

Street trading in Tshwane Metropolitan Municipality: Realities and challenges

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INTRODUCTION

South Africa's informal sector is growing in line with the rate of unemployment, as people seek ways to sustain themselves. People resort to this sector because the barriers to entry and the technical expertise needed to run an informal business are minimal. It is a sector of concern to the government as scholars acknowledge the existence of the informal traders, and a fight to integrate them with the formal business stream has ensued. This document reports the findings of a research study on informal/ street traders in Tshwane Metropolitan Municipality in the neighbourhoods of Hatfield, Sunnyside and Arcadia. These areas are in close proximity to each other, with fairly high population densities.

The City of Tshwane Metropolitan Municipality has 1 680 registered informal/ street traders, with a total of 181 in the Hatfield, Arcadia and Sunnyside areas. Sunnyside has 65 registered street traders, of which 20 are registered with the Sunnyside City Improvement District (CID) and 45 with the City of Tshwane Local Economic Development (LED) Department. Arcadia has a total of 96 informal traders, of which 24 are registered with the Arcadia CID and 72 with the Tshwane LED Department. Hatfield has a total number of 20 informal traders and they are all registered with the CoT LED Department. The Tshwane Metropolitan Municipality works hand-in-hand with the metro police and the CIDs in order to register the informal traders and make sure that the law is enforced in street trading, in particular the street trading by-laws of the Tshwane Metropolitan Municipality.

Informal sector

The informal sector referred to in this context is the commercial informal sector. It is an economic sector that is largely untaxed, excluded from the government's Gross National Product (GNP) and not monitored closely by government. The abovementioned definition is set to change because government has recognised the importance of this micro economic sector in cities and now government parastatals are being developed to regulate and facilitate the sector.

As a general rule, this type of sector is more prevalent in developing countries (Ligthelm & van Wyk, 2004).

Informal trading

Informal trading is a commercial activity undertaken by entrepreneurs (*individuals and/or groups*) in the informal sector. It is more prevalent in developing countries. The phrase 'informal trading' will be used interchangeably with the phrase 'street trading'. Trading in private residences in the form of, among others, spaza shops, shebeens and taverns are included in the definition even though some occupy private space. The definition clearly excludes criminal and illegal activities in terms of the laws of the country, although by definition unlicensed traders are trading illegally in many contexts. Informal trading is divided into different types:

- Survivalist trading: the informal trader whose income is barely sufficient to sustain the trader and his family
- Informal trading: the trader makes sufficient to support personal and family needs, and is also able to operate on a profit basis
- Formal trading: there is a fixed location and/or with a fixed structure, and it is run on formal business principles.

People migrate from rural areas to urban areas in search for jobs, but the formal sector provides jobs at a slow pace, lagging behind the labour force and migration pace. This leads to people entering the informal sector for survival purposes. They need immediate means to fend for themselves and sustain themselves for the time being. Most informal traders are not planning to be in the sector for a very long time or grow their business. As soon as they find employment in the formal sector they quit the informal sector. Informal traders provide goods and services that are lower in price than similar goods and services in the formal market, while still being of comparable quality to the latter. The informal traders' target market is the low-income group because these people need cheaper materials or services to look after their families. Informal trading plays an important role in poverty reduction and absorbing unemployment. Informal trading provides consumers with flexible trading hours (Ligthelm & van Wyk, 2004).

Historically, informal traders were prosecuted and driven out of urban areas. This was perpetuated by the fact that informal trading is perceived to be related to:

- crime
- dirt on the streets

- obstructing pedestrian traffic because they take up walkway space
- giving tourists an impression of the city being poor
- an unhygienic environment and
- reducing the land value of the area.

The perception has not changed, with people still associating informal traders with poverty. This results in discrimination against informal traders. The Republic of South Africa's Bill of Rights emphasizes equality for everyone and the necessity for everyone to have legal rights. Poor people's exclusion from the law is not just unfair but denies them an opportunity to improve their lives and the overall development process of the country is hindered. Government has therefore developed legislative clauses that protect the rights of informal traders.

LEGISLATION

National legislation

Constitution, the Bill of Rights

The constitution is the supreme law of the country and any law or conduct inconsistent with it is invalid. The obligations imposed by it must be fulfilled.

- The human dignity clause in Section 10 of the Bill of Rights states that everyone has inherent dignity and the right to have their dignity respected and protected.
- Section 22 of the Constitution of the Republic of South Africa addresses the freedom of trade, occupation and profession, and it states that every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law. This freedom can be extended to informal trading but bearing in mind that there should be regulation by either the government or a chosen organisation.
- The environment clause in section 24 of the Bill of Rights addresses the issues pertaining to a harm-free environment. It states that everyone has the right
 - to an environment that is not harmful to their health or well-being; and
 - to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that -
 - (i) Prevent pollution and ecological degradation;

- (ii) Promote conservation; and
- (iii) Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

- The access to information clause in Section 32 of the Bill of Rights provides that:
Everyone has the right of access to
 - (a) Any information held by the state; and
 - (b) Any information that is held by another person and that is required for the exercise or protection of any rights.National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.
- The limitation of rights clause in section 36 of the Bill of Rights states that rights may be limited only in terms of law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors.

Other national acts that protect the rights of informal traders

- Local Government Municipal Systems Act 32 of 2000, which deals with the aspects of local governments. Issues that are dealt with in the Municipal System Act 32 of 2000 include informal trading and how it should be integrated in the developmental goals of the municipality.
- Promotion of Administrative Justice Act 3 of 2000 provides that everyone has the right to administrative action that is lawful, reasonable and procedurally fair.
- Promotion of Access to Information Act 2 of 2000 is in line with section 32 of the Bill of Rights and it provides that everyone has the right to information either held by the state or another person.

Municipal by-laws

Tshwane uses street trading by-laws to address street trading issues.

Spatial contribution

Informal street trading has changed the appearance of our cities; the situation needs to be acknowledged and addressed in a proper manner, where all parties involved will benefit: informal traders, government and consumers. Informal trading poses both an opportunity and a challenge to good spatial planning and management of South African cities. The opportunity is that public spaces are effectively used, e.g. the Hatfield Square flea market held at the parking lot; flexible hours and location to get goods and services; and giving life to the streets. The challenge of informal markets is that they are associated with dirt, crime and congestion due to taking up space on walkways, when incompetently managed.

To have a situation where all parties will benefit, the local authority needs to have a framework that:

- Clearly designates public areas for informal trading
- Establishes a body that will regulate the space and trading
- Provides basic infrastructure to accommodate informal trading which would vary according to the type of activity; and
- Allows for licensing and registration of informal traders to make it viable to regulate and monitor them.

The Tshwane Spatial Development Framework (SDF) does not address or include informal/street trading. Informal trading is still not given much recognition because spatial plans do not provide space for this activity. In the case of the specific areas in question, the aesthetics of the city and social reasons play a huge role in explaining why informal trading has not been promoted and is not being effectively incorporated into the urban fabric. The city is still very conservative when it comes to exploring the possibilities of a well planned informal trading mandate. The following reasons were given by the Tshwane Metropolitan Municipality as to why informal trading is not incorporated in SDFs:

- They destroy the character of the area
- They are not in line with the zoning of the area
- They are associated with anti-social behaviour (e.g. drugs being sold in the stalls)

OBJECTIVES OF THE STUDY

The objectives of this study are to gain insight into, and information on, the conditions that the street traders are exposed to, their knowledge about licensing and their rights; and how entrepreneurial they are and how they operate their businesses.

LIMITATIONS

Interviews were conducted during the day. Informal traders who trade either in the very early hours of the morning or late in the evening were not interviewed.

