

QUANTIFYING THE IMPACT OF THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT (WSSD) ON THE SOUTH AFRICAN ECONOMY SEPTEMBER 2002

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1. INTRODUCTION

1.1 Purpose

The aim of this report is to provide interim results of the economic modelling that had been done to measure the impact of the WSSD on the South African economy. The complete report would be made available at the end of November 2002, and it should be taken into consideration that due to the fact that data collection is still ongoing, the results are subject to change.

1.2 Study Area

The main event of the WSSD was held in Sandton, Johannesburg with parallel events being held concurrently over the rest of South Africa. Although the concentration of activities took place in the Gauteng province, the impact would be felt over RSA and therefore it is necessary to measure the impact as such. Due to the location of the WSSD in Gauteng, the spin-offs and multiplier effects are relatively high based on the agglomeration advantages that are present in a metropolitan area.

The study is exclusively confined to the economic impact on South Africa and any expenditure made outside its economy have been eliminated. Such expenditure typically refers to expenditure on travel arrangements made by delegates in their country of residence.

2. INDEPENDENT RESEARCHERS

A team of professional consultants, namely **Urban-Econ** and a consortium between **IKLWA** Structured Financial Products and Bureau of Market Research (**BMR**), are currently undertaking an independent assessment of the WSSD on the South African economy.

Urban-Econ is a professional consultancy firm specialising in the field of development economics and has extensive data collection, economic modelling and input-output (I/O) application experience. Furthermore, Urban-Econ has successfully completed a wide variety and number of economic development projects nationwide and this knowledge, expertise and data had been utilised with for this study.

The consortium of **IKLWA SFP** and **BMR**, are combining their extensive knowledge and research efforts in order to assist with the study. The BMR is fully funded by Unisa for its formal teaching responsibilities, partly funded for its basic research, while commissioned research is wholly funded from own funds. BMR undertakes basic socio-economic research as well as commissioned research projects over a wide field. IKLWA Structured Financial Products is an independent advisory, research and structuring company servicing the investment, risk management, financing and economic decision making needs of institutional investors, public enterprises, government institutions and emerging enterprises.

It should be noted that Urban-Econ, IKLWA SFP and BMR in various instances relied on data from external sources, would not be held responsible for liability or losses suffered by any party as a result of reliance of this report. The three consultants reserve the right, but will be under no obligation, to review and revise all calculations and comments referred to in this reports and, if it is considered necessary, to revise our opinion in light of any information that becomes known to us after the date of this report.

3. RESEARCH APPROACH

3.1 Economic Effect of the Impact

The hosting of the Summit is interpreted as a short-term injection into the economy as an event that is not likely to occur in the near future. Experience has shown that the effect of new stimuli of this nature can be modelled with a technique known as the Input/Output model. The Input-Output (I/O) Matrix forms the nucleus of the input-output model. It is a quantified and summarised version of all transactions that took place between the main economic stakeholders in a particular year. The main feature of the Matrix is that it divides these economic transactions into the main sectors of the economy. The Matrix also makes provision for two kinds of transactions at a sectoral level, namely the purchase of intermediate and primary inputs on the one side, and the supply of intermediate and final outputs on the other side.

It is also important to note that the main economic decision-makers who are responsible for the transaction activities contained in the I/O Matrix are entrepreneurs, workers, households and government (all three levels). Essentially the I/O Matrix is nothing more than an extension of the National Accounts of a country, i.e. desegregating it into the various sectors of the economy. These sectoral figures are therefore strictly compatible with the macro national accounting data published by the South African Reserve Bank and SSA on a regular basis. This model that is used had been developed by Urban-Econ based on the structure of the economy as captured by STAT SA.

The model had various applications, in this instance it is used to determine the change in final demand in order to capture the multiplier effect on the economy. It is assumed that the total impact on the economy will occur with lags therefore taking a complete cycle to work through the economy.

Supply side expenditure can be interpreted in various ways. If it were viewed as new money injected into the South African economy, which means that if the WSSD had not been held, the money would never have been injected into the country. The effect of the expenditure has then a real economic impact. If the expenditure would have taken place irrespective if the WSSD had been held or not, then the supply side expenditure of the WSSD were the mere transfer of economic activities.

