

CATALYTIC AND STRATEGIC INVESTMENT PROJECTS



CITY OF
TSHWANE
IGNITING EXCELLENCE

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Union Buildings’ garden



Nelson Mandela statue, Union Buildings

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“The achievement of all our goals – whether it be bringing basic amenities previously denied to most of our people; achieving sustained growth and development to create jobs and resources; creating the conditions for safety and security; or building democracy and national unity – all these depend on the delivery of infrastructure and social services.”

President Nelson Mandela

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1 FOREWORD

1.1 FOREWORD BY THE EXECUTIVE MAYOR OF TSHWANE, COUNCILLOR SOLLY MSIMANGA

.....

As Executive Mayor of the capital city of South Africa, I am more than delighted to endorse this investment publication of the City of Tshwane. I am acutely pleased that this publication of crucial information about our city to potential investors takes place against the backdrop of a newly elected administration and an economy that has begun to rise from its slumber. This positions the City of Tshwane to advance its job creation agenda as well as reduce levels of poverty among our communities. The newly elected administration of Tshwane is committed towards ensuring faster and more effective implementation of its developmental programmes and the creation of a conducive environment for trade and investment.

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Solly Msimanga

Tshwane, as is the case with all major cities across the globe, will, however, in the future be faced with an array of new challenges. A recent McKinsey Global Institute publication entitled “No Ordinary Disruption” highlights four global megatrends that will shape the cities of the future. These include the age of urbanisation, higher degrees and faster rates of technological advances, an ageing world population and greater global connections, and facilitating increased global flows of trade, finance, people and data.

The City of Tshwane is committed to effectively leveraging research, technology, connectivity and innovation to propel the capital city to the very apex of the great cities of the future.

The Gross Domestic Product by Region (GDP-R) is projected at 0,9 percent per annum, which is considerably higher than the national average for 2016. Furthermore, Tshwane’s unemployment rate is approximately 22,3 percent, also lower than the national average, whilst the city-specific inflation figure is on par with that of the national average. This resilient and above-average economic performance enables the city to contribute at least 25 percent to Gauteng’s economy and over 9 percent to the national economy annually.

In order to increase the economic growth rate of the city it is important to institutionalise the investment facilitation process within the administration. This will improve the lack of synergy and coordination within municipal departments in implementing catalytic and strategic investment projects. A great deal of inefficiency existed in the City’s investment pipeline, characterised by a “silo mentality”. The establishment of a Strategic Investment Committee (STRIC) and the Joint Investment Committee (JIC) aims to create a more conducive investment environment by fast-tracking and reducing red tape and unnecessary bureaucracies with regard to the implementation of catalytic and strategic investment projects.

The city’s attractiveness, competitive edge and position as a leading destination for trade and investment are built on the back of the remake of the capital city through spatial development, transformation and densification initiatives, including revitalisation and development of new economic nodes that support transit-oriented development and public transport systems. This approach offers extensive opportunities for sustainable foreign investment in a number of innovative catalytic projects, of which most are highlighted in this publication.

1.2 FOREWORD BY THE MEMBER OF THE MAYORAL COMMITTEE FOR ECONOMIC DEVELOPMENT AND SPATIAL PLANNING, COUNCILLOR RANDALL WILLIAMS



The City of Tshwane is on course towards the development of a high-growth economy that is attractive to both domestic and foreign investors. This publication provides a rich source of information for business leaders, potential investors and entrepreneurs interested in doing business in the capital city. It highlights the city's growth potential, favorable business and investment environment, sector and industry potential and investment development incentives on offer. It further details certain catalytic and strategic investment opportunities and projects available within the city's high-growth sectors and industries.

By working with captains of industries and assisting businesses to realise their true growth potential, this newly appointed administration of Tshwane is fully geared towards positioning the city as the preferred destination for trade and investment and the gateway to Africa. To this end, we remain committed to investing heavily in economic infrastructure to provide a competitive business environment and ensure uninterrupted supply of municipal services.

The new leadership of the City of Tshwane has a vision to turn the city into a hub of opportunity that gives life to the rights and freedoms enshrined in the constitution of our country. To enable the city to be a job creation leader in South Africa, we are committing ourselves to a broad spectrum of creative and sustainable development projects. These include, amongst others, developing the advanced manufacturing sector in partnership with private investors to leverage off the city's research and development (R&D) capability, accelerating the inner city regeneration project aimed at redefining the look and feel of the African capital of excellence and supporting the automotive and aerospace industries to expedite their respective expansion programmes. In addition, a number of multibillion-rand mixed-use developments are also underway in the city. These include the Hazeldean development, the Menlyn Main development, which is set to become Africa's first green city, and the African Gateway, which will include the Tshwane International Convention Centre.

This publication aptly highlights the conduciveness of the city as a preferred destination for trade and investment. May it inspire you to make Tshwane your investment destination of choice in Africa.



Artist's impression: A future City of Tshwane



2 DESTINATION SOUTH AFRICA

South Africa is the powerhouse of Africa with the most advanced broad-based economy on the continent, a thriving democracy and infrastructure to match any first-world country. The country is blessed with an abundance of

natural resources, has well-developed financial, legal, communication, energy and transport

sectors and has the 33rd largest gross domestic product (GDP) in the world.

With a total land area of 1 219 090 km², South Africa is a medium-sized country. Its climate is mostly warm and sunny and it boasts a diverse landscape of semi-desert, mountainous, coastal, bushveld and subtropical terrain. South Africa is a nation of diversity with approximately 56 million people and a variety of cultures, languages as well as religious beliefs. Comprising a highly developed first-world infrastructure and a vibrant emerging market economy, South Africa is an investor's dream. The country offers sound macro-economic policies, a favourable business and legal environment, advantageous access to other markets in Africa,

excellent industrial capability and cutting-edge technology.

With a GDP of US\$314,4 billion, four times that of its Southern African neighbours and comprising 30 percent of the entire GDP of Africa, South Africa is the economic powerhouse of Africa. The country has a diverse economic base with key sectors contributing

to GDP as per Figure 2.1. The investment climate in South Africa reflects, in large measure, the trends of the global investment climate. According to the United Nations Conference on Trade and Development (UNCTAD), global Foreign Direct Investment (FDI) inflows fell by 16 percent in 2014 to US\$1,23 trillion, down from US\$1,47 trillion in 2013. The decline in FDI flows was influenced mainly by the fragility of the global economy and elevated geopolitical risks. However, while developed economies and economies-in-transition have witnessed significant declines in FDI, FDI flows to developing economies increased by 2 percent to a historically high level of US\$681 billion in 2014. Despite challenges emanating from slow growth,

South Africa ranks as the most attractive economy for investments destined for the continent.

Ernst and Young (EY) ranks South Africa, which is the continent's most industrialised and largest economy, as the most attractive investment destination in Africa in its 2015 Africa Attractiveness Index.

In order to stimulate and grow the economy of South Africa, a concerted effort is underway through the infrastructure development programme to ensure an efficient road, rail, air and port network system aimed at facilitating easy movement of goods and people in and out of the country. The country's economic integration efforts have resulted in the signing of the Tripartite Free Trade Area agreement with 26 member countries from three regional trading blocks: Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and East African Community (EAC). This, coupled with membership of the Brazil, Russia, India, China and South Africa (BRICS) community, as well as strategic links with both Europe and the East, ensures that South Africa is well positioned to pursue mutually beneficial interests.

SOUTH AFRICA AT A GLANCE:

AREA

1 219 090 km²

POPULATION

55,91 million (mid-2016)

CURRENCY

ZAR (South African Rand)

TIME

GMT + 2 hrs

HEAD OF STATE

President Jacob Gedleyihlekisa Zuma

LANGUAGES

11 official languages with English the business language

TOTAL GDP

US\$314,4 billion (2015)

GDP PER CAPITA

US\$65 622,41 (2015)

REAL GDP GROWTH

1,2% (2015 annual average at 2010 constant prices)

INFLATION (CPI)

6,4%

MAIN EXPORTS

Minerals and mineral products, precious metals and metal products, chemical and food products, automotive and automotive components

MAIN TRADING PARTNERS

Germany, USA, China, Japan, Botswana and Namibia



South African flag

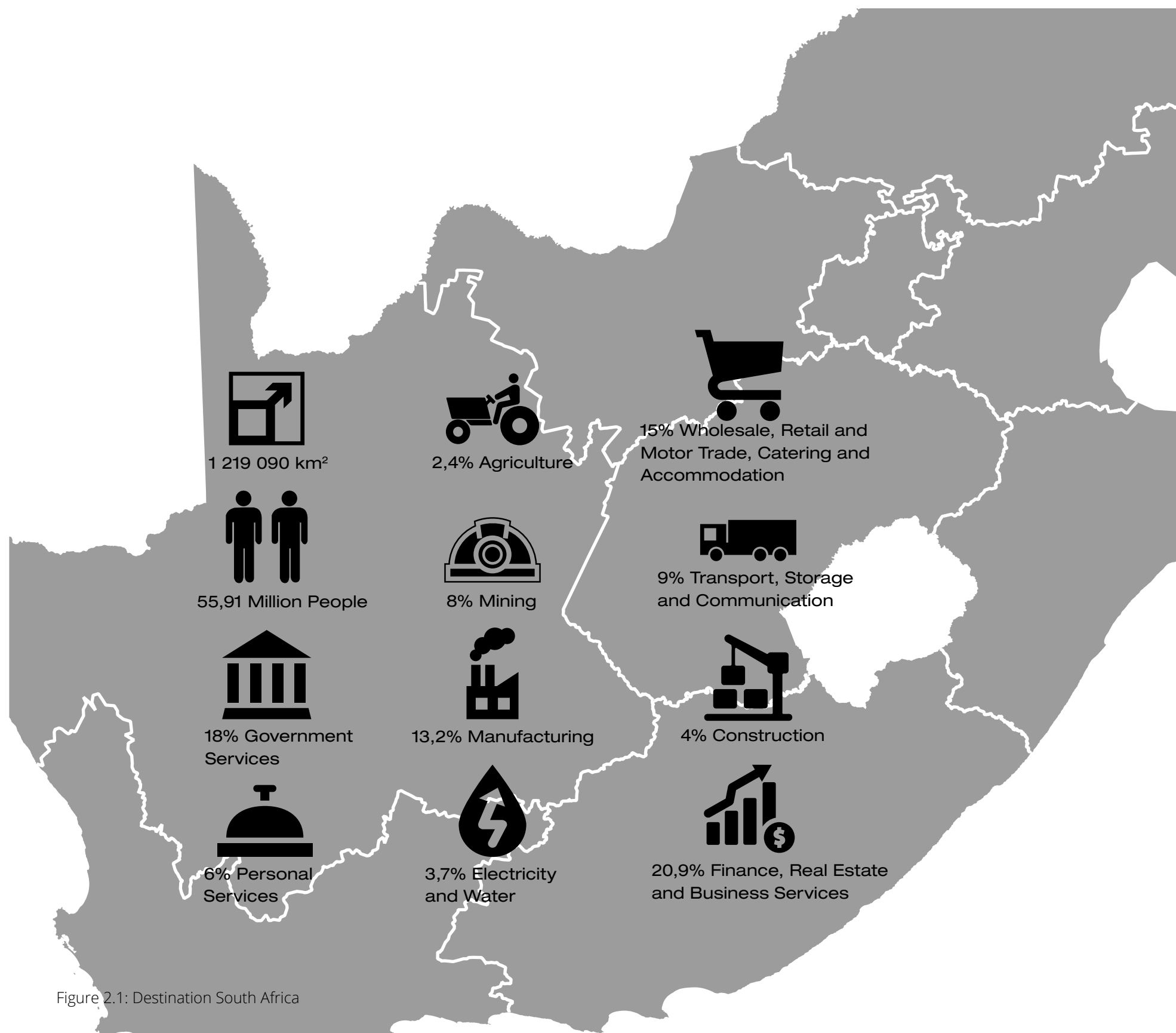


Figure 2.1: Destination South Africa

3 GAUTENG CITY REGION

The Gauteng city Region is an integrated cluster of cities, towns and urban nodes that together form the economic heartland of

South Africa. **Gauteng**, is South Africa's smallest, but most densely populated province. Gauteng includes the cities of Johannesburg, once the world's most important centre of gold production and today South Africa's financial capital, and Tshwane, the capital city and centre of government. With only 1,4 percent of South Africa's total land area, Gauteng contributes around 35,3 percent to the national economy and some 10 percent to the GDP of the entire African continent. Gauteng (Sesotho for "place of gold") accounts for 40 percent of the world's gold reserves and is built on the wealth of gold found deep underground.