METHODOLOGY

The research study was carried out in the areas of Arcadia, Hatfield and Sunnyside. It was conducted in the form of questionnaires handed out to informal traders, interviews with the Hatfield CID official, the Tshwane LED official and the City Planning, Development and Regional Services Department. This was followed by a desktop study on informal trading case studies in South Africa and abroad. Thirty questionnaires were distributed in the areas involved: seven in Hatfield, 10 in Sunnyside and 13 in Arcadia. Personal interviews were conducted with the Tshwane Metropolitan Municipality: LED Department, Hatfield CID and the City Planning, Development and Regional Services Department.

Sunnyside

Sunnyside is a neighbourhood situated in the south-eastern part of the City of Tshwane central business district. It is mainly residential, with a mixture of land uses and high densities. It is within walking distance of the city centre and movement is characterised by private vehicles, Metro buses and pedestrians. Streets bordering the neighbourhood include: Walter Jameson, then Maple Street to the East, Schoeman, then Park Street to the north, Nelson Mandela Drive to the west and Walker Street to the South. Esselen Street in Sunnyside is one of the busiest streets, with a high density of businesses. The type of housing in Sunnyside is mainly medium-rise buildings, as a result of which the area is highly populated.

Arcadia

Arcadia is situated in the east of the central business district of Tshwane. Like Sunnyside, it is characterised by high densities and mixed land uses. Central and western parts of Arcadia are characterised by high-rise buildings, high densities and mixed land uses. To the eastern side it

has mainly one-storey dwelling units on single stands, with a high number of embassies. It is bordered to the south by Schoeman street and Park Street; to the west by Nelson Mandela Drive; to the north by Proes, Belvedere and Church streets; and to the east by Hill street.

Hatfield

Hatfield is situated in the east of the Tshwane central business district. It is a business node, where Loftus Versfeld, Hatfield Plaza and Hatfield Square, the University of Pretoria and LC de Villiers sports grounds with the Tuks High Performance Centre are located. It is one of the areas where the Gautrain stations will be situated. It has high population densities and is characterised by high volumes of pedestrians, due to the student culture in the area. Hatfield is bordered to the north by Church Street, to the east by Lynnwood Road and the University Sports Grounds, and to the west by Hill Street.

FINDINGS

To trade on the streets in South Africa, one needs to have a permit or a license that authorises one to do so. For the areas in question, licensing is performed by the Tshwane LED Department, the Sunnyside CID and the Arcadia CID. The Hatfield CID does not issue licenses. For a street trader to be issued with a street trading license, South African citizens must be in possession of a South African green bar-coded identity document, while foreign nationals require a legitimate refugee letter or work permit from the Department of Home Affairs. Applicants must also present an affidavit to confirm that they are unemployed, and a three-month advance payment. The cost of the license depends on the goods or the service the street trader is trading. All the CIDs are responsible for maintaining order and good maintenance of the neighbourhood. They help the metro police department in law enforcement regarding street trading. They do policing, and have the power to confiscate the goods of informal traders, which are handed over to the police. The confiscated goods are released at the metro police offices once a fine of R300 has been paid. Renewal of permits is required every six months in the Sunnyside and Arcadia CIDs, and annually in the Tshwane LED Department. The Tshwane LED Department also rents space to informal traders, and these traders have to renew their permits every three months.

All these bodies use the Tshwane street trading by-laws to regulate street trading. They make sure that all the clauses in these by-laws are adhered to. e.g.

“On that half of a public road contiguous to a shop or that part of a building in which business is being carried on by a person who sells goods of the same nature as, or of a similar nature to, goods being sold by the street trader if that person objects to it”.

The street trading stall adjacent to Shoprite Checkers in Sunnyside is selling the same goods as Shoprite Checkers, but the stall owner acquired consent from Shoprite Checkers and has a license to trade in front of the store.

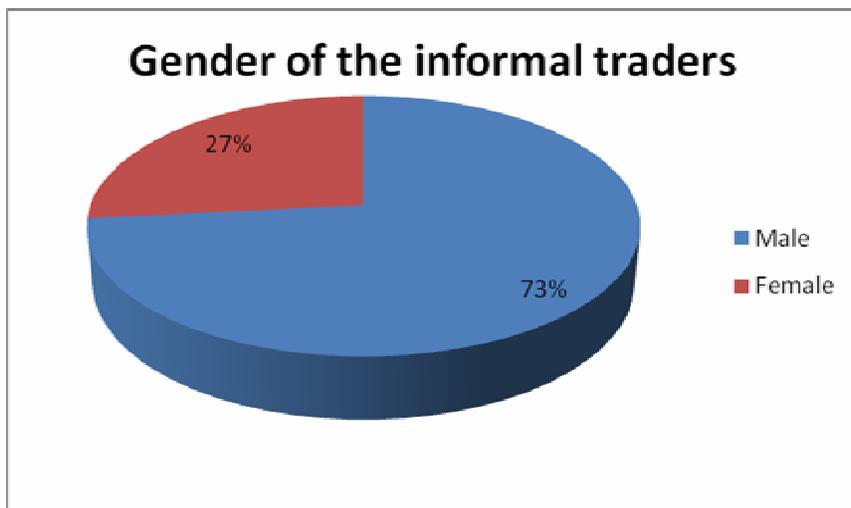


Figure 1: Gender of the respondents

A large percentage of informal traders are men because of social reasons. With South Africa being a patriarchal society, women are still not participating as fully in economic activities as in other places. Women worry about who is going to take care of their children when they are trading, and they cannot afford to pay for their children to go to daycare schools.

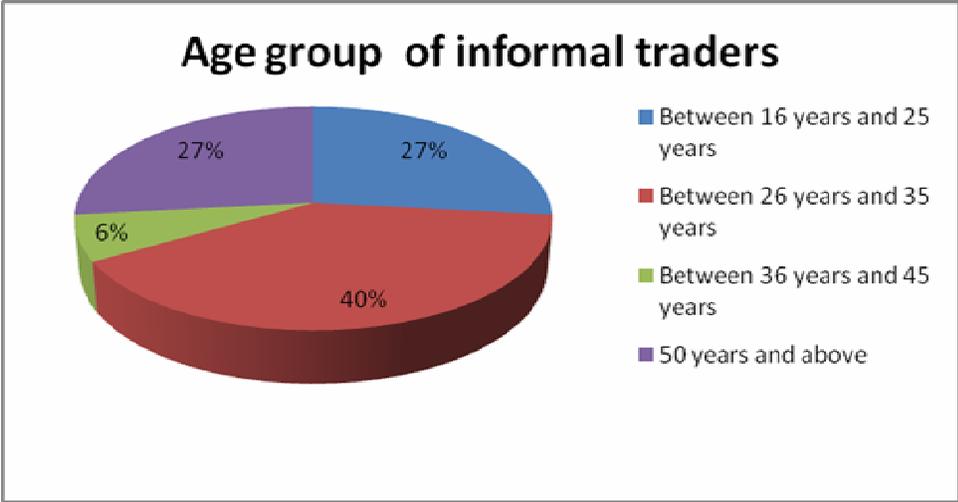


Figure 2: Breakdown of the age groups of the respondents

According to South African legislation, the legal age to start trading is sixteen years. In the used sample of the informal traders there were no traders under the age of sixteen years. Traders mainly fall within the age group of 26 to 35 years, and are mainly men.