The economic impact should be viewed as an increase in economic activities in the country. Since the Summit was a one-time event, its direct economic impact is not a recurring one. However, it is likely that the marketing impact of the Summit will eventually lead to increased tourism and increased investment and trade. These impacts are difficult to estimate accurately and have been excluded from quantifying the economic impact.

The approach as applied during the current study has been compared to approaches followed in similar international studies, and it has been determined it has the same conceptual framework.

4. SUMMIT AS ECONOMIC STIMULUS

4.1 Flow of funds

The table below outlines the contribution of government for the logistical arrangements for the Summit. These funds were transferred to JOWSCO, which in turn were responsible for raising their own funding through private donors to invest in the Summit.

Table 1: SA Government Expenditure

Government Department	Amount
National Government	399,800,000
Gauteng Province	35,000,000
City of Johannesburg	15,000,000
TOTAL	449,800,000

According to table 1 government invested more than R449 million, whilst JOWSCO's expenditure amounted to R 623,4 million. The main sectors in the economy that benefited from this investment is set out in the diagram and these are:

- * Government and personal services
- * Financial and business services
- * Transport and communication
- * Wholesale and retail trade

Apart from the funding received from Government, JOWSCO raised additional money for the summit, and Table 2 sets out the sources of these funds

Table 2: JOWSCO: Donor / Sponsor Funding and value added.

DONOR COMMUNITY	
Norway (Resource centre)	8,050,000
Norway (General logistics)	4,159,417
Switzerland	4,550,000
UK	19,000,000
Netherlands	25,000,000
Finland	9,836,475
EU	4,750,000
Germany	7,777,226
New Zealand	742,410
Australia	1,400,560
Japan	6,000,000
Sweden	10,619,402

DONOR COMMUNITY	
Canada	3,500,000
Spain	2,343,545
Ireland	2,060,860
Total	109,789,895
FOUNDATIONS	
Multichoice	500,000
CORPORATE PARTNERS	
MTN	5,750,000
Standard Bank	5,000,000
Murray and Roberts	5,000,000
Anglo American	5,000,000
Eskom	5,000,000
SA Post Office	5,000,000
IDC	5,000,000
SAA	5,000,000
African Rainbow Minerals Gold	1,000,000
Coca Cola <i>cash and in kind product contribution</i>	5,000,000
Konica-Itect in kind budget relief: Copiers and Fax machines	8,000,000
Mondi Paper <i>in kind budget relied: Paper</i>	251,800
Monarch-Sowetan	400,000
World Finance Magazine	100,000
Telkom <i>in kind relief: Cabling</i>	800,000
Total	56,301,800
INTERNATIONAL SPONSORS	
Daimler <i>in kind relief: cars for motorcades</i>	32,000,000
Hewlett Packard / Compaq <i>in kind relief for IT requirements</i>	40,000,000
Total	72,000,000
OWN INITIATIVES	
Recoupment of security equipment	20,000,000
Sale of welcome card	8,800,000
Ubuntu Village Revenue	38,700,000
Total	67,500,000
Grand total	306,091,695

Source: DEAT, 2002.

From Table 2 it is clear that the private donor funding amounted to R306, 091,695 of the JOWSCO budget.

The funds as set out in Table 1 were injected into specific sectors of the economy. These sectors, as well as specific aspects dealt with in each sector, are:

- **Government and personal services**
 - ε Public administration and security
 - ε Human health activities
 - ε Recreational, cultural and sporting activities
- **Financial and business services**
 - ε Real estate activities
 - ε IT and related activities

- ε Advertising
- **Transport**
 - ε Transport infrastructure
 - ε Telecommunications
- **Wholesale and retail trade**
 - ε Hotels and restaurants
 - ε Hotels, camping sites and other provision of short-stay accommodation
 - ε Restaurants, bars and canteens

These economic sectors are also regarded as the sectors in which tourism spending traditionally takes place.