The urban metropolis extends virtually uninterrupted east and west of Johannesburg through a number of towns, namely Roodepoort and Krugersdorp to the west, and Germiston, Springs, Boksburg and Benoni to the east. To the north is Tshwane, the capital of South Africa. Tshwane is dominated

by **government services and the foreign diplomatic corps.**

It is also known for its colourful gardens, shrubs and trees, particularly beautiful in spring when thousands of jacaranda trees envelop the avenues in mauve.



Pretoria central business district (CBD)

GAUTENG QUICK FACTS

LANGUAGES

19,8% isiZulu, 13,3% English, 12,4% Afrikaans, 11,6% Sesotho

POPULATION

13 151 316

SHARE OF SOUTH AFRICA'S

POPULATION

24%

AREA

19 055 km²

SHARE OF SOUTH AFRICA'S

TOTAL LAND AREA

1,4%

INFRASTRUCTURE

Modern roads and freeway network, global telecommunications, convention and conference centres, major hotels, good housing, health care facilities, schools and universities, modern shopping centres and malls

MAJOR ECONOMIC ACTIVITIES

Finance, property, trade, manufacturing, business services

INVESTMENT OPPORTUNITIES

Tourism, manufacturing – including automotive and related components, construction, biotechnology, film production, call centres, agro-processing, information and communication technologies as well as pharmaceuticals

While Gauteng is the country’s smallest province, it has the largest population, and by far the

highest population density

– around 690 people per km². The province boasts a comparatively wealthy consumer base with a population that comprises, on average, both the highest earners and most consumers on the continent. A summer rainfall area, Gauteng has hot summers and cold winters with frost. Although the province is highly urbanised and industrialised, it contains wetlands of international importance, such as Blesbokspruit near Springs, and is also home to the Cradle of Humankind, one of South Africa’s eight UNESCO World Heritage Sites. The region of Sterkfontein, Swartkrans, Kromdraai and environs has one of the world’s richest concentrations of hominid fossils, evidence of human evolution over the past 3,5 million years.

Gauteng is the financial capital of Africa. More than 70 foreign banks have offices in the province. Gauteng is also home to a large number of South African banks, stockbrokers and insurance giants. The Johannesburg Stock Exchange (JSE) in Johannesburg is the largest securities exchange in Africa. The province’s economy is moving away from traditional heavy industry markets and low value-added production towards sophisticated, high value-added production, particularly in information technology, telecoms and other high-tech industries.

The province has the best telecommunications and technology on the continent, with correspondents for the world’s major media stationed here, as well as South Africa’s five television stations. Gauteng also has the highest concentration of radio, internet and print media in Africa. Manufacturing includes basic iron and steel, fabricated and metal products, food, machinery, electrical machinery, appliances and electrical supplies, vehicle parts and accessories, and chemical products.

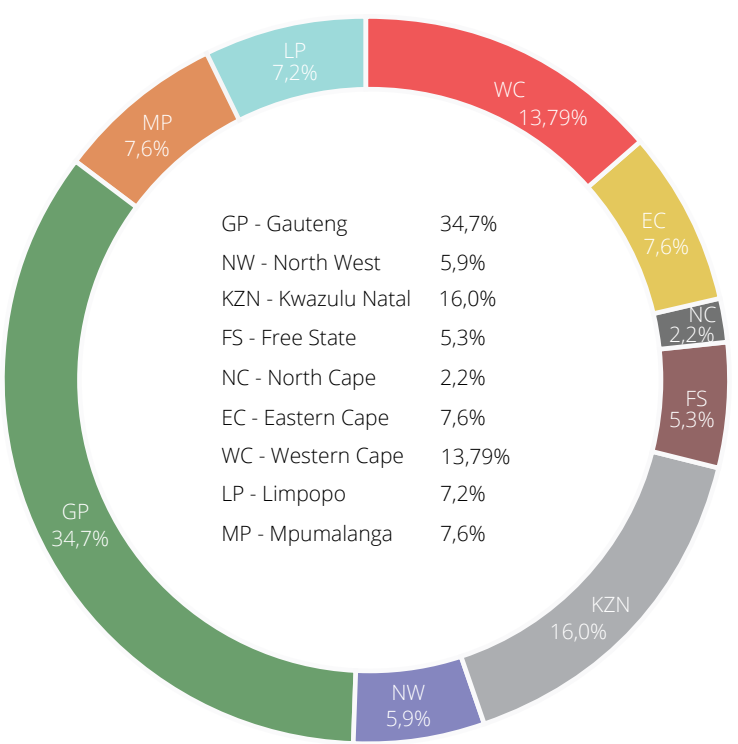


Figure 3.1: 2015 Percentage GDP contribution by province

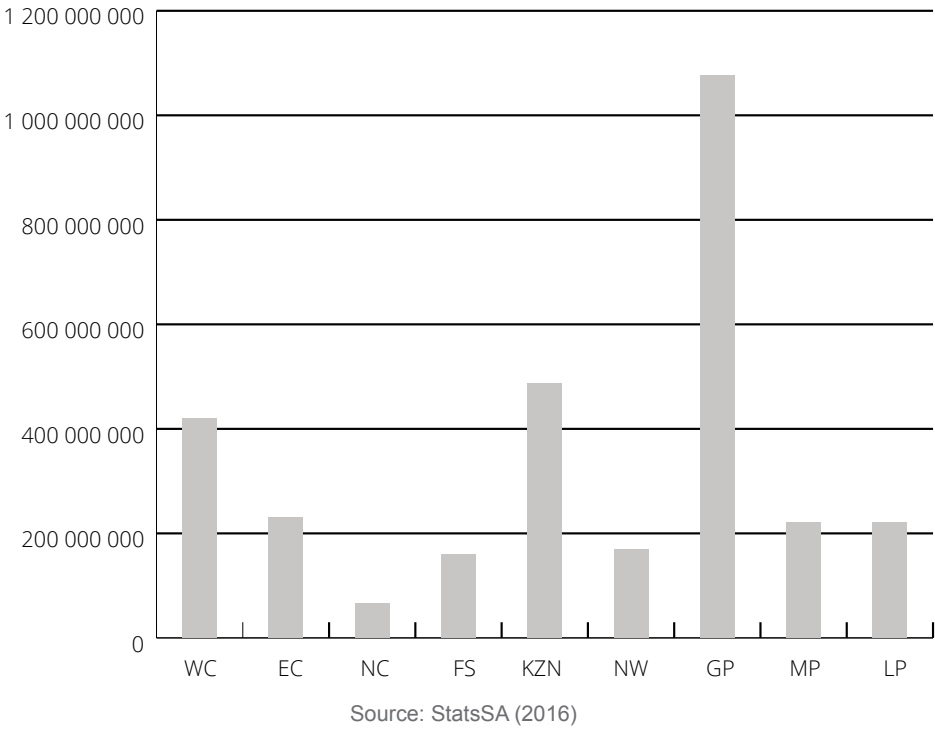


Figure 3.2: GDP by province (2016) rand million

A major contributor to the national GDP,

the Gauteng economy is the driving force behind the South African economy. Gauteng is also the economic and industrial hub of the SADC region and is a significant player in Africa’s rising economic fortunes, accounting for more than 10 percent of Africa’s GDP. Research detailed in an Ernst and Young Survey (2014) shows that since 2010, Gauteng has been the most popular foreign investment destination for projects in Africa.

Gauteng has always played a significant role in the national economy. Figure 3.1 illustrates Gauteng’s contribution to national GDP and compares this to average contributions by other provinces for the period 2004 to 2014. From 34,1 percent in 2004, the province’s relative contribution increased steadily to 35,3 percent in 2015. On average, the relative contribution of Gauteng to the national economy is more than one-third over the period under review.

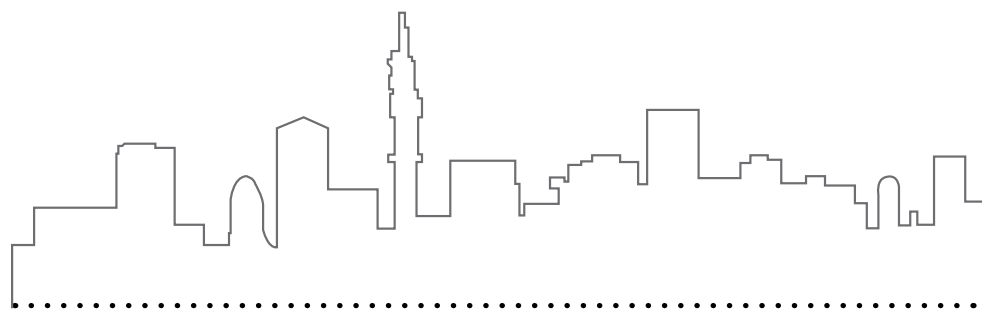
Gauteng outperforms other provinces in a number of key economic indicators. The province has continuously outperformed South Africa’s other eight provinces when measured in terms of their respective provincial contributions to national GDP and in comparisons of provincial real annual economic growth rates. Average growth rates in Gauteng have comfortably exceeded the national average in the past decade.

The province’s annual average growth rate between

1996 and 2015 was 3,11 percent above the national average of 2,8 percent.

4 TSHWANE

4.1 OVERVIEW



“The city is one of the highest pinnacles of human creation ... cities have the power to innovate, generate wealth, enhance quality of life and accommodate more people within a smaller carbon footprint.” (UN-Habitat, 2012)



The world's urban population grew from 220 million to 2,8 billion in the 20th century. Currently, half of the world's human population lives in urban areas. The next few decades will see an unprecedented scale of urban growth with almost 5 billion people living in cities by 2030. Such rapid urban expansion will be particularly notable in Africa and Asia where the urban population is expected to double.

Cities are the engine of economic development, as they provide economies of scale, agglomeration and efficient infrastructure and services. Cities provide large efficiency benefits, which result in unprecedented gains in productivity and competitiveness. Cities are the centres of knowledge, innovation and specialisation of production and services, which

facilitate **creative thinking and innovation.**

Because the production of goods and services are more efficient in a high-density urban environment, cities also facilitate trade and commerce by providing super market places. Cities are the agents of social, cultural, economic, technological and political changes and advancement.

As the axis of the world economy shifts eastwards and southwards and as globalisation erodes national borders, cities are fast becoming key nodes of the global economy. As a result, multinational companies (MNCs) are increasingly assessing and comparing the attractiveness of cities rather than countries when considering where to locate a new or expansion project. Given the role and importance of cities, a concerted effort is underway by the City of Tshwane to remake

the capital city through spatial development, transformation and densification initiatives, including revitalisation and development of new economic nodes that support transit-oriented development and public transport systems.

The City of Tshwane is classified as a

Category A, Grade 6 urban municipality

by the Municipal Demarcation Board in terms of Section 4 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998). The Municipality was established on 5 December 2000 through the integration of various municipalities and councils that had previously served the greater Pretoria and surrounding areas.

Tshwane lies in the northern quadrant of Gauteng and at the confluence of the N1 and N4 national roads. It is centrally positioned on two major arteries of the Southern African region. Stretching from the west coast to the east coast of Southern Africa, the Platinum Corridor (N4) intersects with the north-south route (N1) that links Africa from Cape Town to Cairo. The city covers 6 368 km² of Gauteng's 19 055 km² and stretches almost 121 km from east to west and 108 km from north to

south, making it the **third-largest city in the world** in terms of land area after New York and Tokyo/Yokohama. Tshwane is a prime business region strategically positioned in the heart of South Africa and in the centre of the most prosperous region of the country. The city borders on three of South Africa's nine provinces that have direct access to neighbouring SADC countries, offering quick and easy penetration of a growing regional market of more than 250 million people.