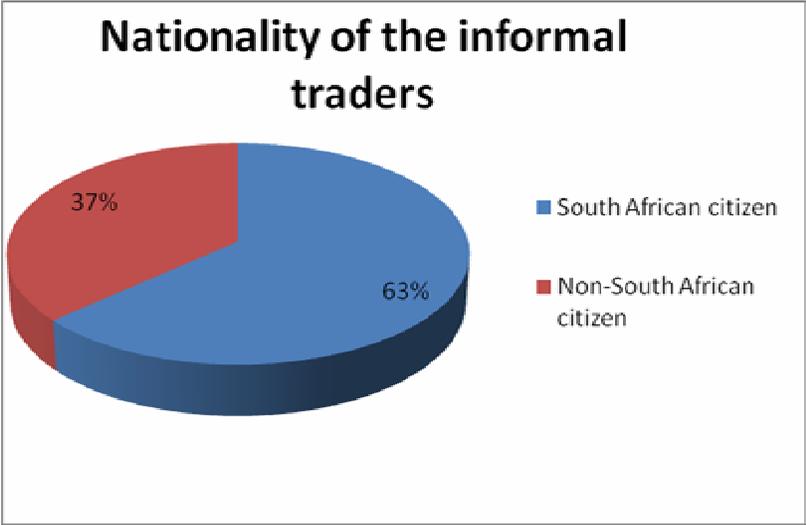


Figure 3: Nationality of the respondents

South African nationals dominate the street trading industry. Foreign nationals are mainly from other African countries. Foreign traders must have valid documentation to be in the country, as well as a street trading permit. Illegal immigrants refrain from selling on the streets because if they are found to be in the country illegally they are threatened with deportation.

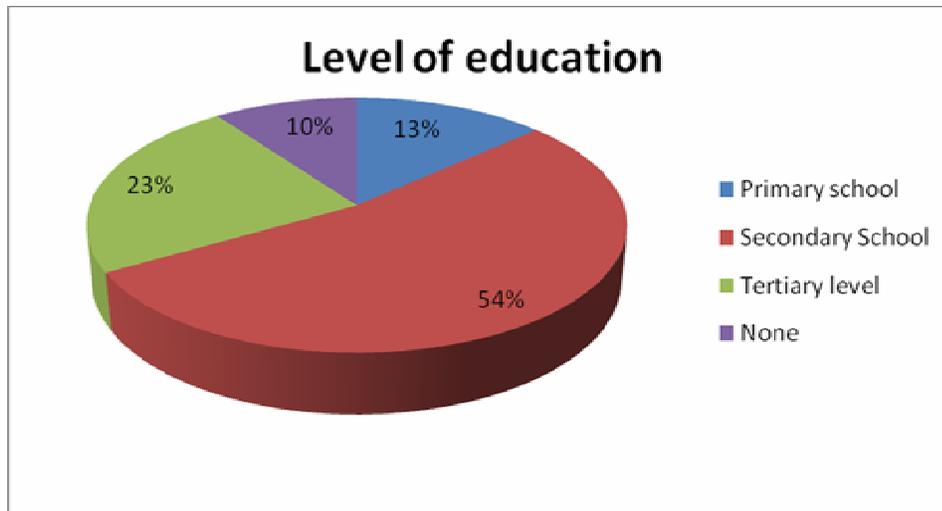


Figure 4: The level of education of the respondents.

(Not all of the traders included in the secondary school section passed matric; some respondents passed the former standard eight now equivalent to grade ten, some passed grade nine and some passed matric)

A high percentage of the street traders have a secondary level of education. Street traders with a tertiary level of education were mainly foreign nationals who fled conditions in their own countries to seek better-paying jobs in South Africa, and resorted to street trading for survival when they could not find employment in the formal sector. 10% of the street traders had no schooling; this age group is dominated by people aged 50 years and older.

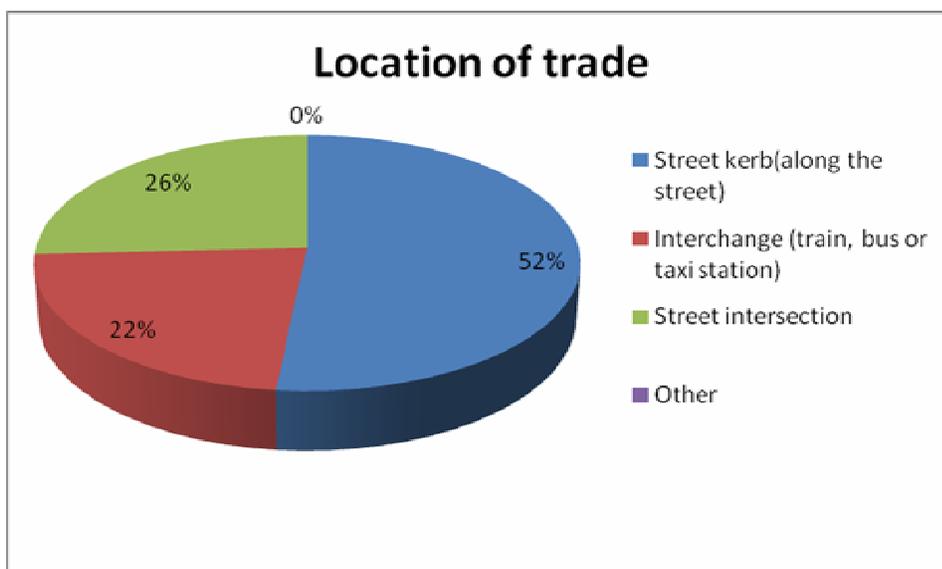


Figure 5: The physical location where trade takes place



Figure 6: One of the street traders along the street in Arcadia

Most street traders trade along the street because of safety reasons; not everyone can be located on the street intersection. According to the Tshwane street trading by-laws, "No person shall, within the municipality, carry on the business of a street trader at a place within 5 meters of any intersection as defined in Regulation 322 of the National Road Traffic Act 93 of 1996". Some street traders ignore this clause and locate their stalls very close (less than 5 meters) to the intersection. *There are cases where a street is within 5m of to the intersection*

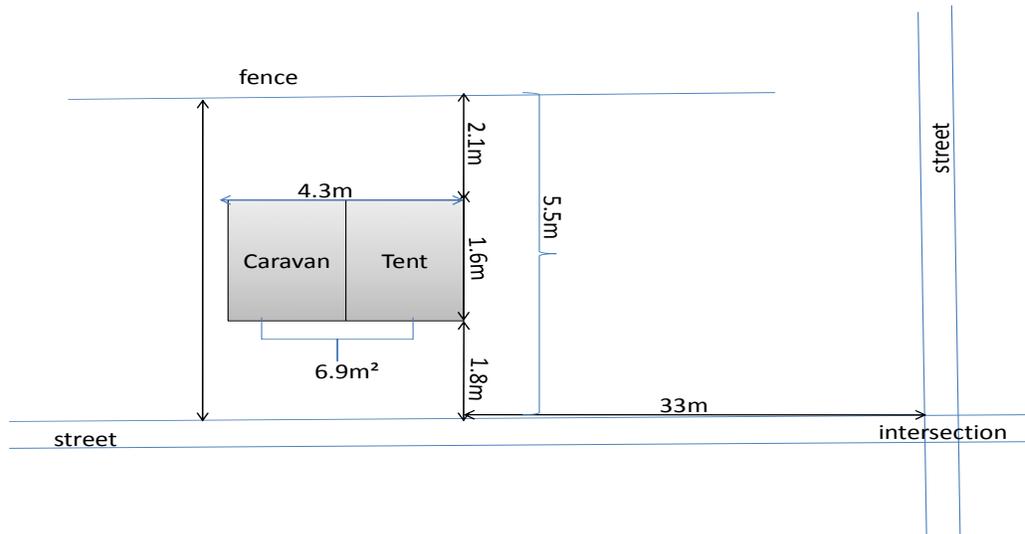


Diagram not according to scale

Figure 7: A diagram showing a street trader's stall in Hatfield

“No person shall, within the municipal area of the Municipality, carry on the business of a street trader within 5 metres of any intersection as defined in Regulation 322 of the National Road Traffic Act 93 of 1996”

According to the clause quoted above, the street trader is within the law. Within the Hatfield area the main interchange is the Rissik train station where many street traders are located in close proximity. This is due to the business threshold provided by the train commuters. In the Sunnyside area, informal trading is concentrated along Esselen Street. In Arcadia informal traders are fairly evenly distributed within the area because there is no major interchange.