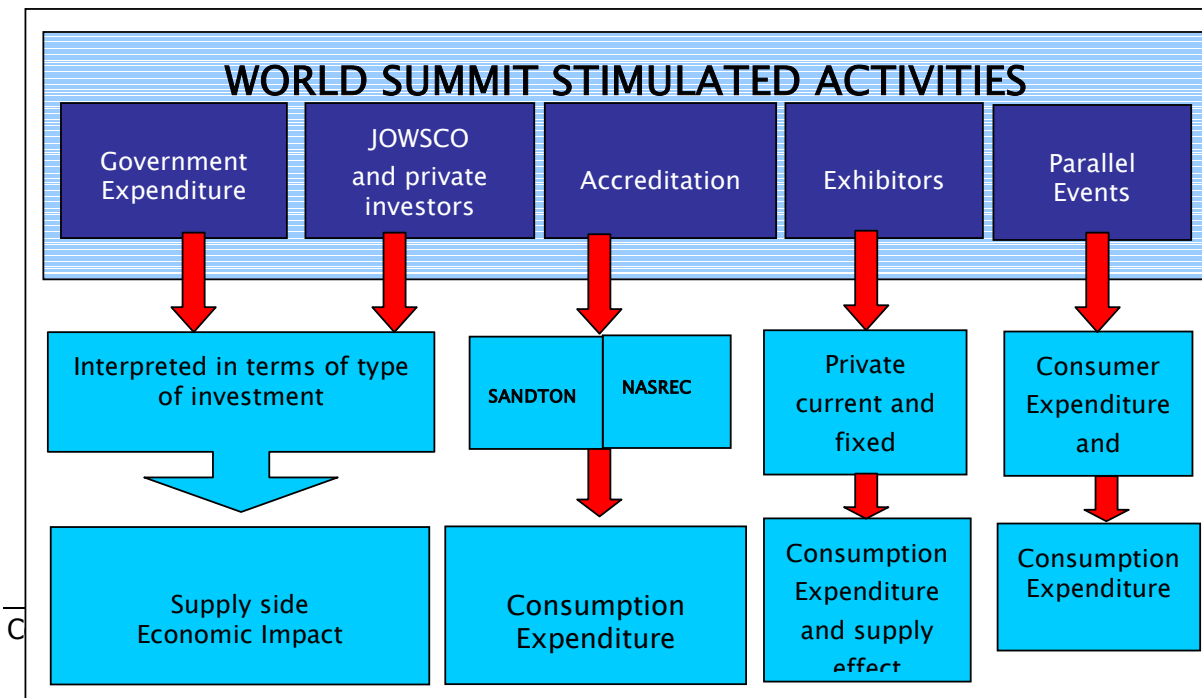
In addition to the investment made by Government and JOWSCO, it had been determined through surveys that there had been additional private sector expenditure directed into the various events that ran parallel to the summit. This expenditure can be set out as follows:

- * The total amount received from donors for the **NASREC**-events amounted to R 97 million, with R 60 million coming from international donors and R 37 million from local donors.
- * With regard to the **Ubuntu Village** the expenditure amounted to R 22,980,000.
- * Expenditure into the **Waterdome** events had been to the amount of R 49,000,000.
- * Expenditure into the **Business Week** events had been to the amount of R 2,900,000.

The total amount of private expenditure, R 171,880,000 can be regarded as investment leveraged from government expenditure. The amount of private investment that went into the other 500 parallel events would also contribute significantly to the leverage effect of government expenditure and is estimated at R150 million. A more accurate reflection of the impact of the parallel events would be presented in the final report.

4.2 Economic injections

Diagram 2: Economic injections



From an economic perspective the WSSD can be interpreted in terms of the activities set out in the first row of Diagram 1, which led to a certain impact on the economy. These impacts can be described as follow:

- * Government made various expenditures in order to ensure that the Summit could take place, including infrastructure development and security. These are regarded as **supply side** economic impacts.
- * The investments made by JOWSCO as well as other private investors were also made in areas such as infrastructure, transport and marketing, which are also regarded as a **supply side** economic impact.
- * Activities related to accreditation for people attending the summit main event at Sandton as well as the parallel events are considered to be **consumer expenditure** therefore is regarded as consumption expenditure.
- * Money that is invested by exhibitors taking part in WSSD are regarded as both private current as well as fixed, creating a consumption **expenditure and supply side economic** impact.
- * Investments that had been made with regard to the parallel events are to have consumption expenditure as well as supply side economic impacts.

5. DATA COLLECTION

In order to achieve the aims of the study, it was necessary to undertake extensive primary data collection in the form of surveys. These actions are discussed below.