As the capital city, Tshwane is the proud host of the country's national government and houses the ministries and head offices of all national government departments. Tshwane is also host to the largest number of embassies (138) in the world, after Washington DC. The South African and African offices of numerous international organisations such as the African Development Bank, World Bank, International Labour Organization, International Monetary Fund, United Nations Industrial Development Organization and the World Health Organization, to name a few, are based in Tshwane. The large number of foreign officials stationed at these embassies and offices adds to the melting pot of cultures in the city. Almost half (48 percent) of South Africa's research and development output takes place in Tshwane.



Union Buildings

Leading research institutions such as the Council for Scientific and Industrial Research, the Agricultural Research Council and the Onderstepoort Veterinary Institute are all based in the city. The Innovation Hub in the city is Africa's first internationally accredited science park and a full member of the International Association of Science Parks. It has become a regional centre of innovation and knowledge creation, linked to the fast-moving world of global interconnectivity and made up of small, medium and micro-enterprises and multinational companies, employing over 1 000 people.

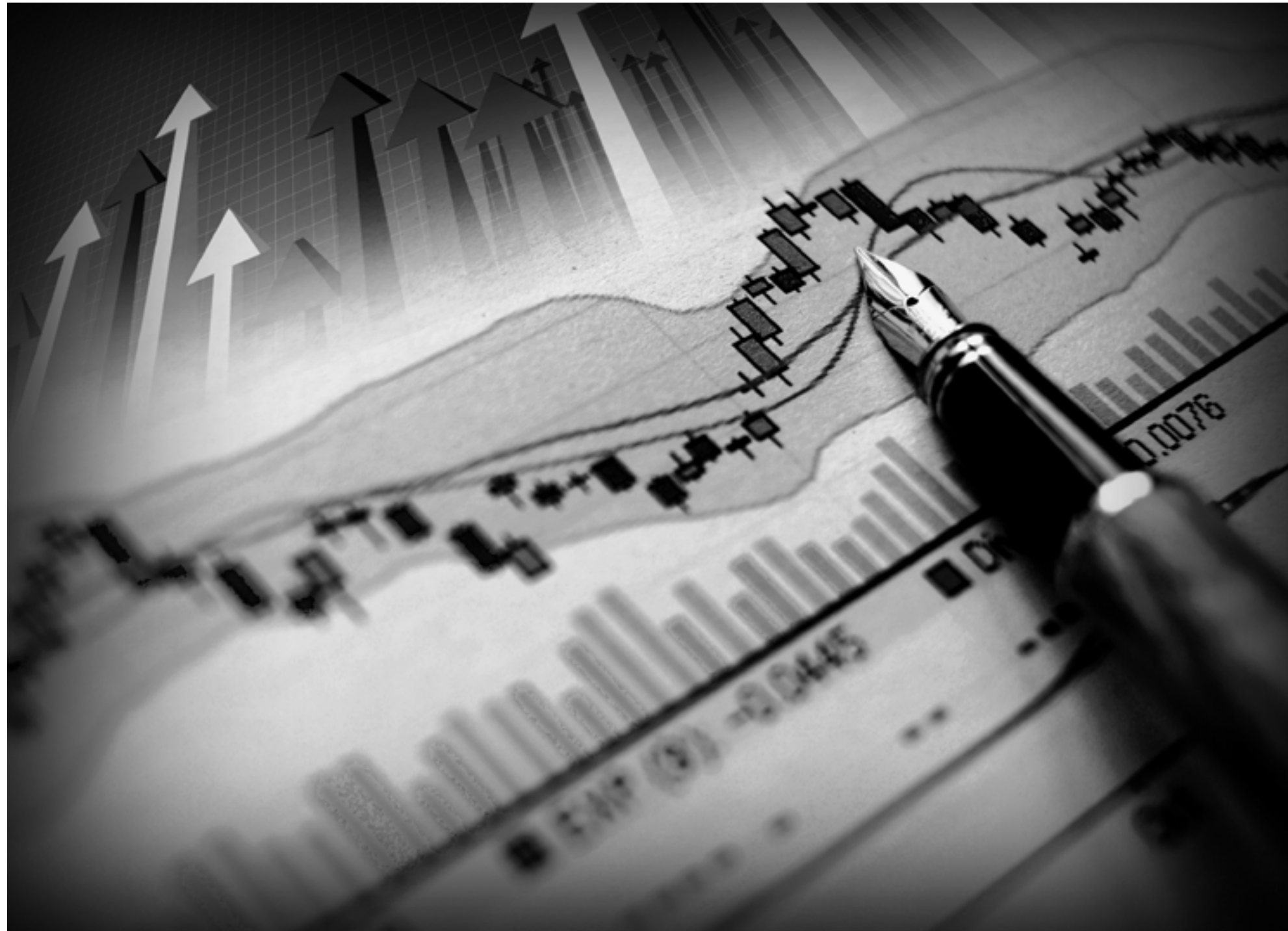
Tshwane offers the highest quality of life in the province. The Gauteng City Region Observatory Quality of Life (QoL) Survey, which measures the quality of life from a work, socio - political, global, security, connectivity, community, family, dwelling, health and infrastructure perspective found Tshwane to be the best city to live in across the Gauteng City Region (GCR). Tshwane is home to some of the most important educational and health centres in the country and boasts the largest residential university in South Africa, the University of Pretoria, and what is believed to be the

largest correspondence university in the world, the University of South Africa (UNISA).

Tshwane's excellent economic infrastructure and ongoing infrastructure upgrades, together with low operating costs, offer discerning investors a favourable investment environment. This, coupled with other important rail and road networks, makes the city an ideal export and import hub, as well as the perfect springboard into the global market. Efficient supply of water, power and bulk infrastructure, coupled with favourable climatic conditions and affordable industrial sites and office space,

makes **Tshwane the preferred destination** for trade and investment.

4.2 QUICK FACTS – TSHWANE BY NUMBERS



MAJOR RESIDENTIAL AREAS

Akasia, Atteridgeville, Babelegi, Bronberg, Bronkhorstspuit, Centurion, Crocodile River, Cullinan, Eersterust, Ekangala, Elands River, Ga-Rankuwa, Hammanskraal, Laudium, Mamelodi, Pretoria, Rayton, Refilwe, Rethabiseng, Roodeplaat, Soshanguve, Temba, Winterveld, Zithobeni and Pretoria East

POPULATION

3,16 million (2015)

POPULATION GROWTH

2,8% (1996-2015)

AREA

6 368 km², largest city in Africa and third-largest in the world based on land size

OPERATING BUDGET

R25,1 billion (2016/17)

CAPITAL BUDGET

R4,5 billion (2016/17)

MUNICIPAL AREA GGP

R267,9 billion (2010 constant prices)

GGP PER CAPITA

R84 749

GGP GROWTH

1,1% (2015)

PRINCIPAL LANGUAGES

English, Afrikaans, Northern Sotho, Xitsonga and Setswana

INDUSTRIAL ESTATES

Babelegi, Despatch, Ekandustria, Ga-Rankuwa, Gateway, Hennospark, Hermanstad, Irene, Kirkney, Klerksoord, Koedoespoort, Lyttelton Manor, Pretoria North, Pretoria West, Rooihuiskraal, Rosslyn, Samcor Park, Silverton, Silvertondale, Sunderland Ridge, Waltloo

PRINCIPAL ECONOMIC ACTIVITIES

The main sectors contributing to economic activities in Tshwane are the government and community services sector (33,4%), finance, business and insurance services sector (24,7%), trade sector (12,1%) and transport sector (12,0%), supported by a strong manufacturing sector, particularly the automotive manufacturing industry.

INFRASTRUCTURE

The city is serviced by modern road, rail and air transportation networks. It offers reliable water, electricity, sewer and communication networks. It houses a wide range of accommodation and conferencing options.

The city also has an abundance of health care facilities and related services and offers a variety of upmarket shopping centres. It has a licensed national airport (Wonderboom Airport) and is close to the OR Tambo International Airport and the Lanseria International Airport.

ECONOMIC FOCUS SECTORS

- Tourism and downstream activities
- Automotive and components industry
- Manufacturing
- Aerospace and defence-related technologies
- Business process outsourcing and offshoring (BPO)
- Urban agriculture and agro-processing
- Research, innovation, education and knowledge
- Alternative and renewable energy
- Mining and beneficiation

INTERESTING FACTS ABOUT TSHWANE

- Home to 138 foreign missions and organisations
- Highest concentration of medical institutions per km² in RSA
- Knowledge and R&D capital of RSA
- 25% of Gauteng's GDP (2015)
- 9% of RSA GDP (2015)
- 53% of transport equipment export (2013)



4.3 SHAPING THE ECONOMIC FUTURE OF TSHWANE

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“The successful realisation of Tshwane’s growth potential is essential to ensure that the city is liveable, resilient and inclusive and its citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms and are partners in the development of the African capital city of excellence.”
.....

The City of Tshwane is committed to developing an economic future that is inclusive, diversified and competitive. To successfully realise this goal requires a strategic approach that identifies and nurtures the very best growth opportunities. Proper strategic planning and integrated environmental thinking are also imperative to enable and empower Tshwane and its surrounds to cope with the demands of future growth and to ensure that all citizens share in the city’s prosperity. The backbone of this approach is the 2016-20 Integrated Development Plan (IDP) devised to constructively implement the different programmes aimed at guiding future growth.

The primary function of this developmental approach is to overcome tendencies of fragmentation and ensure that all structures of civil society, community-based organisations and private business are coordinated around the implementation of agreed short- to long-term priorities. In order to achieve the outcomes of the envisaged future growth expectations the strategic priority interventions or programmes must be measurable, achievable, time-bound, accompanied by budget and supported by a capable institution to facilitate implementation. The primary building blocks for a healthy and progressive future economy will be resilience and resource-efficiency, growth that is inclusive, diversified and competitive, quality infrastructure development that supports liveable communities, social cohesion and safety, excellence and innovation in governance solutions and a civil partnership for solving social challenges.



Artist’s impression: Future Tshwane



Artist’s impression: Future Tshwane



Artist's impression: Future Tshwane

4.4 ECONOMIC OVERVIEW

In 2011, Tshwane's **Gross Value Added (GVA)**, the city equivalent of the economic activity measure of national Gross Domestic Product (GDP), was just **over R216 billion** (2010 constant prices), with an annual growth rate of 5,1 percent after recovering from the global financial crisis the previous year. In 2015, the GVA of the city was more than R245 billion, representing an increase of more than 13,4 percent over the 2011–2015 period. The 2016 growth rate was estimated to be 1,1 percent, well over the national growth rate in the same period. It should be noted that Tshwane's average growth rate over the past decade exceeded 4,0 percent, making it the economically best performing city in South Africa. This resilient and above-average economic performance enables Tshwane to contribute at least 25 percent to Gauteng's economy, and over 9,0 percent to the national economy annually. The main sectors contributing to economic activities in Tshwane are the government and community services sector (33,4%), finance, business and insurance services sector (24,7%), trade sector (12,1%) and transport sector (12,0%), supported by a strong manufacturing sector, particularly the automotive manufacturing industry. Tshwane continues to be a diverse and culturally vibrant capital city.

In 2011, the city had a population of just under 2,9 million and in 2015 the population estimate for Tshwane was 3,16 million. This represents a positive population growth for the period 2011–2015 of almost 8,97 percent. The city is blessed with a "youth bulge", as more than 66,0 percent of residents are under the age of 35 and specifically more than 35,0 percent of city residents are between the ages of 15 and 34. This implies that the city has more than 1 100 000 young people, which bodes well for the economic future of the city.