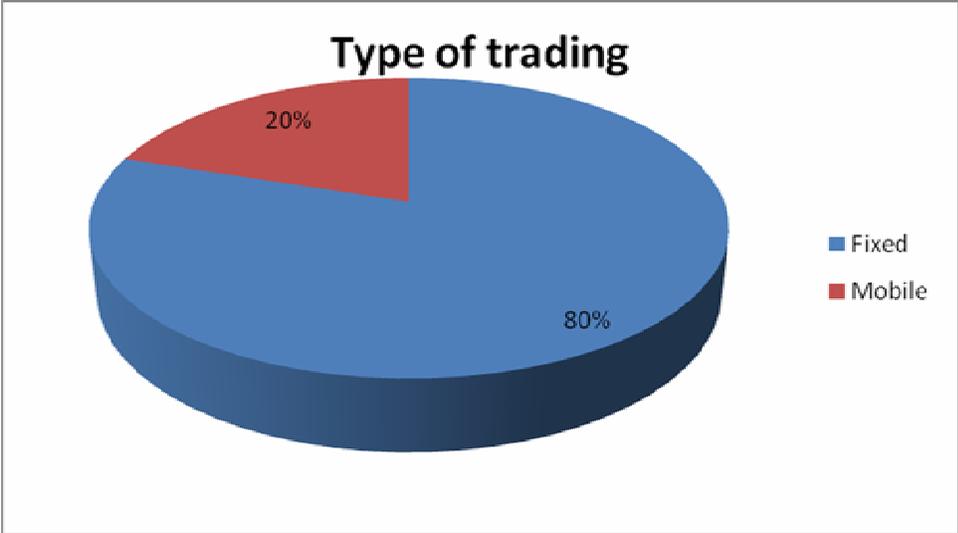


Figure 7: The type of trading

A fixed type of stall refers to a temporary stand, tent, tin or wood shack; metal container without wheels; a table, chairs and an umbrella. Mobile structures refer to a bicycle, motor cycle, a car or a caravan - any structure that allows traders to move their stalls. Most informal traders use the fixed type: umbrella, table and chairs; a tent or a metal container without wheels.

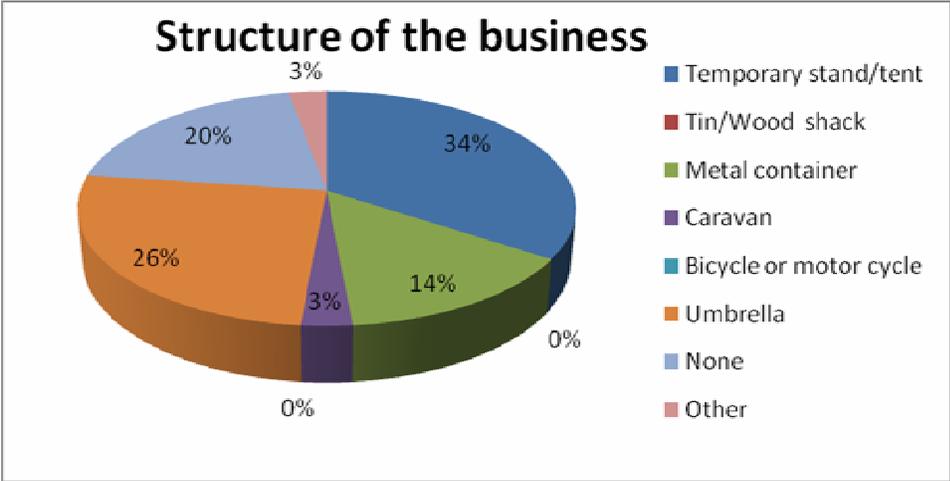


Figure 8: The type of structure from which business is conducted

The business structures are mainly a temporary tent or stand and an umbrella. They are easy to carry around because street traders need to protect themselves from natural conditions (rain,

wind and the sun). They are not very expensive, depending on the size, therefore street traders can more easily afford this type of structure.

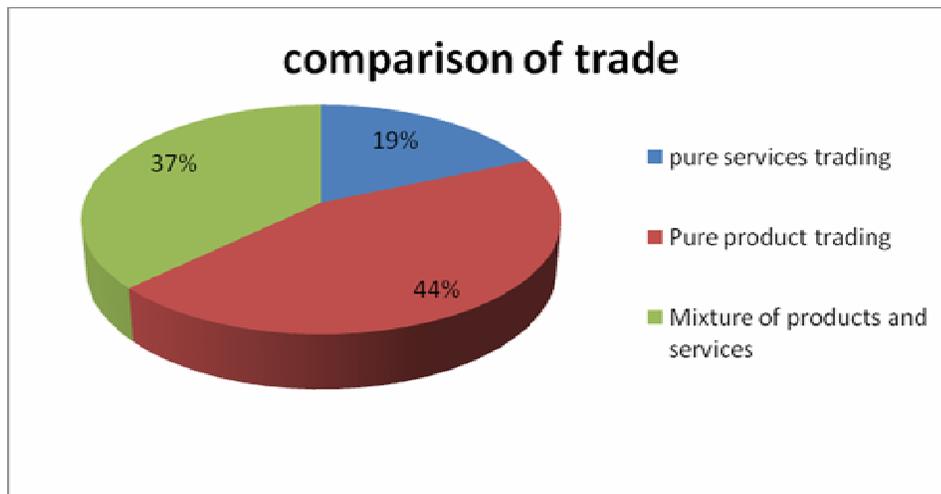


Figure 9: The types of trade carried out by street traders

Trading is dominated by traders who sell products only, mainly because products are easy to carry around, inexpensive and can be bought almost every day, especially in the case of fruit and vegetables, which need to be fresh.