5.1 Delegate Survey

Face-to-face interviews were conducted with delegates selected by means of a judgemental quota sampling method. The ideal for a representative sample is a simple random stratified or systematic random stratified sample, this was however not possible. Pre-structured questionnaires were used by BMR staff members during interviewing, and questions related to aspects i.e. the group represented by the delegate, a breakdown of expenditure; length of stay, satisfaction with services and country of origin. The interviewing was done at the Ubuntu Village, NASREC as well as on the shuttle buses between the parking spots and the Convention Centre at Sandton and a total of 422 delegates were interviewed. This is more than the original target of 400 delegates that had been agreed upon. No interviewing was allowed at the Convention Centre.

With exception to the media delegates, the interviews that have been conducted are regarded as representative of the number of delegates accredited. During data transformation, the main assumption was that the amounts of accredited delegates were correct; the rest of the information was primary data.

5.2 Parallel Events

There were approximately 500 of these events associated with the aims and objectives of the WSSD but were held outside of the Sandton Convention Centre before, during and after the Summit dates of 26 August to 4 September 2002 (Department of Environmental Affairs and Tourism, 2002). A table indicating the number of events were supplied by JOWSCO, and events were incorporated

into an inventory. The classification was based on the main theme of each event and was done to make the data collection process easier.

During the data collection process, there had been no sample taken and all of the events were contacted. The type of information that had been requested related to predictions about the amount of people to attend the event, money that delegates would spend while taking part in the event, the amount of investment that were put into the event as well as other sources of funding and the amount of that funding.

There had been some difficulties in obtaining interim results and it is still an ongoing process via the temporary call-centre that had been set up for this purpose. The information available at the time of this report had been included.

5.3 Additional sources

The Government Departments as well as JOWSCO assisted the consultants to gather relevant information from the people that participated in the WSSD.

6. INPUT DATA

6.1 Number of Delegates

The number of delegates for international government and media included in Table 3 were provided by the United Nations, and an additional amount of 21,950 is included for the South African participants and were based on Urban-Econ survey data.

Table 3: Accredited and non-accredited delegates according to category.

CATEGORY	TOTAL
Adviser	3
Courtesy	83
Delegate	6,846
Delegate (spouse)	81
Entourage	233
Head of delegation	26
Major group	8,134
Media	4,021
Mission support	1,109
Observer	670
Observer (spouse)	9
United Nations	68
UN support staff	1,112
Internal use	3
Subtotal	22,398
Civil Society delegates (NASREC)	14,762
Total (accredited)	37,160
Plus other South African participants (accredited and non-accredited)	21,950
Grand total	59,110

In addition to the above, it is estimated that 25,000 delegates visited the Waterdome and 12,000 visited the Business Week events.

According to information gathered, approximately 307,570 people visited the Ubuntu village between 17 August and 7 September 2002. This can be broken down into approximately an average of 13,089 people per day. It has also been established that an additional 20,000 people can be added to the total as they represent people not counted by the normal counting process. Of the total people, 3,000 were workers that represent 66,000 persons walking through the gates over the Summit period.

6.2 Expenditure Profile

Based on the face-to-face interviews that had been conducted during the Summit, an average expenditure profile had been established for the main categories of delegates as set out in Table 4.

The average budget of foreign delegates varies from R17,071.44 for support staff to R39,224.66 for government delegates. These budgets include airfares. However, not all income from airfares paid will flow to South Africa. Based on preliminary information from SAA (revenue passengers 17 to 31 August 2001 and projected figures for August 2002) it is estimated that 23 % of all air fares paid by foreigners went to airlines other than SAA and its partner airlines with 77 % going to SAA and its partner airlines. The average cost of air tickets as reported by 129 foreign delegates was R4,847.39. Therefore, an amount of R1,114.90 (23 %) of the budgets of foreign delegates won't flow to South Africa.

The average budget of the South African delegates is R6,129.26 including airfares for travelling in South Africa.

Table 4: Budget per delegate.