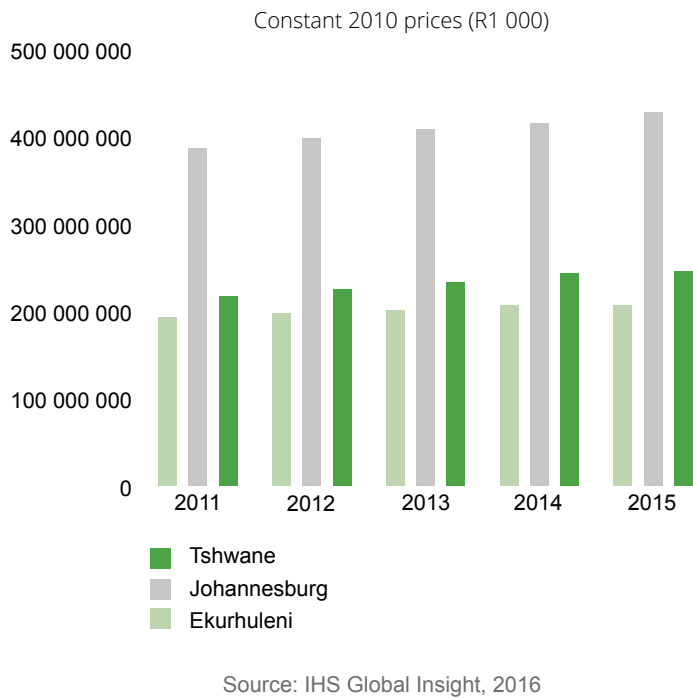


Figure 4.4.1: Constant 2010 prices (R1 000)



Figure 4.4.2: Average Annual Growth (constant 2005 prices)





Menlyn Maine

4.5 PRIORITY ECONOMIC SECTORS



Dinokeng Nature Reserve

4.5.1 TOURISM AND DOWNSTREAM ACTIVITIES

Tshwane is a cosmopolitan city with a rich heritage and cultural diversity. It is also the diplomatic capital of South Africa. Owing to its location, heritage and economic activity, it attracts travellers of all kinds – business, leisure and health treatment seekers. The city is also the administrative and academic capital of South Africa and has a well-developed knowledge and information industry. Its abundance and variety of conference facilities close to business centres or in peaceful and natural surroundings can accommodate large and small groups of delegates. Visitors can stay in any of Tshwane's high-class accommodation establishments. These range from the five-star Sheraton Hotel, with its view of the iconic Union Buildings, to numerous graded hotels, guest houses and lodges situated throughout the city. In total, more than 7 000 rooms, 400 conference facilities and hundreds of restaurants are available in Tshwane.

Tshwane offers its visitors numerous tourist attractions, including cultural and heritage sites, nature and game reserves, zoological and botanical gardens and museums. Tshwane is also a major shopping destination. The trade sector alone contributes about 12,1 percent to Tshwane's economy. The city offers more than 2 000 000 m² of retail space and some of the largest shopping malls in the southern hemisphere. These include Menlyn Shopping Centre (119 124 m²) and Centurion Mall (104 701 m²). The retail outlets are modern and spacious and allow for shopping, dining, entertainment, banking and beautification. The affordable private health infrastructure in Tshwane also attracts a significant number of foreign visitors. Major sporting facilities include world-class cricket, soccer and rugby facilities, the High Performance Centre at the University of Pretoria, and the Pilditch Athletics Stadium. In addition, Tshwane has a number of golf courses and regularly organises mass cycling, running and walking events. Large numbers of motor sport enthusiasts regularly attend motor racing at the Zwartkops International World of Motoring in the city.

4.5.2 AUTOMOTIVE AND COMPONENTS INDUSTRY

The automotive and components industry in South Africa is a major contributor to the economy and export earnings. Its representation in Gauteng is larger than that in Ireland, Malaysia or Israel. The heart of the automotive industry in Gauteng is in Tshwane. The city hosts four of the major vehicle manufacturers in the country, namely Nissan, BMW, MAN, Ford, Iveco, UD Trucks and Tata. The Tshwane automotive and components industry has an annual turnover of approximately R30 billion. The industry generates a quarter of the manufacturing sector's value add and contributes about 3,3 percent to the city's economy. It employs almost 30 000 people and accounts for at least 35 percent of the national export of passenger vehicles.

The highest concentration of automotive and component manufacturers in the City of Tshwane is found in the Rosslyn industrial area situated north-west of the CBD. The Automotive Supplier Park is also situated in Rosslyn and is close to major transport routes and two vehicle manufacturers – BMW and Nissan. The Park boasts state-of-the-art infrastructure for information and communication technology, a container terminal, which handles all inbound and outbound container traffic, and a logistics centre with a 34 000 m² warehouse. The Automotive Industry Development Centre is also located at the Automotive Supplier Park.

There are significant investment opportunities for expansion at the facility. The Automotive Supplier Park comprises about 130 ha and is being developed in phases. The first two phases have been completed and include about 100 000 m² of industrial space. Its tenants supply automotive components and modules to manufacturers such as BMW, Nissan and Ford. A satellite supplier park is planned for Silverton, east of the CBD, near the Ford manufacturing facility. Plans are in the pipeline to expand this facility to accommodate larger component manufacturers.

4.5.3 MANUFACTURING

The steel industry in the city is ranked second to the automotive industry in terms of contribution to the manufacturing sector. The products manufactured in this sub-sector include steel furniture, steel road wheels, steel houses, steel roof sheeting, boilers and other final products. Moreover, the steel industry supplies a large proportion of its intermediate products to the automotive sector and has linkages with the machinery and equipment industries.

The capital equipment industry plays an important role in providing equipment to other sectors in the economy. Its outputs ensure the continuous operation of the manufacturing sector and the maintenance and operation of public infrastructure. The sector's proximity to its consumers allows just-in-time production processes and a supply chain network that saves customers time and money. Opportunities in this sector are plentiful and include general and special-purpose machinery, specifically in the non-automotive fields. With its excellent transport network, strong fashion sense, proximity to precious metal deposits and accessibility to international and domestic markets, the city has a fast-developing jewellery manufacturing subsector. The city has a number of jewellery laboratories and the constant supply of innovative ideas from graduates of the Hans Merensky Platinum Jewellery Studio is advantageous for jewellery manufacturing.

The city is the ideal place for investment in the cosmeceutical industry, as knowledge and institutional support are readily available within its boundaries from:

- The Tshwane University of Technology with its strong focus on research and development in the cosmeceutical field;
- Access to Prof Namrita Lall, a well-known medicinal plant scientist at the Department of Botany at the University of Pretoria; and
- The Council for Scientific and Industrial Research, which offers research and post-research support.

Given the increasing interest in African fashion designs, the diverse culture of the country, and the growing fashion hype in South Africa, the city offers many opportunities in the clothing industry especially with regards to the high-end export market. The industry is supported by the knowledge base available at the Department of Textile Design and Technology at the Tshwane University of Technology.

The city is not only situated close to the cattle and game farming regions of South Africa, but also houses industries that use leather as an intermediate product. The automotive, furniture, and clothing and footwear sectors all offer investment opportunities with the potential to expand into upstream and downstream activities.

Owing to its central location and the presence of international corporations, pharmaceutical and medical equipment manufacturers in the city are strong competition for similar businesses elsewhere in Gauteng and South Africa. The city's manufacturers competitive advantage lies in their easy access to the local research and development facilities.

The city has a prominent chemicals industry that produces products such as plastic moulds, rubber and foam products, packaging and paints. The key advantages of this industry in the city are its closeness to the domestic market and chemical clusters in the adjacent areas. Given the strategic location of the City relative to the ports of entry and transport networks, this industry has great potential to expand into international markets.



Manufacturing

4.5.4 AEROSPACE AND DEFENCE-RELATED TECHNOLOGIES

The City of Tshwane is the key node in aerospace and defence-related technology development in South Africa. More than 30% of aerospace activities are located in the city. The foundation of the aerospace cluster in Tshwane is the Department of Defence and the Air Force headquarters. However, the cluster itself comprises numerous small and large companies, publicly and privately owned, representing the largest concentration of knowledge, expertise and manufacturing capacity in this field in the country.

The key role-players in the aerospace cluster in Tshwane include the Armaments Corporation of South Africa, Denel Dynamics, the Council for Scientific and Industrial Research, and Aerosud. They are supported by a number of small private enterprises providing engineering and specialist services. Although companies operating in the aerospace industry are spread across the city, several are found near Wonderboom Airport, the Council for Scientific and Industrial Research, the Innovation Hub and Centurion.

The Centurion Aerospace Village is located to the south of the CBD. Its objectives include the development, construction and operation of an Aerospace Supplier Park, the boosting of small and medium enterprises and black empowerment companies, and the repositioning of the aviation sector to ensure participation in the global aviation market.



Aerospace

4.5.5 BUSINESS PROCESS OUTSOURCING (BPO)

Gauteng has already established itself as the biggest BPO hub in the country, hosting over 60 percent of all call centres in South Africa. Johannesburg has been at the forefront of this trend, but the City of Tshwane has everything that is required to become a prominent player in this industry – high literacy, a large concentration of financial and business services, and the support of educational institutions. It also has a powerful communication infrastructure and a strong cluster of vendors, including National and Local Government.

The City of Tshwane is about to finalise a compelling BPO strategy. Coupled to this, it is about to roll-out state-of-the-art communication infrastructure with the capacity to provide broadband digital transfer on fibre-optic lines linked to the electricity network. This initiative offers significant opportunities for building on the city's existing capital investment and reduce communication transaction costs.

4.5.6 URBAN AGRICULTURE AND AGRO-PROCESSING

The role of agricultural development in the City of Tshwane is to support a sustainable city economy. There are eleven main agro-processing subsectors in the city's agricultural sector, namely dairy processing, meat processing, leather and hides, prepared animal feeds, wineries, distillers and breweries, beverages, pharmaceuticals, essential oils, biofuels, grain milling, and bakery products. Opportunities for expansion, development and investment exist in each of the subsectors.

Tshwane's Fresh Produce Market has a national and international client base. On the procurement side, produce is obtained from producers countrywide while on the supply side, the market is supported by buyers from all walks of life in South Africa and neighbouring countries. In terms of turnover, the Tshwane Market is the second largest market in South Africa and holds a 16,87 percent market share of the total turnover of the seventeen fresh produce markets in the country. It has a ripening centre of 6 377 m² floor space, with 49 rooms and a capacity of 60 380 boxes per week. The market has a good standing in the fresh produce industry and is known for its modern and clean facilities.



4.5.7 RESEARCH, INNOVATION, EDUCATION AND KNOWLEDGE

Knowledge and information are the key commodities in any modern economy. The City of Tshwane boasts an abundance of research, innovation, education and knowledge capacity. The scientific and technology research and development undertaken in Tshwane position the city as a major research centre in the global arena. Much of this research focuses on manufacturing, but a significant proportion is also linked to the medical and humanities spheres. Some of the major research and development role-players situated in Tshwane are the National Research Foundation, Agricultural Research Council, Sefako Makgatho Health Sciences University, Tshwane University of Technology, University of South Africa, University of Pretoria, Onderstepoort Veterinary Institute, Council for Scientific and Industrial Research, Human Sciences Research Council, Water Research Commission, National Botanical Gardens, National Zoological Gardens, Technology and Human Resources for Industry Programme, South African Nuclear Energy Corporation and the Council for Geoscience.

The Onderstepoort Veterinary Institute is a world-renowned veterinary research house. Research activities focus on the development and improvement of vaccines and diagnostic tests, applying the latest molecular biological techniques. Onderstepoort Biological Products (OBP), which is committed to ongoing research and new product development, provides animal vaccines to local as well as international markets.

4.5.8 ALTERNATIVE AND RENEWABLE ENERGY

Tshwane has acknowledged the need for a green city and is actively supporting a move to alternative and renewable energy. This will significantly reduce the impact of conventional energy generation on the environment while reducing the cost of electricity to the end consumer. This is in line with Tshwane’s vision to create jobs, lower carbon emissions and reduce the consumption of coal-generated electricity. The city has recently implemented a solar geyser heating programme. This will help to protect the environment and support the manufacture of solar heating equipment.