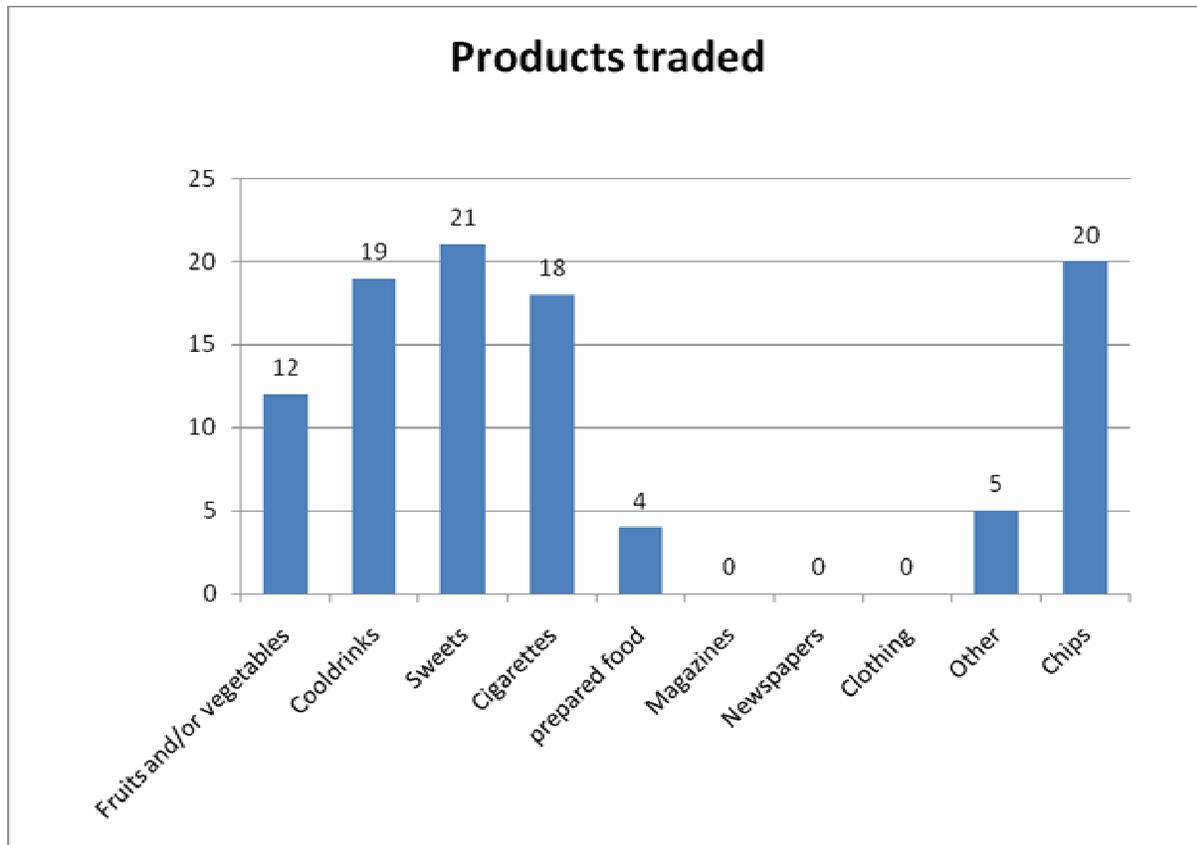


Figure 10: The types of products traded

A lot of street traders trade goods that are consumed directly and immediately. The products they trade are easy to transport and huge quantities are not required. They should be able to be carried on public transport or in a retail store trolley. The number of informal traders who sell cigarettes is high, even though this is technically illegal. Street traders know that it is illegal to sell “loose draws” (i.e. single cigarettes) but they risk selling them because it is profitable and there is a good market for them. Cool drinks, sweets, chips and prepared food are the products sold most often, because the permits restrict the street traders in what and where they can sell. Other products traded include leather products (belts, shoes and wallets), jewellery, and cosmetics.

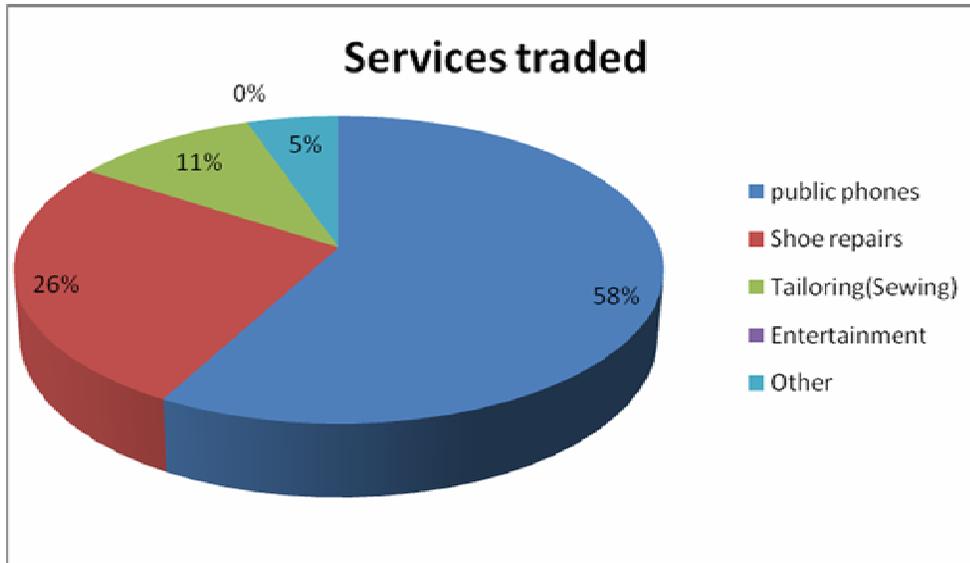


Figure 11: Types of services being traded

A large number of informal traders who trade in services supply public phones because there is high demand. Shoe repairs are also a dominant service. Other services found in the area were shoemaking and barber shops.

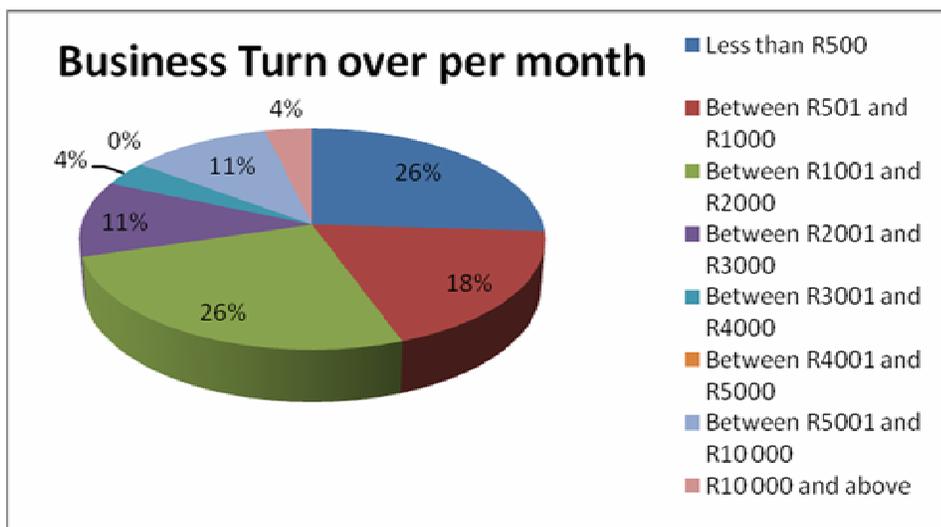


Figure 12: Business turnover (the overall money that is being made before taking out profit and costs)

It was very difficult to get information about the finances of the businesses because street traders do not keep statements of their businesses. They buy stock almost every day, and claim

that it is not easy to keep books. The other reason for this was that, due to low profits and the need to survive every day, they spend the money immediately when they leave the stall and when they get home there is no money to keep record of. They also say that the amount of money involved is too small, so it does not make sense for them to keep record of it. Only one informal trader from the sample reported that his business has a turnover of more than R10 000, and he has a bank account for the business and a bookkeeping system. Most informal traders from the sample said that their turnover is less than R500 and a quarter of respondents had turnovers of between R1 000 and R2 000.

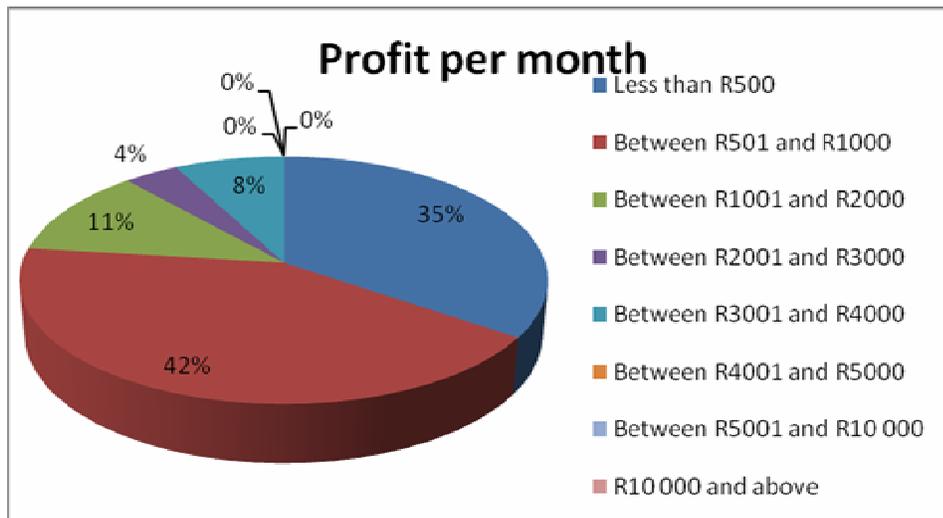


Figure 13: Profit made per month

A large percentage of informal traders in the area make a profit of between R501 and R1 000 per month. When collecting data about the profit, researchers encountered the same problems as in the turnover section; most traders simply do not keep records of their finances.