TYPE OF DELEGATE	AVERAGE BUDGET (RAND)
Government delegates	39,224.66
Non Government (civil society)	30,474.27
Women	26,410.69
Youth	18,417.94
Labour	18,494.77
NGO (unspecified)	32,013.70
Indigenous	29,192.65
Civic	31,893.07
Business	38,544.73
Local Government	39,488.43
Environment	33,141.54
Agriculture	24,425.75
Church/religion	17,071.44
Media	27,026.03
Total	31,368.49

The ideal method to calculate total expenditure would have been to inflate the average budget separately for delegates falling in each of the above-mentioned categories and also to inflate it separately for delegates from foreign countries and those from South Africa. However, no such

breakdown is available. As a preliminary calculation it is suggested that the average budget for foreign media representatives (4,021 in Table 2) be multiplied by their average budget of R27,026.03 (Table 3) less R1,114.90, which represents air fares not accruing to SAA and its partners, while the categories 'adviser' up to 'UN internal use', excluding media (4,021) as well as 'civil society' (double count of 10 000) in Table 2 be multiplied by the average of R39,224.66 less R1,114.90 for foreign government delegates in Table 4. The 14,762 foreign civil society delegates (Table 2) can be multiplied by the average of R30,474.27 less R1,114.90 for non-government (civil society) in table 4.

The estimated expenditure of foreign delegates and their associates are therefore as follows:

Government, etc	18,377 x R39,224.66 – R1,114.90 =	R 700,343,059
Civil society	24,762 x R30,474.27 – R1,114.90 =	R 726,996,720
Media	4,021 x R27,026.03 – R1,114.90 =	R 104,188,653
Total		R 1,531,528,432

The expenditure of the South African delegates is estimated at R54,478,763. This is based on 8,780 delegates spending on average R6,129.26 and 13,170 delegates spending R58.00. The estimated total expenditure by the 37,160 foreign delegates (Source: UN) and the 21,950 South African delegates (Source: Urban Econ) is R1,586,007,195.

The expenditure by the delegates at the Waterdome was reflected by research to have been R 40 per head, for the Business Week events it was R 85 per head, and for the purposes of the amount of expenditure for the Ubuntu village, R 10 per head has been accepted. If these assumptions are accepted, the income generated at the events can be set out as follow:

- * At the Waterdome, 25,000 delegates @ R 40 per head = R 1,000,000
- * For the Business events, 12,000 delegates @ R 85 per head = R 1,020,000
- * Ubuntu, 119,570 people @ R 10 per head = R 1,000,000
- * The income generated at NASREC have been taken into account in the section dealing with South African delegates expenditure.

Delegates were requested to give a breakdown of their expenditure in South Africa according to the following categories: accommodation, food and drink, transport in South Africa, entertainment and leisure as well as shopping. Most of the delegates were not able to give these details. However, the information supplied by the 244 delegates who were able to give it is used to calculate the following breakdown:

	FOREIGN DELEGATES	SA DELEGATES
Accommodation	41.9 %	34.5 %
Food and drink	22.1 %	19.6 %
Transport in South Africa	16.6 %	29.6 %
Entertainment and leisure	6.0 %	14.3 %
Shopping	13.4 %	2.0 %
Total	100.0 %	100.0 %

6.3 Sectoral Expenditure / Investment

The total amount of R 1,078.0 was injected into the South African economy due to the Summit by Government and JOWSCO (own funds and private donors) as set out in table 1. (see page 4)

The monetary effect of this investment is set out in Table 5.

Table 5: Investment per sector.

SECTOR	EXPENDITURE/ INVESTMENT	% CONTRIBUTION
Trade	R 102.4	9.5
Business services	R 443.6	41.2
Transport	R 169.2	15.7
Services	R 362.8	33.7
TOTAL	R 1,078.0	100.0

7. IMPACT MODELLING RESULTS

The analysis of the economic impact of the Summit evaluates both the supply and consumption expenditure side of the event. The supply side (i.e., expenditure by government and business) measures the impacts of hosting the event and impacts associated with tourism business and capital expenditures. The demand side (i.e. delegate - accredited and non-accredited – expenditure) analysis, measures the impact of visitor's expenditure (i.e. accommodation, food, beverages, transport, etc) on all the other sectors of the economy.

The modelling of the economic impact distinguishes between a variety of impact measures, direct, indirect and induced effects. However, for the purpose of the report, distinction will be made between direct and indirect impacts. The direct impact is the initial delegate expenditures as well as the goods and services purchased by government and business sectors, whilst the indirect effects refer to subsequent purchases made by the suppliers to sustain the direct expenditures. The direct and indirect impacts refer to the total impact of the Summit.

