

## Government unveils Sead-SA: unlocking South Africa's economic insights

The government has launched the Spatial Economic Activity Data - South Africa (Sead-SA) programme, aiming to enhance understanding of economic activities within the country's geographic distribution and characteristics. National Treasury and the Human Sciences Research Council officially inaugurated the project on Monday, 19 June.



Source: Pexels

Sead-SA is a new initiative that addresses the gaps that exist between the local economy of cities and the wider economic geography of the country by leveraging tax and other administrative data sources.

For the first time, granular spatial data exists to help inform vital policy, planning and research questions about urbanisation; uneven development; territorial disparities; and productivity and economic conditions of municipalities, cities, towns and suburbs/wards.

The creation of disaggregated and granular economic data are essential for monitoring changing economic conditions as well as sectoral and spatial shifts over time.

Addressing the official launch of the programme on Monday, minister of finance Enoch Godongwana said as far back as the Reconstruction and Development Plan (RDP), government recognised that urban areas, particularly metropolitan areas, were key centres of economic activity, employment, and innovation, and that by addressing spatial inequalities and creating sustainable human settlements, it could achieve inclusive and sustainable growth.

## Targeted investments in urban infrastructure

"The Economic Reconstruction and Recovery Plan, announced by President Cyril Ramaphosa in October 2020, went further, emphasising the need for targeted investments in urban infrastructure, services, and housing.

"In the 2023 Budget Review in February, we sought to give life to these ambitions by continuing to support economic development at the local government and municipal level through various grants and technical assistance.

Through the Cities Support Programme (CSP), for example, we are mobilising National Treasury and partner resources around township economic development and industrial park revitalisation within the metros. Financial support to the metros through grant instruments is projected at R6.3bn over the medium term.



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"The Sead-SA programme is a key step toward achieving these lofty aims and making sure that these allocated funds and efforts are well-targeted," said the minister.

The launch, he said, represents an important milestone on a journey that started about nine years ago, when the metropolitan municipalities lobbied national government to make available national administrative data sets that could assist them in making sense of their city economies.

"The problem they wanted solved, was the lack of spatialised economic activity data in South Africa.

"Metros did not know where firms and jobs were located within their boundaries and how firm and employment activity changed over time. The cities explained that this meant that they were making policy, planning and investment decisions on modelled and incomplete data, largely accessed at a cost from the private sector."

The minister said this kickstarted the journey towards Sead-SA.



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- "The first Metro spatialised economic activity reports were produced by National Treasury in April 2021 providing time series data between 2013 and 2018 that demonstrated firm and employment trends across metro spaces.
- "The commitment of all parties to respecting the integrity, anonymity and sensitivity of the tax data strengthened relations of trust among parties and laid the foundation for extending the pilot to all municipalities in the country with the support of local government association Salga.
- "This collaboration has extended to the exploration of a spatialised version of the entire Sars integrated business register, to enable access to additional four public and third-party data sources. The agreement is to integrate this with StatsSA's national statistics system.
- "This will broaden the scope further to include the contributions of other national administrative data sources."

The minister explained that the Department of Agriculture, Land Reform and Rural Development as the custodian of land-related datasets and the Spatial Data Infrastructure Act, 2003 is a strategic partner going forward.



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"Indeed, the Sead-SA programme is not owned by any particular entity – it is a shared brand that is intended to act as an umbrella for joint efforts in ensuring open access to credible spatialised economic-activity data from multiple public and private administrative data sources," said Godongwana.

The country cannot afford low returns on public-sector investment, firm closures and downsizing or job losses, he said, adding that reviewing this data, its value in providing clear policy directions and evidence to assist government make tough investment choices and decisions, is abundantly clear.

He said the programme has placed the country on a positive trajectory of evidenced-based economic planning and investment, greater transparency and deeper accountability for the collective efforts within municipal spaces.

"It provides us with the tools to question what we are currently doing, its impact, and what we need to change to rebuild and grow our economy."

The minister urged relevant public- and private-sector actors who have not yet been part of this process to come on board and contribute to the next stage of the journey.

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