Period they traded on the stall

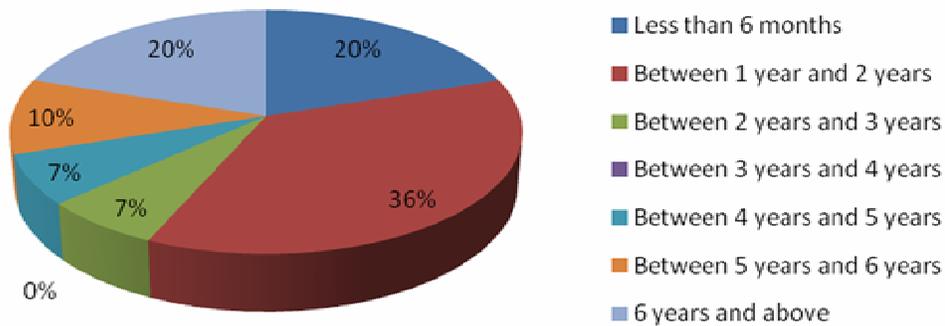


Figure 14: Period spent on a particular stall

A lot of street traders have been trading on the same spot for a period of between 1 and 2 years. For some it was their first business. Those who had businesses before had moved to that spot after experiencing a lack of customers in their previous location.

LICENSING

Informal traders with licenses

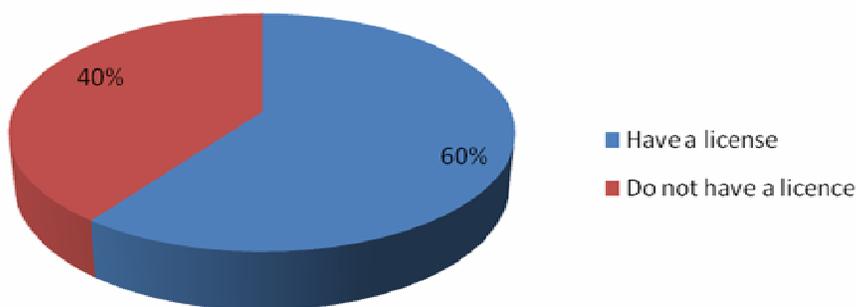


Figure 15: Breakdown of licensed and unlicensed informal traders

60% of the sample of informal traders in the area does not have licenses to trade on that particular trading space. They enter the market without licenses and experience harassment

from the Metro police before they apply for licenses. They are pushed to do this by the need for survival.

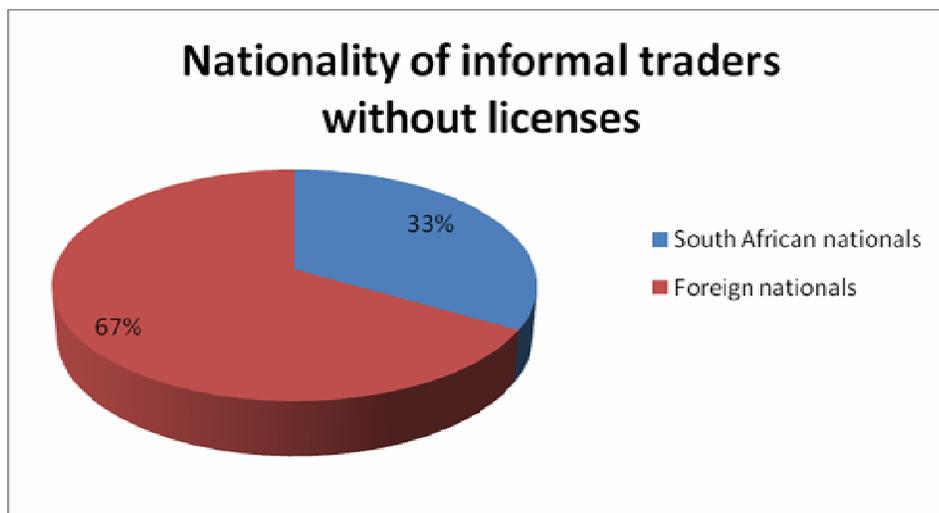


Figure 16: Nationality of informal traders without trading licenses

A relatively large proportion of informal traders without licenses are foreign nationals. One of the prerequisites to have a street trading license is a green bar-coded South African identity document. Foreign nationals trade illegally in order to survive. They are willing to take the risk of regular harassment by the Metro police. The Metro police do not visit the stalls on a daily basis, and the illegal traders can save for a fine, should the Metro police run a license check. Foreign nationals do have opportunities to obtain street trading permits. Some of the foreign nationals who said they had licenses, meant that the stall license was not in their name, but in the name of a South African national with an ID book. They have arrangements with a South African citizen and pay that person for using their name. The South African national goes to the LED office, goes through the application procedure and gets a license. The foreign trader runs the stall but when police checks are carried out, the person pretends to be an employee of the South African national. Foreign traders said they are doing this because they do not have legitimate papers, either to be in the country or to work in the country. Other foreign nationals mentioned that they considered getting their licenses fraudulently (i.e. by getting fraudulent ID documents).

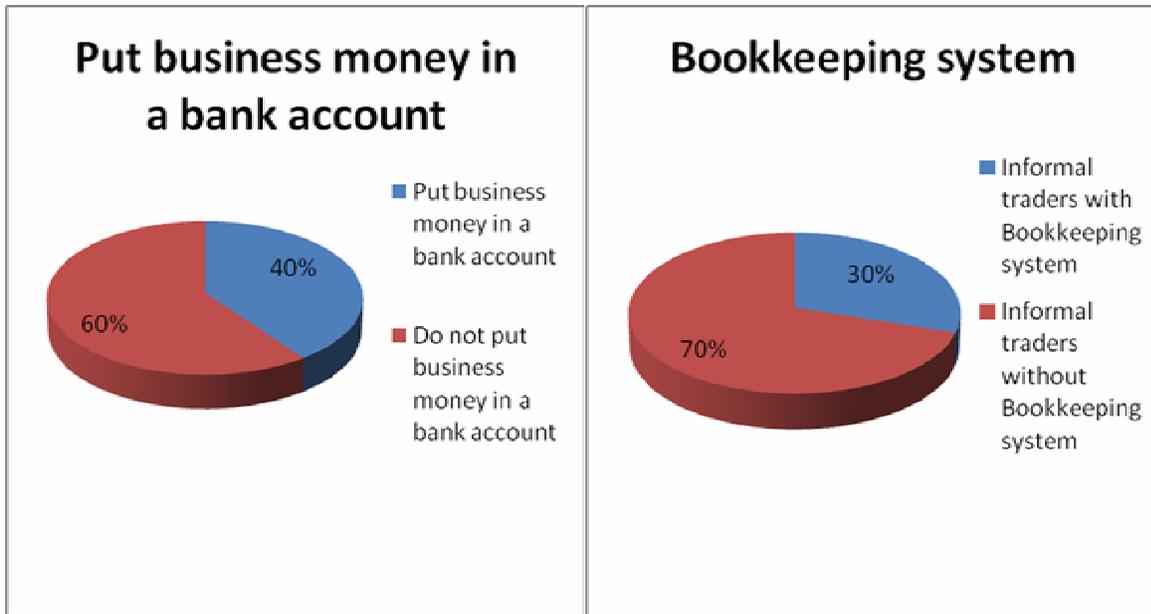


Figure 17: How street traders run their businesses

Most of the informal traders do not have a bookkeeping system. Their reasons are similar to the reasons supplied for not keeping financial records. Due to the small profit they make and having to purchase stock almost every second day, the street traders are discouraged from having a bookkeeping system. Those who keep books write up credit information of the people they give credit to. Most of the informal traders who confirmed that they have a bookkeeping system were foreign nationals. A high percentage does not put business money in a bank account; the money is spent immediately when they leave the stall, because they trade for daily survival.