7.1 Supply Side Impacts

The supply side impacts refer to the effect of government and private sector expenditure to host the Summit. In order to identify the *real (net) economic impact*, distinction is made between government expenditure and private sector investment leveraged from government expenditure. Table 6 illustrates the impact of this expenditure. The leverage effect of government expenditure includes the estimated impact of the parallel events.

Table 6: Economic impact of government and private sector expenditure

EXPENDITURE ITEM	EXPENDITURE (R'000 000)
Leverage effect from private sector	628.2
Government expenditure	449.8
Total expenditure	1,078.0
Impact of expenditure	

EXPENDITURE ITEM	EXPENDITURE (R'000 000)		
	Sector	New Business Sales (R'000 000)	Employment
Trade	345.0	910	58.6
Business Services	1,416.8	3,080	285.6
Transport	509.7	1,190	100.4
Services	998.6	2,460	199.3
Total	3,270.0	7,640	643.9

Note 1: Economic impact from organisational and management expenditure point of view

According to Table 5, the total supply side impact of the Summit can be summarised as follows:

- ε The total expenditure of R1,078.0 million generated new business sales (i.e. gross additional economic output) worth R3,270.0 million. This implies that for each Rand of expenditure in hosting the Summit, R 3.03 is generated throughout the South African economy.
- ε The total number of employment opportunities supported by the supply side expenditure is 7,640.
- ε The contribution to the GDP is estimated to be about R643.9 million.

7.2 Consumption Expenditure Impacts

The consumption expenditure side impacts represent the expenditure by delegates attending the Summit and are outlined in Table 7.

According to Table 7 the total consumption expenditure side impact of the Summit can be summarised as follows:

- * The total expenditure of R1,596.0 million generated new business sales (i.e. gross additional economic output) worth R5,033.7 million. This implies that for each Rand of expenditure in hosting the Summit, R 3.17 is generated throughout the South African economy.
- * The total number of employment opportunities supported by the supply side expenditure is 10,400.
- * The contribution to the GDP is estimated to be about R 942.0 million.

Table 7: Economic impact of delegate (tourism) expenditure

EXPENDITURE (R'000 000)			
Accredited delegates	1,586.0		
Non-accredited members	4.0		
Total new expenditure	1,590.0		
Impact of expenditure			
	New Business Sales (R'000 000)	Employment	Gross Domestic Product (R'000 000)
Governmental delegates	2,202.5	4,760	384.8
Civil society	2,321.8	4,530	468.1
Media	327.7	710	57.3

Parallel events - accredited	169.2	370	29.6
Parallel events - local community members	12.5	30	2.2
Total	5,033.7	10,400	942.0

Note 1: Economic impact from the delegate expenditure point of view

7.3 Total Impact

The total impact of the Summit is the combination of the supply side and consumption expenditure impacts as outlined in Table 8.

Table 8: Total economic impact

ITEM	NET EXPENDITURE (R' 000 000)	NEW BUSINESS SALES (R' 000 000)	EMPLOYMENT number	GDP (R' 000 000)
Supply side	1,078.0	3,270.0	7,640	643.9
Demand side	1,590.0	5,033.7	10,400	942.0
Total	2,668.0	8,303.7	18,040	1,585.9

Table 8 show that the Summit injected a total amount of R2,668.0 million into the economy of South Africa. This injection generated new business sales via the government and private sector spending, donor funding and expenditure by the delegates of R8,303.7 million. This injection stimulated 18,040 employment opportunities and contributed R1,585.9 to the GDP. The latter represents less than 1% of the total GDP of South Africa.

7.4 Net Benefit

In order to determine the real economic impact of the Summit, it is realistic to assume that only the direct expenditure leveraged from government expenditure should be accounted for in the analysis. This implies that expenditure from government and the estimated amount from the parallel events should be excluded from the impact analysis because these funds would have been spent on non-Summit activities. Based on the above, Table 9 outlines the real impact of the Summit on the South African economy.