Investing in renewable energy technologies is a “win-win-win” scenario: a win for energy security, a win for the economy and a win for the climate. While “business as usual” scenarios such as those of the International Energy Agency and the South African long-term mitigation scenarios come at the cost of the climate and the economy, the energy revolution makes a clear case for “business unusual”, demonstrating that the global market for renewable energy could grow at double-digit rates until 2050, and overtake the size of today’s fossil fuel industry.



Renewable energy

4.5.9 MINING AND BENEFICIATION

Mining and related sectors play a minor role in terms of contribution to the City of Tshwane’s GDP. Investment opportunities do, however, exist in downstream beneficiation in the industry, as well as support services to mining companies and operations in adjacent regions.

The city is an ideal location for jewellery manufacturers, given its central position with respect to deposits of the Platinum Group Metals (PGMs), gold and diamonds, mined in the provinces of North West, Limpopo and other parts of Gauteng. The city already hosts numerous jewellery laboratories and receives designers from various tertiary institutions in this field.

Opportunities also exist in the metal and metal products industry, which is the most important economic activity in most of the city’s industrial estates. The high concentration of steel manufacturing companies in the city mainly produce steel products for the construction and the automotive sectors through intermediate product supplies.

Current developments include a chemical plant adjacent to the Vergenoeg Fluorspar Mine – a key producer of fluorspar in South Africa. The Wallmansthal Fluorspar Project is another project being developed in this sector. The project is owned by Sephaku Fluoride, who also owns the nearby Nokeng Mine, for which it raised R1 billion last year. Open-pit mining at the Wallmansthal Fluorspar Project is expected to commence in the 2017/18 financial year.



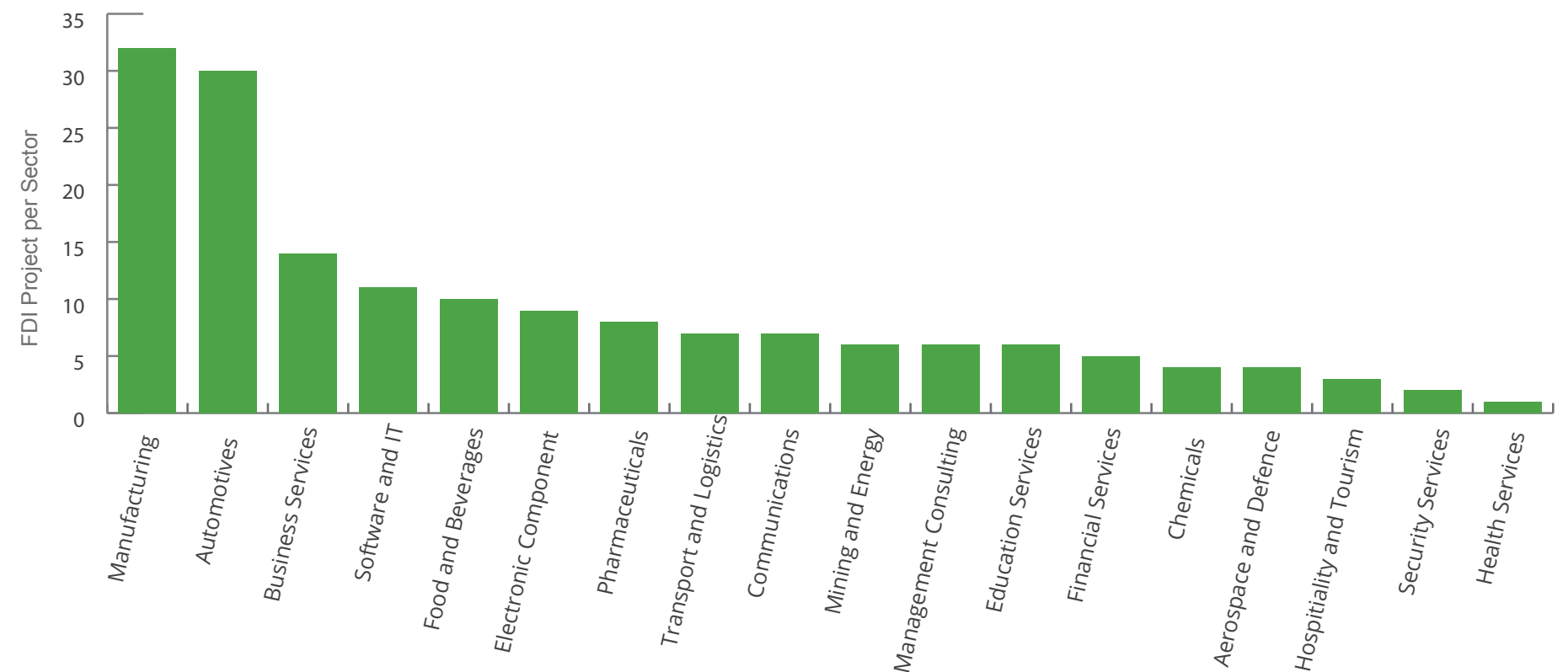
Mining

4.6 TRADE AND INVESTMENT TRENDS

The Tshwane Investment Attraction, Facilitation and Aftercare Strategy (2011 - 2016) was aimed at **attracting both foreign and domestic investment** into the city. The implementation of the strategy has resulted in attracting a full spectrum of investors, ranging from small companies with operations in one or two regions to global multinationals, investing in the city. Some of the city's investors are domiciled in the 21 industrial parks and the three science parks, namely, the CSIR, Innovation Hub and Scientia Park in the east of the city. A significant number of investors also operate within secluded business office parks in different areas of the city.

The composition of **Foreign Direct Investment (FDI)** in the city is skewed towards the automotive sector. This is due to the presence of a significant automotive cluster comprising a number of OEMs and component manufacturers. Other sectors that were major recipients of FDI (in terms of number of projects) since 2009 were pharmaceuticals, software and IT services, the business services sector, and the communications sector. In terms of value, pharmaceuticals, communications, chemicals, mining, and energy were the leading investment sectors. It must be noted that repeat investment in the city has been very important in the structure of FDI and related stock.

Recent major investment announcements by the automotive, agro-processing and real estate development sectors are testament to this.



Source: City of Tshwane Investment Outlook Survey

Figure 4.6.1: Tshwane FDI sectoral composition



South African Currency

Key international trading partners

of the city (besides other African countries) include China, the United States, Germany, Japan and the United Kingdom. Main exports are metals and mineral, while key imports include vehicles and parts, accessories, electrical machinery and equipment, boilers, machinery and mechanical appliances.

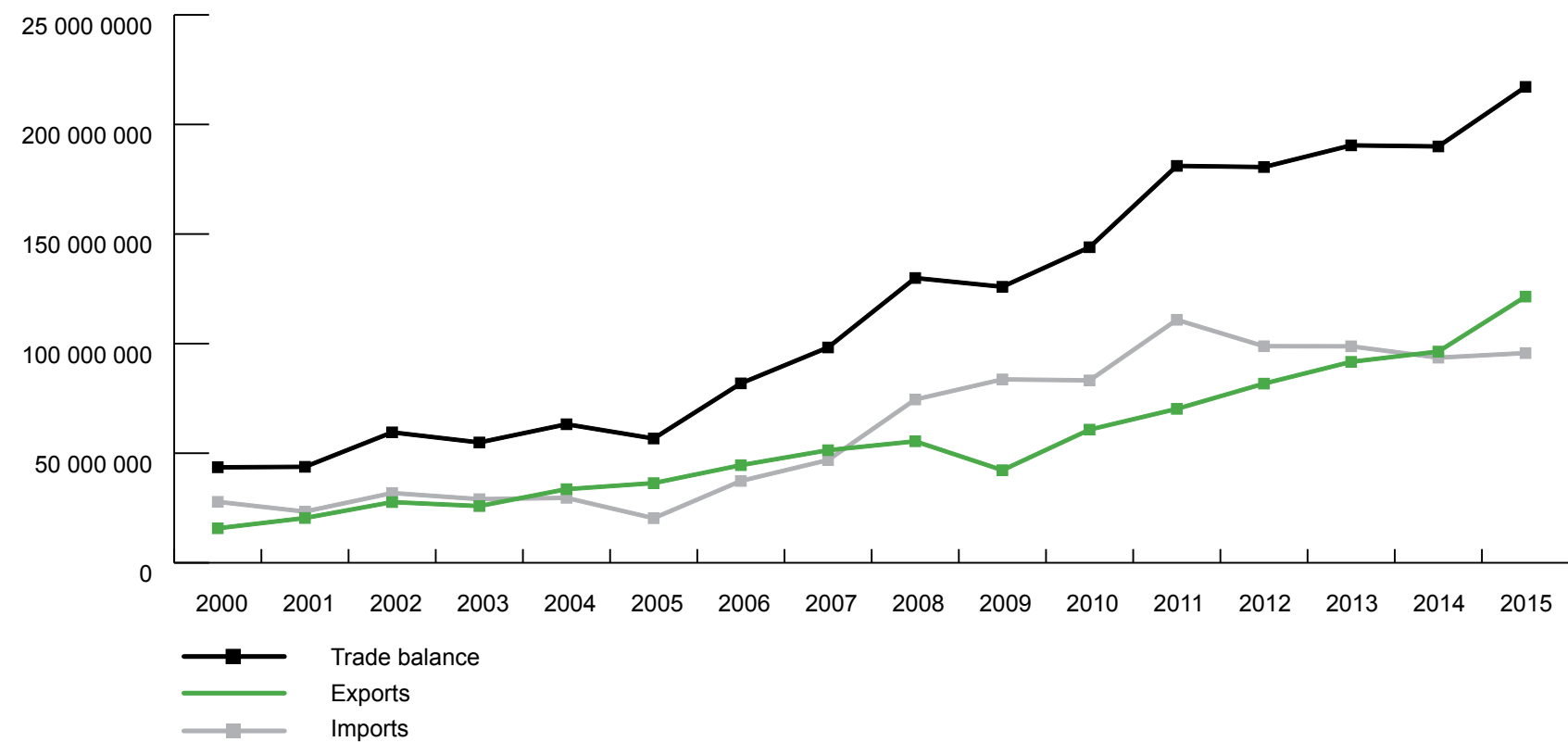
In 2015, Tshwane **imported goods** to the value of approximately R25,1 billion from China, making China Tshwane's biggest importing partner, followed by Germany and the United States of America with R20,3 and R16,5 billion respectively.

Figure 4.6.2 illustrates Tshwane's trade profile. The city's economy is characterised by

favourable and growing trade performance.

In 2015, exports, as percentage of GDP, were 62,8 percent and the total trade as a percentage of GDP was 97,9 percent. Furthermore, the city contributed 20,8 percent to total national

exports and **13,8 percent to total trade.**



Source: IHS Global Insight, 2016

Figure 4.6.2: Tshwane's trade profile



Automotive industry

4.7 INVESTMENT INCENTIVES

4.7.1

NATIONAL INCENTIVES

To increase industrial competitiveness and broaden the participation of enterprises in the economy, the national Department of Trade and Industry (the DTI) provides financial support to qualifying companies in various sectors of the economy.

Financial support is offered

for various economic activities, including manufacturing, business competitiveness, export development and market access, as well as Foreign Direct Investment.



Manufacturing Investment Programme (MIP)

The MIP is a reimbursable cash grant for local and foreign-owned manufacturers who wish to establish a new production facility, expand an existing production facility or upgrade an existing facility in the clothing and textiles sector.



Foreign Investment Grant

The incentive is aimed at compensating qualifying foreign investors for the cost of moving qualifying new machinery and equipment to South Africa from abroad.



Business Process Services (BPS)

The South African government implemented a Business Process Outsourcing (BPO) incentive as from July 2007. Government's Industrial Policy Action Plan (IPAP) II has identified BPS as a key sector for investment attraction and job creation. As part of a process of improving the country's position as an investment destination, a systematic review of the BPS incentive was undertaken with the private sector, resulting in a revised BPS incentive.



Critical Infrastructure Programme (CIP)

The CIP aims to enhance investment by supporting critical infrastructure, thus lowering the costs of investment. It is made available to approved eligible enterprises upon the completion of the infrastructure project concerned.