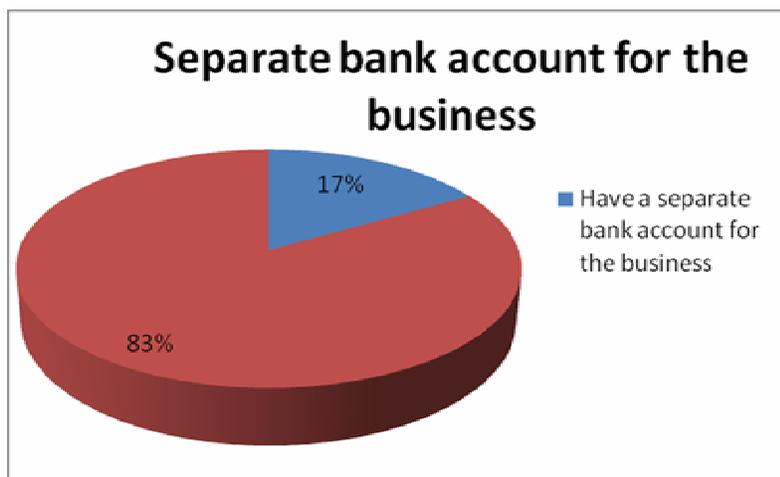


Figure 18: Separate bank account for the business

Most informal traders do not have separate bank accounts for their businesses because of the small scale of the business.

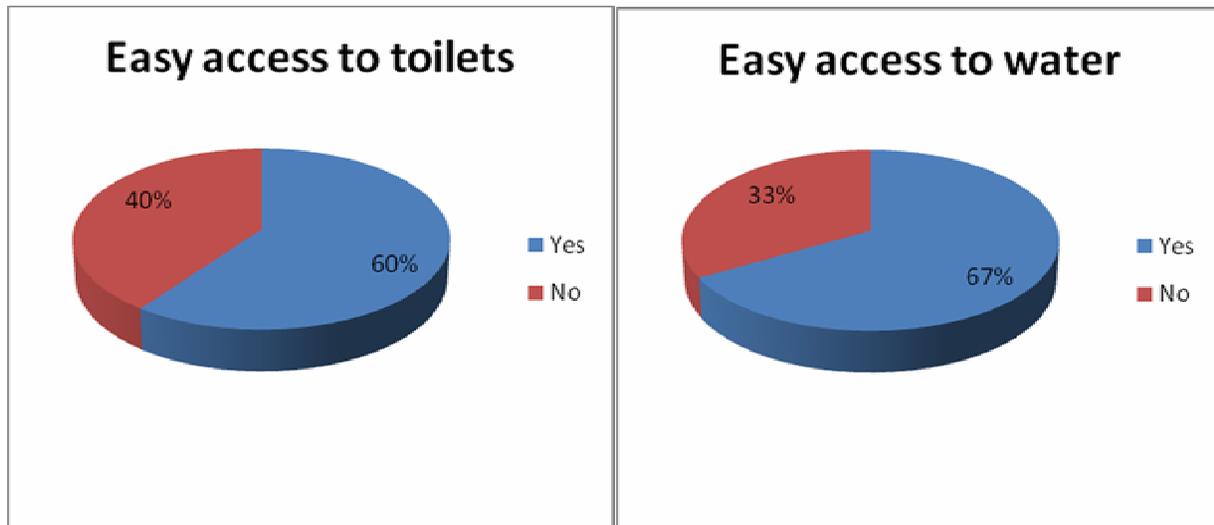


Figure 19: Hygienic issues

The street traders either bring their own water or use water and a toilet from a neighbouring building. Cleanliness issues are regulated in terms of the cleanliness clause in the Tshwane Metropolitan Municipality street trading by-laws. It states that a street trader must:

- Keep his/her stand, property and goods, for the purposes of street trading in a clean and sanitary condition
- Not dispose of any litter and refuse by placing it in a manhole, storm water drain or any other place not intended for the disposal of litter
- Ensure that on completion of business for the day the area or stand occupied by him/her is clean and free of litter and refuse
- Take the necessary precautions to prevent the spilling onto a public road or public place of any fat, oil or grease in the course of conducting his/her business and must further prevent smoke, fumes and odours emanating from his/her activities
- On request by an authorised official remove his/her goods and property to permit the cleaning of the stand if necessary.

Conclusion

Areas designated for street trading are in most cases not ideal for street traders. Street traders' business threshold is along the street, street intersections and interchanges. People who buy the goods and services are the passersby. Street traders complain about being allocated areas where there are no customers, and tend to move away from such areas (e.g. street traders moving from Church Street or Van der Walt Street) if there is a shortage of customers. Customers buy the products because they are on their way to work or another destination. Since customers are not willing to walk a long distance to get the products or service, the main advantage of the street traders is their location in areas with high traffic volumes. Other street traders complain about being located far away from their residential areas, which increases their transportation costs and reduces the revenue they make.

The prospect of the 2010 Soccer World Cup does not excite the informal traders who trade in close proximity to the stadium because they will not be able to trade in their designated areas during the event. The streets they trade on currently will be closed off for security purposes. During match days the radius in which streets are closed off will increase, thus affecting more informal traders.

The way in which the CIDs and the Tshwane LED Department issue street trading licenses creates confusion among the street traders. There should be one uniform manner in which street licenses are regulated. Street traders complain that the process to apply for their street trading licenses is lengthy and costly, especially when they have to make follow-up visits to municipal officials who fail to inspect their stalls, or the inspection reports do not reach the LED Department in time.

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Town Planning and Townships ordinance No 15 of 1986, 10 June 1987

ANNEXURES

ANNEXURE 1: Procedure to register for a street trading permit/license in Arcadia City Improvement District (CID)

- SA nationals come to our office, where their names are put on a waiting list if we do not have any space available.
- If space becomes available we start phoning applicants on the waiting list.
- The applicant must have a valid SA ID document.
- When a stall is allocated the applicant signs a six-month contract. (June to December and again December to June each year).
- It is expected that the trader will be responsible to keep the area around the stall clean and not to put their stock in the way of pedestrians.
- The Arcadia CID repairs all stalls that are reported to be in need of minor repairs.
- The trader must also be at the stall 90% of the time and is not allowed to sub-let the stall.
- If a family member or other person is appointed to manage the stall for a certain time e.g. when they are sick or have to go to buy stock, they must report this arrangement to the CID office.
- A deposit slip is completed for each trader on the 25th of each month and distributed to them, whereby they pay the R100.00 rent a month.
- The trader then brings back the deposit slip after payment has been made and a photocopy is made and put on the trader's file and the payments are registered in the database.
- A monthly report is sent through to the Council's Local Economic Development Department.
- The By-law Division of the Metro Police also does inspections on a regular basis in the area to ensure no illegal trader is operating in the area.

- Illegal traders' stock is removed to the Metro Police Pound and the illegal traders must then pay a fine in order to get their stock back.
- Legal traders only need to show their contracts to the Metro Police. If there are any queries the Metro Police will come to the CID office where all documentation and contracts are kept.

The application for foreigners is the same as for SA Citizens.

ANNEXURE 2: Application form to acquire an informal trading stall

**WAITING LIST
INFORMAL TRADE STALL**

DATE:

SURNAME:

NAME(S):

ID NUMBER:

CELL NO:

HOME NUMBER:

HOME ADDRESS:

.....