Table 9: Real economic impact

ITEM	NET EXPENDITURE (R' 000 000)	NEW BUSINESS SALES (R' 000 000)	EMPLOYMENT number	GDP (R' 000 000)
New expenditure (government/private)	474.7	1,508.7	3,470	276.5
Delegates expenditure	1,590.0	5,033.7	10,400	942.0
Total	2,064.7	6,542.4	13,870	1,218.5

The real economic impact should be interpreted as the *net economic benefit* of hosting the Summit. Based on this, the Summit has lead to the following impacts in the economy:

- * The Summit generated R 2,064.7 million of direct expenditure in various sectors of the economy.
- * This injection led to an increase in the demand for goods and services, implying that new business sales in all sectors of the economy increased by R 6,542.4 million.
- * It is estimated that the number of employment opportunities supported by this direct expenditure is in the order of 13,870. The contribution to the GDP is R 1,218.5 million which is less than 1% of the national aggregate.

7.5 Non-Quantifiable Issues

The approach followed in this study concentrates on quantifiable effects and not the long-term benefits. Some of these benefits have been identified during the surveys, and is related more to the perceptions that the delegates have after participating in the Summit. Table 10 sets out these perceptions in greater detail.

Table 10: Rating by respondents.

CRITERIA	RATING (%)					Don't know / not applicable
	Very poor	Poor	Satisfactory	Good	Excellent	
Organisation of WSSD	2.4	13.0	35.1	36.7	7.6	5.2
Information on WSSD	3.6	22.5	28.9	33.4	8.1	3.6
Personal service	0.7	6.2	18.7	46.4	23.7	4.2
Transport in South Africa	8.3	15.6	21.1	32.9	10.9	11.2
Value for money	3.1	7.8	22.3	39.3	15.4	12.1
Safety and security	6.4	8.3	24.2	40.5	15.6	5.0
Communication systems	2.8	11.4	29.1	38.4	10.7	7.6
Accommodation quality	1.4	5.0	25.1	41.5	17.8	9.2
Pre- and during Summit leisure activities	1.2	5.7	16.8	24.2	6.2	46.0
Hospitality and friendliness	0.5	1.2	9.7	31.3	53.3	4.0

The positive ratings ('good' and 'excellent' combined) range from a low of 30.4 % ('pre- and during Summit leisure activities') to a high of 84.6 % ('hospitality and friendliness'). The low rating for 'pre- and during Summit leisure activities' may be attributed to the high percentage of respondents (46.0 %) who had not had the opportunity to experience these activities. Aspects with a combined positive rating of just less than 50 % include 'organisation of the WSSD' (44.3 %), 'information on the WSSD' (41.5 %) and 'transport in South Africa' (43.4 %).

The negative ratings ('very poor' and 'poor' combined) range from a mere 1.7 % ('hospitality and friendliness') to a relatively low 26.1 % ('information on the WSSD'), with 'transport in South Africa' (23.9 %) and 'organisation of the WSSD' (15.4 %) also perceived as 'very poor' or 'poor' by a relative number of respondents.

Overall, it would seem that respondents are generally satisfied with the organisation, infrastructure and public relations at the Summit.

8. CONCLUSION

The results conform to the expectations that the consultants had prior to the economic modelling, and it is also regarded to fall within an acceptable range i.e. that the economic impact of the WSSD would generally be positive. Based on the preliminary findings, government spending of R449.8 million leveraged additional expenditure from local and international donors, sponsors and the private sector to the amount of R474.7¹ million in the Summit and related activities. In addition this expenditure, accredited and non-accredited delegates spent an estimated amount of R1.6 billion. The total direct injection of R2.68 billion for one major event is regarded as substantial considering its multiplying effect and consequent total impact on the South African economy. However, to ensure that the results as set out in this report are seen in the correct context, the following qualifications have been established:

- * Due to the fact that the long-term, non-quantifiable spin-offs cannot be included in the model, the results in this report reflect only the quantifiable results.
- * The results that are set out in this report are sensitive to the number of delegates. It is therefore necessary to confirm the actual number of delegates, which might also lead to changes in the results.
- * The results reflected in this report, regards the Summit as a specific project and it is not compared with Government spending on an alternative project (s). Opportunity costs are not taken into account.
- * Data-collection is an ongoing process and it would therefore necessary to have a re-run of the Input/Output model once all the necessary information is available.
- * The model was based on the assumption that the funds to finance the Summit were available and that Government did not have to borrow money. Thus, the public financing mechanism was not accounted for.

¹ This figure is expected to increase once the outstanding information from the parallel events become available.