

CAPE TOWN MUNICIPALITY



Main insights

- Cape Town (CT) is the largest regional economic driver and water user. Securing water for CT is crucial for sustainable development in the region.
- Although the economic and employment impacts of the water supply deficit in Cape Town far outsize all other municipalities, the structure of CT's economy means that the City has greater capacity to withstand and absorb shocks to the economy due to water constraints.
- The high socio-economic costs of water constraints highlight the need for urgent implementation of desalination, water reuse and groundwater augmentation projects.

POPULATION

4 004 793
in 2016

1.4%
(Population Growth 2011-2016)

GDP & EMPLOYMENT

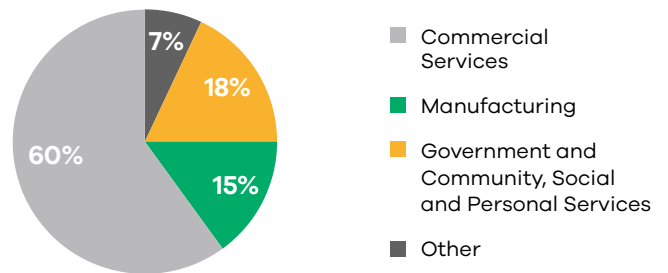
3.2%

GDP growth rate, 2005-2015

2.1%

employment growth rate, 2005-2015

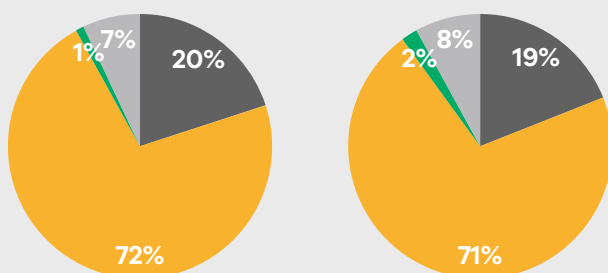
LARGEST 3 SECTORS (2015)



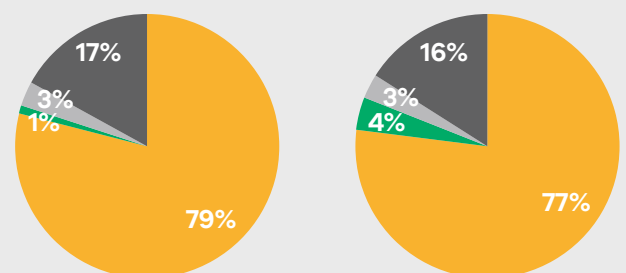
What is the water intensity of the Cape Town economy?

Water intensity is the volumes of water used per unit of value added to the economy, with some sectors in an economy using more water than others to produce goods and services of the same value. CT is the municipality least reliant on water intense sectors, with 73% of the economy comprised of low water intense industries. However, CT uses 85% of all urban water in the region, which mirrors its economic contribution, 84% of regional GVA (Gross Value Add). Any regional change in water use from urban populations is going to be driven by CT and the economic impacts from water supply deficits experienced in the municipality will be felt throughout the region.

GVA by water intensity of sectors



Employment by water intensity of sectors



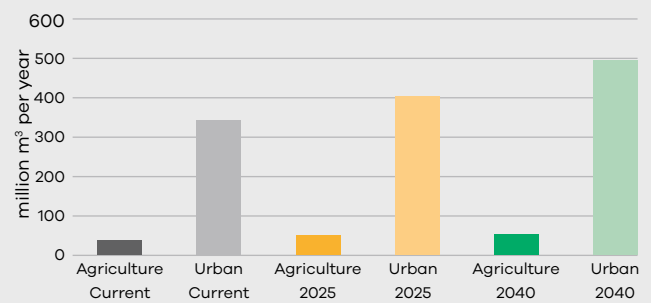
■ Low water intense sectors
 ■ Agriculture
 ■ Other heavily water intense sectors
 ■ Moderately water intense sectors

How will water demand change in the future?

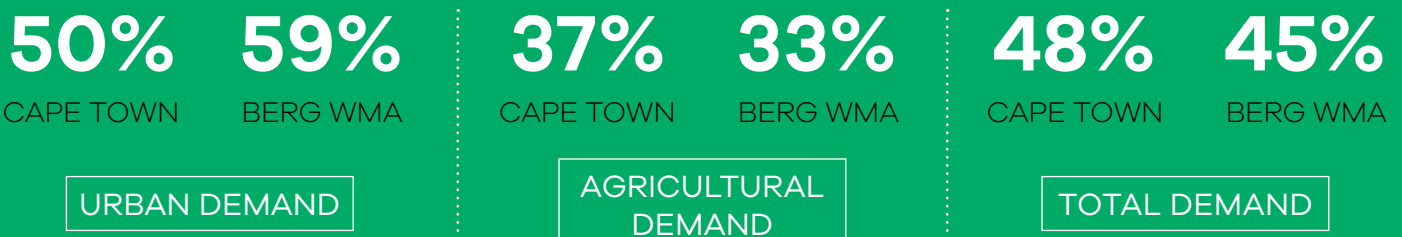
Water requirements for CT are predicted to grow at the slowest rate out of all the municipalities, yet still account for 80% of the regional usage by 2040.

CT's population is growing at 1.4% (2011-2016 growth rates) and will continue to be driven by job prospects and the strong performance of its economy. Due to the importance of CT for the region's economy, securing water to support urban expansion and development will continue to be a priority.

Irrigated agriculture and urban water requirements per year



What is the expected growth in water demand by 2040?

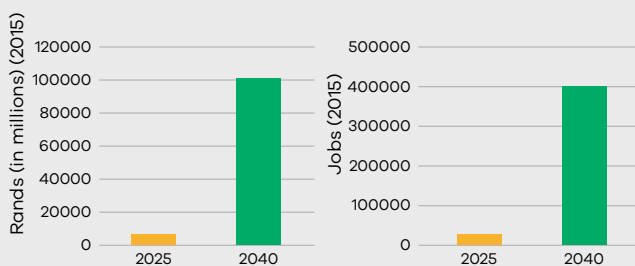


How much will the future supply deficit cost Cape Town?

The total water supply deficit for CT is estimated to be 16.6 million m³ per annum by 2025, 12% of the Berg WMA's entire deficit. By 2040, CT's water deficit may increase dramatically to ~113.3 million m³ per year, the largest deficit in the region, 37% of the Berg WMA's total water deficit.

In terms of the economic value of the water supply deficit in GVA and employment, Cape Town far outsizes the other municipalities. By 2040, the cost of the water deficit could be ~R100 billion and 403 877 jobs per annum, 29% of the current size of the local economy. The magnitude of this cost highlights the importance of Cape Town's economic performance for the entire region.

Value of water supply deficit



GVA deficit

	CAPE TOWN	BERG WMA
2025	2%	33%
2040	29%	7%

Employment deficit

	CAPE TOWN	BERG WMA
2025	2%	7%
2040	29%	38%

For more information and support, call GreenCape's water team on 021 811 0250 or email water@greencape.co.za



This municipal snapshot is the result of a broader study and can be read in conjunction with the policy brief; A case for integration: water resource and development planning in the Berg Water Management Area which was funded by the Water Research Commission and The Western Cape Government's Department of Economic Development and Tourism. The policy brief is freely available here: <https://www.greencape.co.za/content/focusarea/water-for-sustainable-development>