.....

GOODS TO BE SOLD:

.....

.....

.....

.....

PLACE WHERE YOU WANT TO SELL:

.....

.....
.....

HUSBAND/WIFE DETAILS:

SURNAME:

NAME(S):... ..

CELL NO:

HOME NO:

SIGNATURE:

ANNEXURE 3: Agreement form

DEED OF LEASE

In Terms of section 6A of the Act, 1991 (Act 71 of 1991)

MEMORANDUM OF AGREEMENT

made and entered into between

HEREIN REPRESENTED BY in capacity as Manager of the said ... authorized hereto in terms of an Agency Agreement between the Acting Municipal Manager of the City and the ...
(hereinafter referred to as the **LESSOR** of the one part)

And

.....
(**I.D. NO.**.....)

(Hereinafter referred to the **LESSEE** of the other part)

Whereas to **LESSOR** is the lawful owner of the Stalls situated on the Municipalities area of jurisdiction

And the **LESSEE** has applied for the allocation of a trading stall by the **LESSEE** who has agreed to allocate such trading stall to the **LESSEE**

The **LESSOR** hereby leases to the **LESSEE** and informal trade stall situated in Arcadia

and Numbered.....

And as indicated on Annexure A

SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. TERMS OF THE LEASE AND POSSESSION

- 1.1 This agreement shall be of legal force and effect from **1st June ..** (Hereinafter referred to as the effective date) **to 1st December ..**
- 1.2 The LESSEE shall be a South African Citizen, or a Legal Immigrant authorized to trade and his identity document will be attached to this agreement.
- 1.3 The LESSEE shall take possession and occupation of the stand on the **EFFECTIVE DATE** and shall during the currency of this agreement have the exclusive use and benefit of the stand subject to the conditions as set out in Annexure A as well as the following further conditions:
- 1.4 Trading/business shall only be conducted from the stand on tables, counters, canopy all of which have been approved by the LESSOR and his duly authorized representative.
- 1.5 All laws, by-laws and Regulation in terms thereof shall be strictly adhered to and the LESSEE confirms that he/she has familiarized him/herself with the particulars thereof.
- 1.6 The LESSEE undertakes to remove all refuse generated by his/her trading or business activities from the stand on a daily basis.
- 1.7 The LESSEE undertakes to, upon the request of the LESSOR, stop and terminate trading from the stand temporarily and remove all his/her merchandise, tables, counters and canopies from the stand in the event of the street in which it is situated is the be

used for a procession and or occasion approved by the LESSOR and / or his for any other Municipal or City Improvement District propose; provided that in such an event the LESSEE shall be entitled to a pro rata reduction of the rental payable in terms of the agreement.

1.8 The LESSEE shall at all time keep the STAND and surrounding area in a neat and tidy condition and the goods may not protrude further than the roof of the stand.

-3-

1.9 The LESSEE shall only conduct business or trade with the types of merchandise as indicated on his/her application form, a copy of which is enclosed herewith as Annexure A and for no other purpose whatsoever.

1.10 The LESSEE shall not consume alcohol or be intoxicated on the premises

1.11 The LESSEE shall not sell any illegal substances or illegal merchandise from these premises.

1.12 Trading hours will be from 06h00 to 18h00 Monday to Saturday.

1.13 Placement of traders will complement formal trade.

1.14 The SAPS will run a search to ascertain that the lessee is not wanted for any crime.

1.15 The CID manager and or his representative will manage an effective dispute resolution system.

1.16 A waiting list will be drawn up and placement of new traders will be drawn from this list.

1.17 Approved business courses will be offered at the discretion of the LESSOR.

1.18 The LESSEE undertakes to occupy the stand 80% of the time. In the event of this not happening, the LESSEE undertakes to notify the LESSOR that he/she will not be using the stand personally for any reason whatsoever.

1.19 INSPECTION OF THE STAND.

The parties agree that the LESSOR is at any time during the currency of this lease entitled to, though his authorized agent/employees conduct inspection, to collect rental to ensure in general that the lease is properly administered and the LESSEE complies with all the provisions and conditions of the agreement.

2. THE RENTAL

2.1 The rental is an amount of R100 (One Hundred Rand per month and is payable to the LESSOR as follows:

The first monthly payment shall be the amount of R100.00 (One Hundred Rand) and shall be payable on or before the effective date.

2.3 All further payment shall be made on or before 7th (seventh) day of every month. After the 14th of the month, clause 4.1 and 4.2 as stated below will become applicable.

2.4 The rental shall be paid to the LESSOR at his offices as described in

Clause 9 of the Agreement.

2.5 All rent money shall be paid in cash in the official South African currency.

3. TERM OF THE LEASE.

3.1 The term of the lease of the stand shall commence on the effective date and shall, be subjected to the conditions of clause 4, continue for a period of **four (4)** months. after which it shall expire and the LESSEE shall on the expire date return the STAND to the LESSOR, provided that the LESSEE may if he or she so desires negotiate a new lease with the LESSOR at a new agreed rental and subject to conditions to be agreed at the time.

3.2 The LESSOR reserves the right to grant or refuse the LESSEE a further lease of the STAND but should a further lease be granted, the LESSOR further reserves the right to amend any of the terms and conditions of this agreement.

3.3. This Lease is not transferable and may not be sold. In the event of the LESSEE selling equipment or vacating the STAND the right to issue a license for the STAND will revert to the LESSOR.

4. BREACH OF CONTRACT.

4.1 Should any of the parties breach or contravene any of the terms or conditions of this agreement the aggrieved party shall be entitled to demand in writing

from the other party to remedy such breach within 7 (seven) days from the date on which such a demand has been made.

- 4.2 Should the party in breach fail to remedy such breach within the period mentioned in clause 4.1 the aggrieved party shall be entitled to cancel this agreement without further notice

5. INDEMNIFICATION.

The LESSEE hereby indemnifies the LESSOR against any claim(s), legal cost on attorney and client scale included, for damage caused to any property whether moveable or immovable, as well as against claims by third parties which may arise as a result of the LESSEE's occupation and use of the STAND, irrespective of such claims from any negligent act of omission to act by the LESSOR and/or his agent or employee(s)

6. ENTIRE AGREEMENT.

The parties hereby record and agree that this agreement and its Annexure constitute the entire agreement in respect of the STAND and that no amendments, declarations or additions thereto shall be of any legal force or effect unless in writing and signed by both parties as an Addendum to this Agreement.

7. SUB-LETTING.

It is an express condition of this agreement that the LESSEE shall not in any circumstances whatsoever have the rights to sub-let the STAND or any portion thereof and the LESSEE shall personally occupy the stand for at least 80 % of the time.

8. CANCELLATION.

Either party may cancel this agreement by giving the other party 1 (one) calendar month's written notice at his domicile as described in clause 9 of this Agreement

9. DOMICILIUM CITANDI ET EXECUTANDI.

The parties hereby choose their respective domiciles as follows:

9.1 The LESSOR

..
..
...

9.2 The LESSEE:

.....
.....
.....
.....
.....

**THUS DONE AND SIGNED AT PRETORIA ON THIS..... DAY
OF..... 200....**

As Witness:

1.....

2.....

LESSEE

**THUS DONE AND SIGNED AT PRETORIA ON THIS..... DAY
OF200...**

ON BEHALF OF ARCADIA CITY IMPROVEMENT DISTRICT

.....

LESSOR

As Witness:

1.....

2.....

ANNEXURE A

LESSEE's NAME:

STAND NO:.....

POSITION:.....

TYPE OF GOODS SOLD

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.

ANNEXURE A

MRS. EMILY ...

I.D. NO: ...

STAND NUMBER: **E00...**

FRUITS

VEGETABLES

SWEETS