Automotive Investment Scheme (AIS)

The incentive is designed to grow and develop the automotive sector through investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain.



Section 12I Tax Allowance Incentive

The 12I Tax Incentive is designed to support Greenfield investments (ie new industrial projects that utilise only new and unused manufacturing assets), as well as Brownfield investments (ie expansions or upgrades of existing industrial projects). The new incentive offers support for both capital investment and training.

Further information on all national incentives can be found on http://www.thedti.gov.za/trade_investment/export_incentives.jsp?subthemeid=26

4.7.2

CITY OF TSHWANE INCENTIVE PROGRAMME



An unprecedented incentive framework with rates rebates and a process of slashing through the usual red tape is at the core of the city's investment incentive framework. The fundamental objective of the Development Investment Incentives Policy (DIIP) is to attract investors who will bring expertise, funds and the capacity to develop new structures and industries. This initiative was born out of the realisation that the City of Tshwane will not achieve the desired growth and development without cultivating an investor-friendly environment, efficient processes, proactive but sustainable policies and funding strategies of its own. The framework involves bulk services contribution pooling, property rates exemptions and rebates incentive programmes, and seeks to create an enabling investment climate from a direct financial perspective or indirectly through improving the feasibility and marketability of a particular development in a specific area.

The framework currently comprises five categories with different monetary thresholds: land alienated by the city, with the cost of the investment between R5 000 000 and R50 000 000; land alienated by the city, with the cost of the investment between R50 000 001 and R400 000 000; land alienated by the city, with the cost of the investment between R400 000 001 and R1 000 000 000; land alienated by the city, with the cost of the investment exceeding R1 000 000 001; and catalytic investments on privately owned land, with the cost of the investment exceeding R400 000 000. The incentives also include land use management (special development zones, incentive zoning, fast tracking of land use applications and fiscal tools), bulk services contributions, subsidies and urban development grants, good quality public transport, social and community facilities and safety and security. As such, the city facilitates the alignment of qualifying investments with the spatial development frameworks governing the function of city planning and urban design within the city, as well as other socio-economic criteria.

The DIIP is reviewed on an annual basis, which allows the city to respond efficiently and expeditiously to changing market conditions and the legislative environment.

NON-FISCAL INCENTIVES (FAST-TRACKING OF APPLICATIONS)

- A dedicated process manager as a single point of contact to facilitate the flow of information and decision-making;
- Expedited processing through a Joint Investment Committee (JIC) of city experts through a defined meeting or a series of such meetings;
- Utilisation of experts to augment the internal Tshwane team in finalising outstanding but crucial information; and
- Relaxation of some conditions of development (not to infringe on any legislation or stakeholder).

LAND USE INCENTIVES

- Special development zones; and
- Incentive zoning.

FISCAL INCENTIVES

- Property rates exemption; and
- Waiver of fees related to the application or connection to the bulk infrastructure.

CAPITAL INVESTMENT INCENTIVE

- Capital infrastructure incentive; and
- Possible additional borrowing to augment the capital budget for specific projects (this will not be available to all projects).



Artist's impression: Inner city green space



5 STRATEGIC INVESTMENT AND ECONOMIC ENABLERS

5.1 INVESTOR SUPPORT AND FAST-TRACKING

The City of Tshwane has implemented an investment framework aimed at fast-tracking catalytic and strategic investment projects within the city. The Investment framework places strategic emphasis on high-level decision-making relating to catalytic and strategic investment projects and how these projects can be institutionalised within the city.

The framework, illustrated in figure 5.1, ensures synergy and coordination between the various city departments and will ensure that the city becomes a globally competitive investment destination based on a one-stop-shop approach.

In addition to fast-tracking the approval process of catalytic and strategic projects, the city's Trade and Investment Unit provides expert advice, guidance and assistance to local and foreign companies wanting to start or expand operations in Tshwane. The Unit assists local and international companies to establish and build their businesses in the city by helping them to navigate the challenges of investing and by providing the information required

to make good investment decisions that save investors both **time and money.**

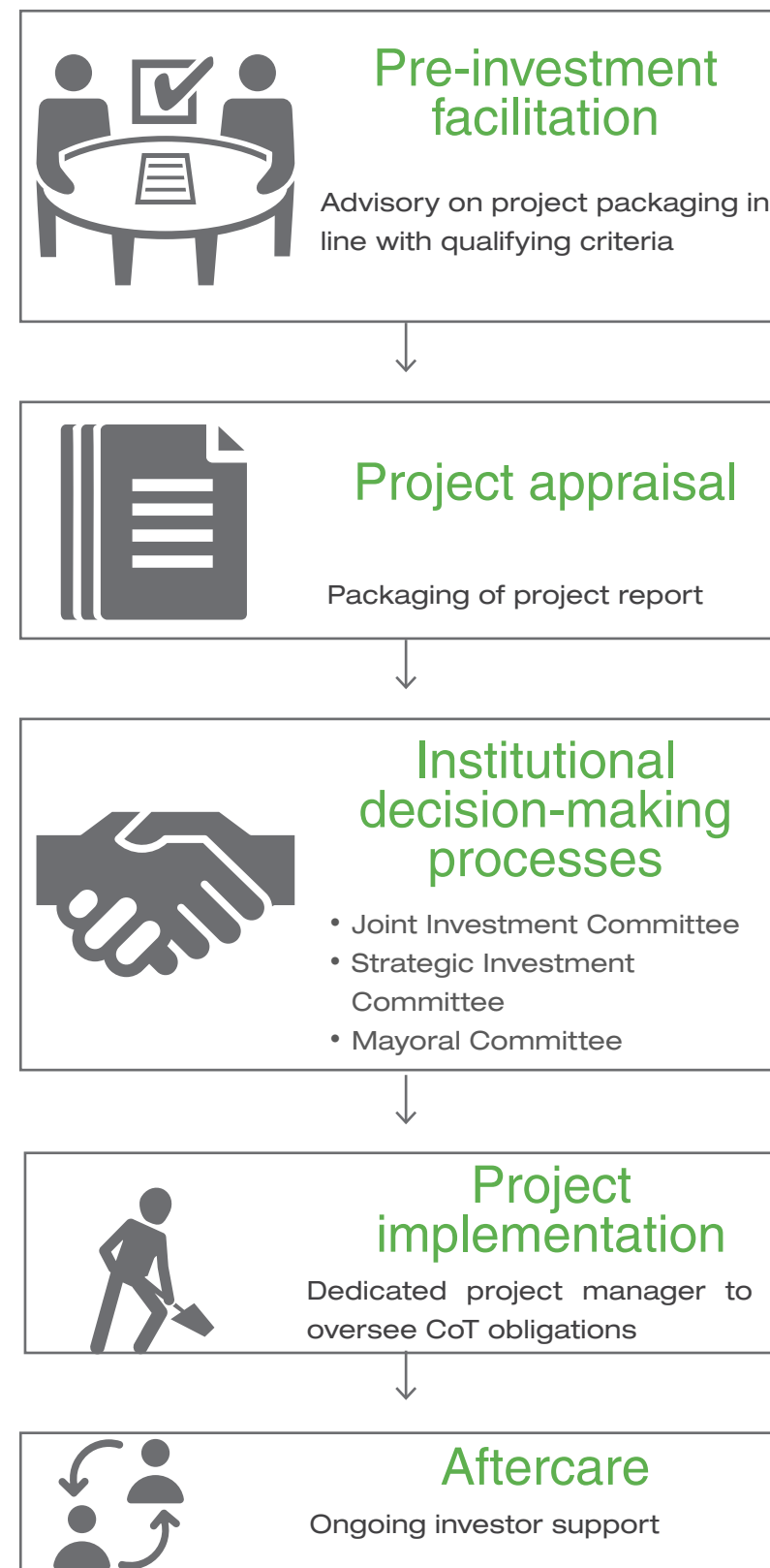


Figure 5.1: investor support and fast-tracking





5.2 MUNICIPAL AND RELATED INFRASTRUCTURE

Some of the catalytic projects focusing on enabling the

expansion of infrastructure

to achieve the future growth objectives of Tshwane are as follows:

A RE YENG

The introduction of the City of Tshwane's state-of-the-art bus service A Re Yeng is a major undertaking. The system made history in 2015 by being the first rapid public transport in Sub-Saharan Africa to run a full compressed natural gas (CNG) bus, establishing Tshwane as a trailblazer and trendsetter in this regard.

The launch of the CNG buses has not only set a new trend in the bus rapid transit propulsion system in Africa, but has proven that South Africa has the capacity to lead this trend and support the reduction of greenhouse gases. The 40 CNG buses have affirmed the city's efforts in significantly reducing carbon emissions by exploiting waste to generate gas. A Re Yeng is a game changer that will make it possible for future generations to inherit a city that is sustainable, does not undermine natural resources and cares for the environment within which it operates.



A Re Yeng bus



Wonderboom Airport

WONDERBOOM AIRPORT

The A Re Yeng services are to be linked to the Gautrain services and with the Wonderboom Airport, which has been in existence since 1936 and is one of the most important general aviation airports in South Africa. With the construction of the K97 provincial road, which is almost complete, Wonderboom Airport will be highly accessible from a local, as well as a regional perspective. One of the most important benefits of the airport is that travelling to and from the airport for the scheduled flights will be in the opposite direction of peak traffic. This will enhance the use of the highway system leading to and from the airport.

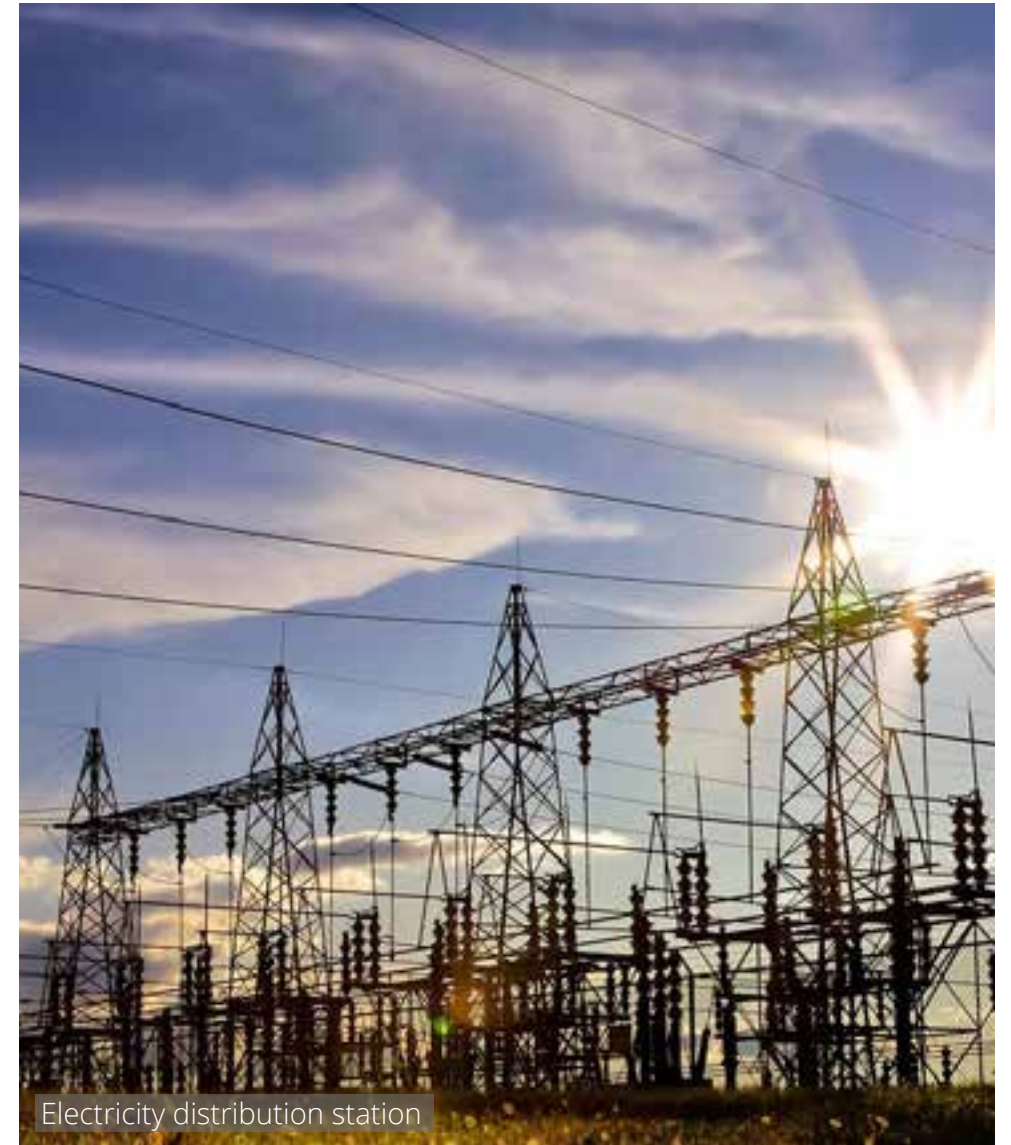
ICT CONNECTIVITY (TSHWANE WiFi)

