

ECONOMIC PROFILE

1. Introduction

Senqu Municipality forms part of the Joe Gqabi District Municipality of the Eastern Cape. It borders on Lesotho and the Free State with the orange river forming the boundary. It was formed in December 2001 with an area of 7329 km². The name Senqu is derived from the Sesotho name for Orange river. The main administrative offices are situated in Lady Grey with satellite offices in Sterkspruit and Barkly East with administrative units in Rossouw and Rhodes. There are 3 major towns and 85 villages with 17 wards.

2. Population

Senqu Municipality has a population of 140, 720 with 35 597 households. The population is largely concentrated around the town of Sterkspruit. It has a population density of 16.12 km². Males make up 46.2 % of the population with females being in the majority at 53.8 %. The population is youthful with 40.4 % being between the ages of 15 and 34. There is a high dependency rate of 72.4 % (Statssa, 2016). Unemployment is high at 35.5 % and a poverty rate of 62.93 % (Ecsecc, 2017).

3. Service Delivery

The area is fairly well serviced with 93.2 % of the population having access to electricity, 70 % living in formal dwellings, under 20 % not having access to water and 81.2 % with access to sanitation. Service delivery challenges are the poorly maintained and decaying gravel road infrastructure, inadequate and inconsistent water supply, refuse removal, inadequately stocked and staffed clinics and hospitals and poor television, telephone and internet reception in more mountainous areas.

4. Economic climate

The main towns of Barkly East, Sterkspruit and Lady Grey are essentially service towns providing goods for the surrounding area. Lady Grey and Barkly East essentially service the farming areas. Lady Grey has a population of 7023 (Census 2011) with 5 small grocery shops, 1 supermarket for food, 5 restaurant, one post office, 1 hospital, 2 clothing shops, one bank, 1 farmers co-operative, 2 furniture shops, 1 dairy, 1 salon, 1 pharmacy, 1 petrol station, 2 liquor outlets, 2 hardware shops, 2 clothing shops and 2 funeral parlours. There is also a hotel and some B & B's. In terms of education it offers 3 schools. Recreational facilities are 2 parks and a country club with a golf course.

Barkly East has a population of 9024 (Census 2011). Barkly East hosts the offices of the Joe Gqabi District Municipality. It boasts 2 farmers cooperatives, 3 banks, 3 high schools, 1 hospital, several liquor outlets, 3 hair salons, 1 stationer, 1 newspaper, 1 tyre shop, 1 petrol station, 1 supermarket, several fast food and grocery outlets, 3 restaurants, 3 furniture shops, 3 butcheries, 6 clothing shops and 1 hardware shop.

Sterkspruit has a population of 1983 (Census 2011). This is however misleading as the actual town is very small but is encroached by the surrounding 10 villages. Sterkspruit has a shopping centre and boasts a shopping centre as well as many well known and big brand stores such as Shoprite, KFC, OK and Boxer. It hosts many hardware shops and hosts many sector department offices. However, this is due to change as sector departments are being moved to Aliwal North.

Rossouw and Hershel are small hamlets. Rossouw only has 1 shop whilst Hershel has a post office, clinic, hardware store and a few shops. Rhodes relies heavily on tourism and only has one shop. The other villages offer small spaza shops and taverns with subsistence agriculture and government grants as the main form of income.

The Senqu economy is heavily reliant on the tertiary sector with the community services making up 44.2 % of the GVA followed by trade at 19,4 % and finance at 12.4 %. The primary sector provides the lowest GVA which is worrying as agriculture as seen as a potential growth sector. The growth rate of the economy is low at 0.65% and between 2006 and 2016 grew at only 2.6 %. Future growth rates for 2016-2021 are 2.13 % (Ecsecc, 2017).

In 2016 Senqu Municipality provided 29.42 % of the Joe Gqabi District Municipality GDP, 0.9 % of the Eastern Cape and 0.07 % of the National economy (Ecsecc,2017). In conclusion the Senqu economy is heavily dominated by the tertiary sector. In the primary sector mining contributes a minimal amount as the only mining which occurs is sand mining for brick making. The agricultural sector is dominated by sheep farming for wool and this section is growing. Livestock farming is the dominant sector with a small amount of crop farming. Tourism and agriculture are seen as potential growth sectors but a lot of investment and education will have to occur to rectify the current situation of eroding topsoil, overgrazing and overstocking. On the tourism side, funding will have to be sourced to create events which will attract tourist and improve and extend existing infrastructure such as roads and viewing sites.

5. Conclusion

The effect of the lockdown under the Covid 19 regulations has had a severe impact on the already struggling tourism industry. The effect of these regulations will be seen in the coming months with rising unemployment and a weaker currency.