

V&A contributes R198 billion to SA's GDP

According to the results of an economic impact study conducted by economists Economics Information Services (EiS) led by Barry Standish, the V&A Waterfront should be viewed as an economic hub that has contributed some R198 billion to the South African economy over the last ten years alone.

According to the EiS study, in nominal terms the property's contribution to GDP increased from R10.4 billion in 2002 to R28.9 billion in 2012. This translates to an average of 11% increased contribution to nominal GDP every year for the last 10 years, which is 1.5 times greater than the rate of inflation.

The real growth in contribution of the V&A, at an average of 5.1% between 2003 and 2012, outstripped that of the country as a whole, the Western Cape Province and the national tourism sector.

New developments could furthermore contribute a cumulative R188 billion to nominal GDP by 2023. The projections indicate a growth of 35% per annum. The result will be an expected contribution 20 times that of the current contribution.

Provincially, the total contribution of the V&A Waterfront to the Western Cape Gross Geographical Product (GGP) increased from R8.99 billion in 2002 to R25.5 billion in 2012.

The V&A Waterfront's cumulative contribution to the provincial GGP since 2002 was over R173 billion.

Total taxes for the period amounts to R18.9 billion. In 2012 direct taxes amounted to R299 million, consisting of R53.9 million in municipal rates and taxes and R245 million in company tax.

Two kinds of jobs created

According to the economists from EiS, the V&A Waterfront has created and sustained two kinds of jobs, the first being direct employment as a result of ongoing operations and capital expenditure. The second are so-called indirect jobs resulting from multiplier effects of the capital and operating expenditure, and the turnover generated by tenants.

The total number of direct and indirect jobs in the province as a result of the Waterfront's existence increased from 22,766 in 2002 to 33,136 in 2012. The total direct as well as indirect jobs throughout South Africa created by the V&A Waterfront increased from 33,522 in 2002 to 47,909 in 2012. This is an increase of 43%.

V&A Waterfront's CEO, David Green, said: "In commissioning the study we hoped to understand and quantify the economic contribution we make to our city and province, and also the country as a whole. We wanted to assess the potential impact of future developments and to benchmark the current economic contribution with the obvious intention of

growing that contribution in the future.

"What we are particularly proud of is that our estimated contribution to indirect household income increased from R2.7 billion in 2002 to R7.2 billion in 2012. Thanks to the economic ripple effect, this contribution was spread further than simply our surrounding community. Our tenants place orders with companies outside of our location and province, while income earned from working at the V&A finds its way to other areas of the city."

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