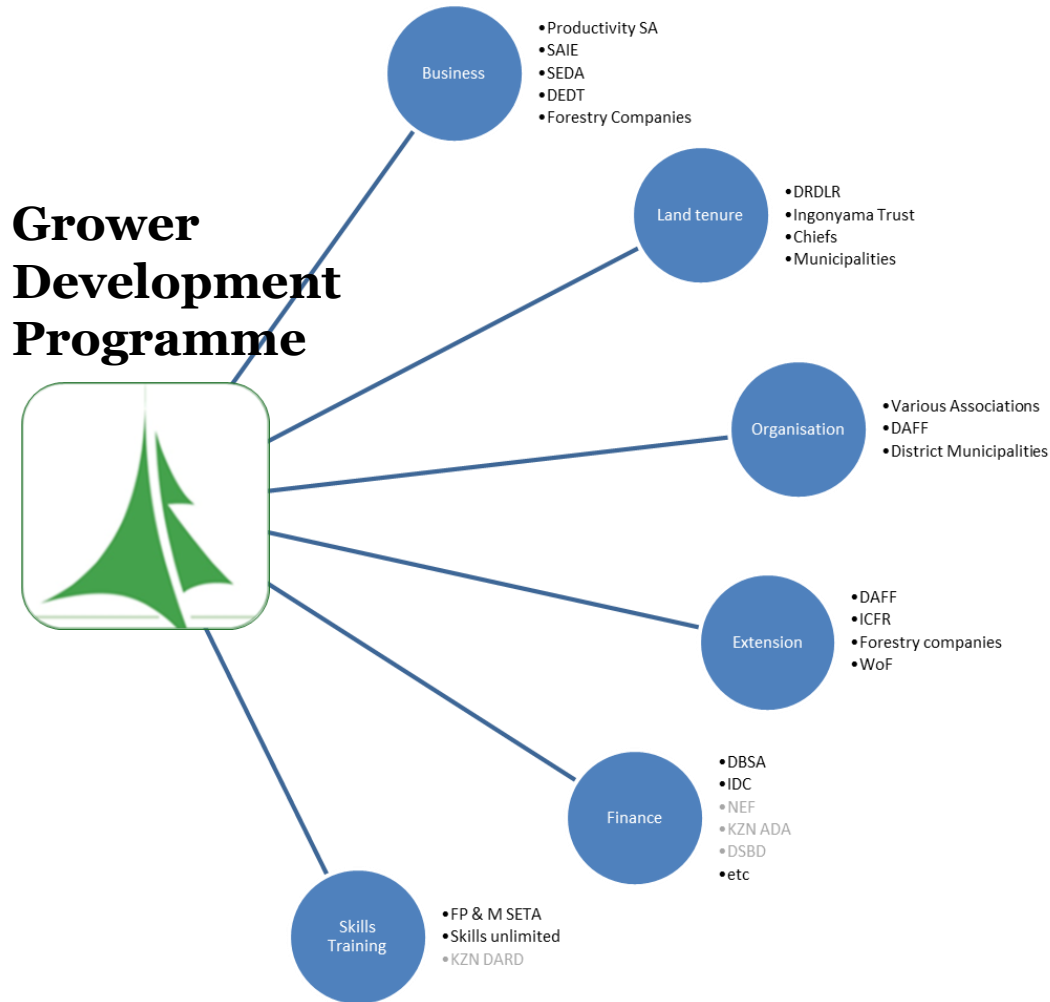


1. Clear ownership
2. Trainability
3. Technical expertise
4. Business acumen
5. Social balance
6. Cash flow
7. Conducive markets

1. Land tenure systems
2. Technical expertise transfer
3. Business acumen
4. Social facilitation
5. Government enabling
6. Financing
7. Markets



FSA GDP



CONCLUDING REMARKS

- Investments in Human and Institutional Capacity Development should precede investments in project implementation
- An Investment in HICD in the forests sector is an investment in:
 - National Development Plan (NDP) = Job Creation + Poverty Alleviation
 - Sustainable Development Goals (SDG's)
 - Ending Poverty
 - Food Security
 - Clean Water resources
 - Combating Climate Change
 - Aquatic Biodiversity
 - Restoration & Conservation
- An Investment in HICD is an investment in Sustainable Rural Development



Thank You

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| Amakhaya | Amahlathiwethu | Athole | Brooklyn | Clare | Craigburn | Donderhoek | Driehoek | Emaphepheni |
| Ezakheni | Ezimakade | Fhuluphelo | Green Valley | Imizamoyethu | Ingogo | Jabulane | | |
| Konanani | Libhaba | Mahongwane | Masibambaneni | MATMT | Mhlongomvula | Mkhondo | Mokubulaan | |
| Msibi | Ozwathini | Ratomobo | Ntithane | Paulpietersburg Timbers | Sizabantu | Sukumani | Suzzanahof | |
| Tshitongwe | Ukhalokamsithi | Umzimkhulu GA | Vezipilo | Vhembe Mbofhanu | Zamokunzima | Zaihoek | | |



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