The City of Tshwane has established itself as South Africa's leader in the provision of free WiFi as a basic municipal service, in the same category as water and electricity. The city identified the need to provide connectivity to its residents to enable citizens to find jobs, start businesses and educate themselves online. In the first year after implementation, the city provided free data to residents on a monthly basis. Other services being rolled out, include the following:

- WiFi network, a video-on-demand service intended to distribute local news content to low-income communities;
- Free Voice WiFi service that runs on the WiFi network;
- A Tshwane voice mobile application that will allow users on the WiFi network to make free mobile calls; and
- WiFi Drive-in, a video-on-demand movie-streaming service. Residents will be able to watch the latest movie releases free of charge, using any device at certain locations.



Connectivity



Electricity distribution station

ENERGY GENERATION

Part of the City of Tshwane's energy generating strategy would be to look into the feasibility of upgrading its two existing power stations. Should the study prove to be feasible, then it will generate up to 480 megawatt (MW) of electricity for both residential and industrial use.

Other initiatives underway include a solar geyser project. Solar power is one of the most effective renewable energy sources available and by implementing this source of power for water heating, the city will reduce the load on the grid. The second solar power project entails the retrofitting of streetlights, traffic signals and billboards.

5.3 INDUSTRIAL ESTATES AND BUSINESS PARKS

The City of Tshwane is home to more than 21 modern business parks and industrial estates as well as three dedicated science parks. These offer cost-effective, affordable and flexible commercial and industrial property options for companies wanting to expand or establish a presence in the capital city of South Africa.

The city's commercial and industrial infrastructure availability offers factory and office space of various sizes, which cater for a broad selection of business needs and requirements. Strategically located and within close proximity to the country's national highways and logistic corridors, the city's industrial estates and business parks are easily accessible and provide ready access to regional and international markets by air, rail and road linkages. Furthermore, and on the back of existing industrial agglomeration, the capital city's industrial estates offer opportunities for mutually beneficial and collaborative partnerships with other co-located businesses and companies.

Industrial estates and business parks in Tshwane are home to numerous domestic and multinational companies whose investment activities are diversified across a number of sectors, including but not limited to automotive and automotive components, pharmaceuticals, aerospace and defense, agro-processing, electronic components, software and IT services, and mining and energy, to name a few.

Of the industrial estates within the city of Tshwane, the following three are in the process of being revitalised by the national Department of Trade and Industry (the DTI) in conjunction with local and provincial authorities: Babelegi; Ga-rankua and Ekandustria. The industrial park revitalisation process is aimed at ensuring that the upgraded industrial parks appeal to private investors, provide a conducive investment environment and attract investments that will contribute to the country's industrial development, economic growth and job creation agenda.

The revitalisation programme will be implemented in four phases focusing on various areas, with the first being the upgrading of security infrastructure, which will include the erection of perimeter fencing around the parks, CCTV, manned control room and control access.



BABELEGI INDUSTRIAL ESTATE

The Babelegi Industrial Park is located about 60 km to the north of the CBD and was developed in the 1970s. The estate does not have a specific industry focus but is rather classified as a general industrial estate. It accommodates small to large sized manufacturing enterprises as well as service companies and a few schools.

The estate covers an area of 100 000 m² of which approximately 83 percent is developed. There are 201 erven of which 51 are privately owned and the remainder are owned and leased by the North West Development Corporation (Pty) Ltd. The standard size of factories within the Babelegi industrial estate range between 200 m² and 20 000 m². The smaller manufacturing units are sized, on average, between 200 m² and 600 m² whilst medium-size production units range between 1 000 m² and 2 000 m². Large production units are sized between 5 000 m² and 20 000 m².

The different types of industries present in the estate include among others:

- Food processing
 - Agricultural machinery and equipment manufacturing
 - Manufacturing of packaging for agricultural products
 - Iron and steel manufacturing
 - Furniture manufacturing
 - Ceramic tiles
 - High mast lights manufacturing
 - Fabric and clothing manufacturing
-

GA-RANKUWA INDUSTRIAL ESTATE

The Ga-Rankuwa industrial estate is located approximately 20 km east of the Rosslyn industrial area on the border of Gauteng and North West province. The industrial estate was established in 1981 and is managed by the North West Development Corporation (Pty) Ltd.

The Ga-Rankuwa industrial estate covers approximately 3,7 million m² of land and comprises approximately 222 industrial erven. Roughly 1,5 million m² of the land has been developed into industrial erven with about 1,7 million m² still available for purchase and development.

The standard size of factories within the Ga-Rankuwa industrial estate range between 50 m² and 200 m² for a small production area factory and 610 m² for a medium production factory. Large factory space ranges from 1 000 m² to 4 000 m². 24 erven within the Ga-Rankuwa industrial estate are privately owned.

Industries in the Ga-Rankuwa industrial estate include the following:

- Motor console manufacturers
 - Automotive leather seat manufacturers
 - Paper towel rolls and serviette manufacturers
 - Furniture manufacturers
 - Household appliance manufacturers
 - Electronic and TV manufacturers
 - Packaging material
 - High quality fabric manufacturing
-



Industrial

EKANDUSTRIA INDUSTRIAL ESTATE

The Ekundustria industrial park is located about 50 km to the east of the CBD along the N4 corridor and was developed in the 1980s as part of the industrial decentralisation programme to homeland areas.

Managed by the Mpumalanga Economic Growth Agency (MEGA), the Ekundustria industrial estate has a total lettable area of 189 379 m² and offers the following:

- 100 large factory units
- 31 small factory units
- 168 serviced erven
- Vacant land (92,6 hectares)

Manufacturing is the dominant economic activity within the industrial estate and includes:

- agro-processing
 - timber
 - leather
 - steel products and packaging
-

5.4 GREEN ECONOMY

The City of Tshwane has made a bold commitment to develop its green economy. Tshwane's aspiration is to transform the city into a low-carbon economy by 2030. The Tshwane Framework for Green Economy Transition will be achieved through the levers of adopting renewable energy, increasing resource efficiency and

promoting green living. The focus on renewable energy involves several priority actions: converting solid waste, switching from petrol and diesel to biofuels, switching from coal to biomass and developing a number of solar parks generating power of photovoltaics.

The priority actions to achieve resource efficiency are: conserving water and reducing transaction and distribution losses, reducing landfill actions and increasing recycling, promoting wide spread use of low-energy CFL and LED lighting and ensuring compliance with the City of Tshwane's Green Building Development Policy and By-law. To promote green living, the priority actions that have been identified, are: compacting and densifying urban development, reclaiming space for walking and non-motorised transport, improving service delivery of public services, providing universal access to public services, expanding the city's mass-transport systems, enhancing local food production and establishing food gardens and green packing houses.



Green Economy

5.5 SPORTS AND TOURISM BELT

A walk through the city takes you to a variety of museums, monuments, historic buildings and art centres a lively metropolis that combines culture, recreation and entertainment with education, commerce and industry. These impressive sites include the Union Buildings and its spectacular gardens, the Diamond Hill Battlefield, Voortrekker Monument and Freedom Park. Other must-sees include the Pretoria Botanical Gardens, the Zoo and museums and galleries such as Melrose House, the Pioneer Museum and Sammy Marks museum.

Tshwane's attractiveness lies in its harmonious blend of African roots and European traditions, providing many facets and a multitude of opportunities. Its competitive advantage is that Tshwane is also the administrative and academic capital of South Africa and has a well-developed knowledge and information industry. With approximately 135 foreign countries represented in Tshwane, the city is indeed a melting pot of cultures and traditions.

Tshwane is also a major shopping destination with a trade sector that contributes about 12,5 percent to its economy. The city offers more than two million m² of retail space and some of the largest shopping malls in the southern hemisphere. The affordable private health infrastructure in Tshwane further attracts a significant number of foreign visitors.

A significant contributor to tourism in Tshwane is that it is a hub for science and technology and knowledge, and it receives a high number of national and international delegations whilst hosting various conferences and conventions related to these sectors. The various conference facilities of international standing, such as the Council for Scientific and Industrial Research's (CSIR) International Convention Centre situated on the CSIR campus and the one-stop sports facility at the High Performance Centre situated at the University of Pretoria's sports grounds, facilitate events of many different types, according to the nature of the widely different scientific and technological disciplines active in the city.

The Arcadia Shepherds football club was formed in 1903 in Pretoria, when a group of about 30 young soccer enthusiasts gathered at the field on the corner of Du Toit and Vermeulen Streets, today known as the Caledonian Sports Grounds. The grounds are geographically located as a knot between the CBD, Sunnyside and Arcadia suburbs forming the eastern portal into the CBD. The site is highly accessible. The grounds constitute 45 000 m² of recreational area and are essentially the sole public sports and leisure facility within the city precinct.

The City of Tshwane is currently in the process of doing a cost benefit analysis for the redevelopment of the Caledonian Stadium. Investors are invited to form a public-private partnership for the redevelopment of the Caledonian. The stadium has opportunities for a mixed-use development and this should ensure that it provides access to the broader community and that the sole purpose of the stadium will be that of soccer.

The tourism sector is one of the key contributors to the Tshwane economy. The city's tourism attractions are by far one of the richest in heritage and cultural diversity in South Africa and is structured around attracting business, leisure and health tourists.



Artist's impression: inner city green space

TOURISM INVESTMENT OPPORTUNITIES

The rapid growth in tourism presents a variety of investment opportunities. Tshwane has some of the most breathtaking wilderness, which has remained largely under-exploited. The Dinokeng and Metsweding areas within the borders of Tshwane provides the city with an even larger business tourism scope which includes a “big five” nature reserve where the brave can walk with the lions. This area also includes various game lodges and game reserves, the Cullinan mining museum, the Sizanani Ndebele Cultural Village and the Nan Hua Buddhist Temple (the largest Buddhist temple in the Southern hemisphere and the only one in Africa).

The city is thus encouraging foreign investment and promoting public private partnerships for projects that stimulate growth and job creation, leveraging private sector investment and the knock-on benefits, while ensuring that ecological habitats are conserved in perpetuity, and that broader community interests are taken into consideration without draining public sector resources.

Non-specific opportunities in the city include:

- bed and breakfast establishments or guesthouses
- hotels
- cultural villages
- tourism offices
- restaurants, eating houses or taverns
- travel agencies
- conference venues

Other strategic investment opportunities encapsulated within the city’s mixed-use development projects are contained in the last chapter of this publication.



Artist's impression: Tshwane House

5.6 TSHWANE HOUSE

Tshwane House, the **new municipal headquarters**, is a public-private partnership (PPP) which is both a new building project

and a **CBD regeneration** project. The project was designed in line with the City of Tshwane's Green Buildings Policy and is aimed at achieving productivity goals for the city's service delivery management, whilst also generating economic redevelopment outcomes for the city in general and the CBD in particular. The project provides head-office accommodation for 1 589 staff members of the city of Tshwane. The scope of the project included the demolition of the old Muntoria building, the design of a completely new building and the construction thereof.

