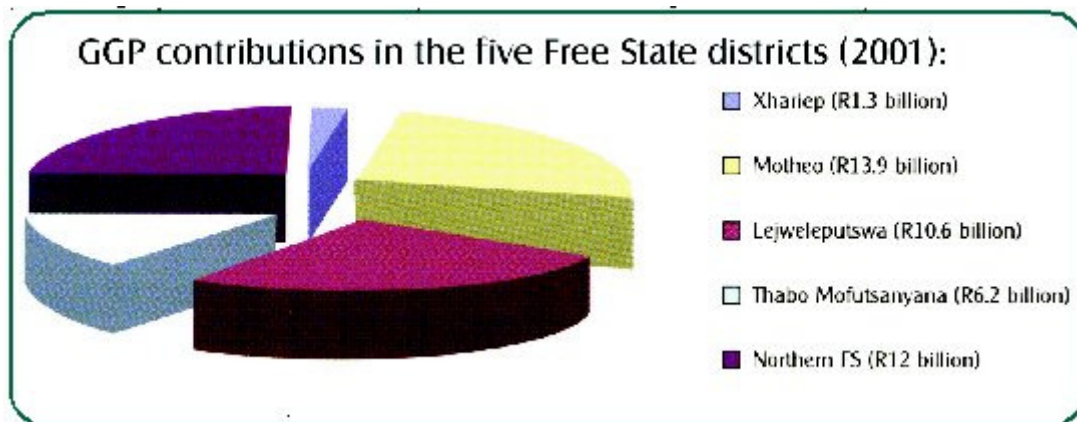


Economic profile

As indicated in the table below, the Motheo Region with R13,9 billion makes the highest contribution of the five regions to the Free State's GGP - some 31,6% or nearly one-third.



The Motheo Region thus offers an immense developmental challenge in terms of local economic development and the promoting and facilitating of small, micro and medium enterprises (SMME's), investment potential, job creation and raising of standard of living. Consequently in order to answer to this challenge, the Motheo District Municipality submitted a highly developmentally-orientated budget for the District for 2004/2005.

Moreover, this budget reflects the restructuring of the objectives, set-up and functioning of the Motheo District Municipality away from merely providing infrastructure to a new vision of actual service delivery to the various communities within the region. Totalling expenditure of R100, 1 million and income of R100,5 million, the budget centres around the Integrated Development Plan (IDP) of the Municipality. Moreover, this budget was construed without levies being raised.

The five main budgeting allocations are:

- Enhance local economic development and job creation R12,3 million
- Providing and facilitating sustainable infrastructure R35,9 million
- Investing in the development of people R 4,6 million
- Securing a safe environment R 1,5 million
- Good municipal governance R45,7 million

These allocations are set out below in more detail under Budgetary priorities with the purpose to indicate to entrepreneurs, SMME's, investors and all developmentally-orientated persons the tremendous opportunities not only to be created by the implementation of the budget, but also opportunities existing nonetheless in the Motheo Region.

For the Motheo District Council, the name of the game is synergization - if various stakeholders and roleplayers can plan and work together with the Municipality on developmental issues, producing an output benefiting all local residents, everybody will be winners. It is all about the classic developmental cycle : If there are better and more entrepreneurs, SMME's and investors, the level of economic activity and money flow would increase, thus creating jobs - which in turn leads to raising of standard of living and which again feeds back to stronger buying power and consumer marketing.