Construction and occupation of the building is scheduled for the first half of 2017.



Artist's impression: Future Tshwane



6 POTENTIAL GROWTH AND DEVELOPMENT NODES

6.1 SPATIAL DEVELOPMENT

The Gauteng Spatial Development Framework (GSDF, 2011) is premised on building Gauteng as a sustainable city region that allows agriculture to provide the link between

rural and urban economic development, which is shaped by infrastructure

led investment and based on public transport, specifically rail transport, as the backbone of accessibility in the future. The objective is to promote Gauteng as a global city region to build the province into an integrated and globally competitive region where activities of different parts of the province complement each other in consolidating Gauteng as an economic hub of Africa and recognised global city region. The GSDF elevates the prominence of the City of Tshwane as part of the Gauteng Economic Core. The nodes of regional importance as contained in the Gauteng city Region Spatial Development Framework are shown in Figure 6.1.

The remaking of Tshwane, the capital city, is about intervening decisively to create a modern urban fabric premised on the principles of achieving spatial justice, sustainability, resilience, quality and efficiency. The core objective of remaking South Africa's capital city is to forge a new identity. Realising this objective requires mobilisation of other spheres of government, residents, civil society and the private sector in order to concretise the process that will lead to shared development of South Africa's capital city.

The spatial reconfiguration of the city is aimed at balancing the competing needs of becoming a capital city with global status

against those of being a national symbol that is responsive to the local developmental needs of its citizens, while continuing to reinvent itself. Thus, the city's nodal development approach, supported by new urbanism principles, is to anchor its spatial transformation perspective, which is essential to how spatial transformation will eventually be experienced by its residents. The spatial structure of Tshwane comprises a large urban complex located in the western half of its area of jurisdiction and a predominantly rural environment towards the east and northeast. The urban complex comprises a large residential component, with the previously disadvantaged communities located on the periphery of the urban complex – especially towards the north (the Ga-Rankuwa-Mabopane-Soshanguve-Winterveld-Temba complex); the east (Mamelodi-Eersterust); the west (Atteridgeville) and south (Olievenhoutbosch). The city has a multinodal structure with the inner city CBD being the dominant node in terms of economic activity and job opportunities.

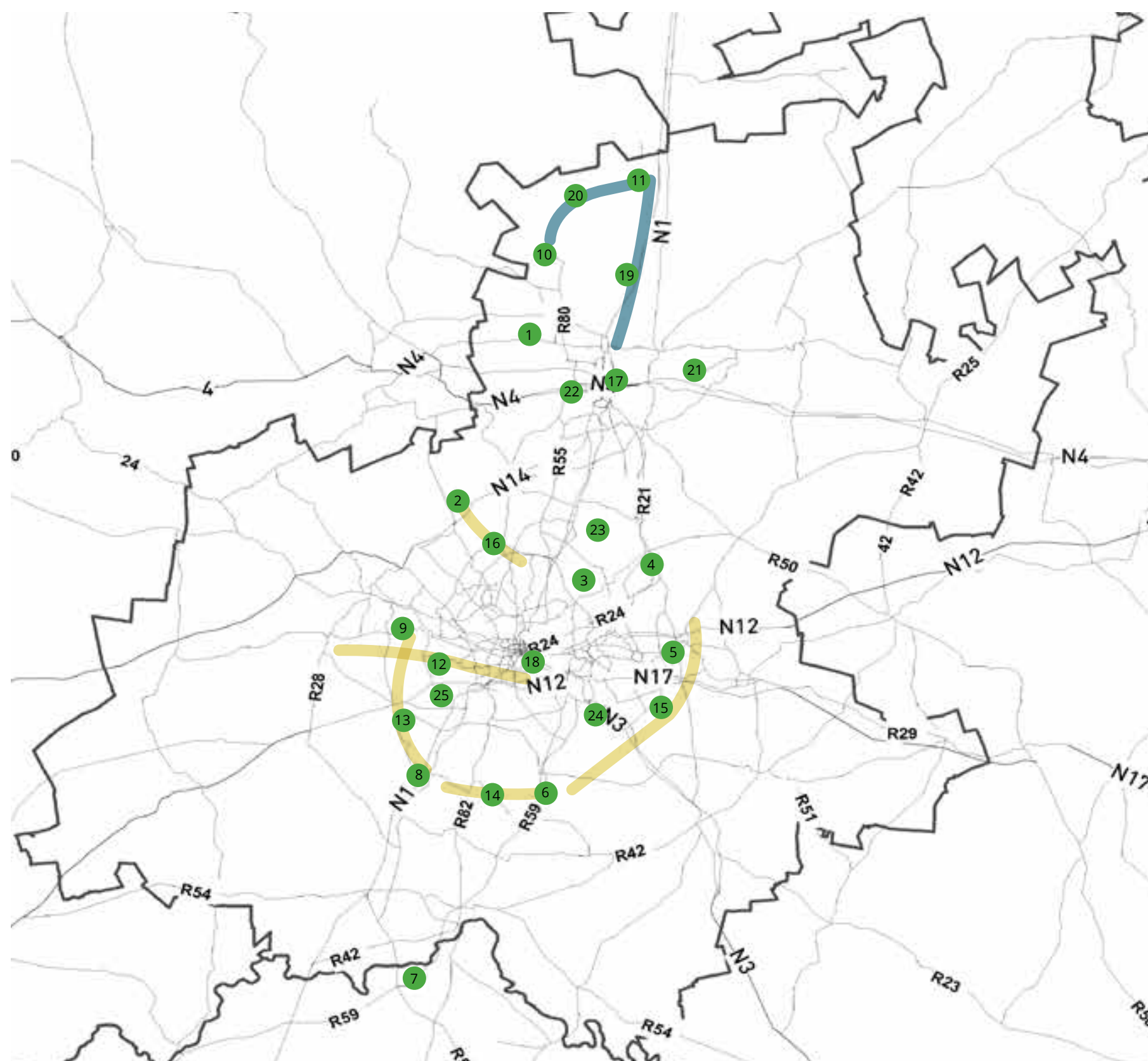
Metropolitan nodes in Tshwane are already largely spatially integrated with a number of economic investment centres on a strategic scale and have benefited significantly from private sector investment. Urban cores, however, represent areas of significant need, from both a social upliftment, and spatial integration perspective. The city's spatial vision focuses on opportunities that exist for exponential growth and investment in the long term. These opportunities are clearly identified in the spatial vision and specify where growth will occur in transport, housing, energy, water, recreation, education, health infrastructure and services. The city's spatial plan promotes efficient and effective resource allocation ensuring that resources such as infrastructure are delivered in the right place and at the right time. This provides a sense of certainty for the future and renews investor confidence.

Following the identification of prioritised areas for intervention and with consideration of the city's transformation agenda and priority spatial development strategies, spatial planning concepts have been identified to guide capital investment in

Tshwane. These concepts indicate where **capital investment** should be focused to achieve the desired outcomes envisaged in the Metropolitan Spatial Development Framework (MSDF). A myriad of investment opportunities in various industry sectors are to be found in the growth and development nodes (Figure 6.2).



Artist's impression: Offices



LEGEND:

1. Rosslyn growth node
 2. Lanseria growth node
 3. Modderfontein consolidation
 4. R21 City economic growth node
 5. OR Tambo economic node
 6. Blockhouse economic node
 7. Vereening/Vanderbijlpark
 8. Ennerdale
 9. Chamdor
 10. Mabopane
 11. Hammanskraal
 12. N17 western extension
 13. Chamdor/Ennerdale
 14. Ennerdale/Blockhouse
 15. Blockhouse/ORT
 16. Sandton/Lanseria
 17. Tshwane inner-rail loop, new integrated public housing initiatives
 18. Johannesburg inner-rail loop, new integrated public housing initiatives
 19. Tshwane/Hammanskraal
 20. Mabopane/Hammanskraal
 21. Mamelodi
 22. Atteridgeville
 23. Tembisa
 24. Katorus
 25. Soweto
- New/upgraded roads as activity spines
— Publicly driven development initiatives

Figure 6.1: Gauteng City Region strategic initiatives

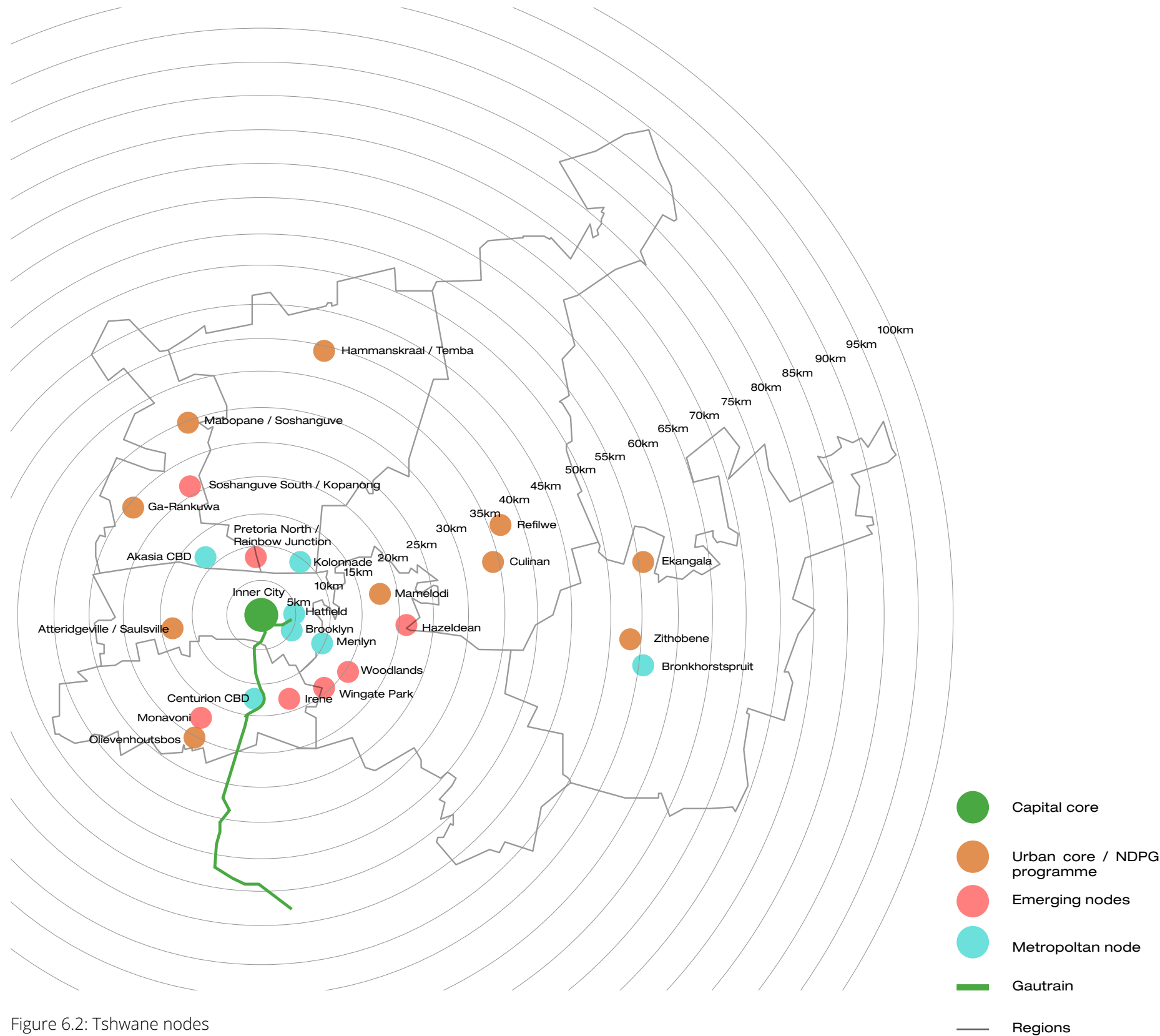


Figure 6.2: Tshwane nodes

THE CAPITAL CORE

The Tshwane Inner city is identified as the capital core as it is the city's first order node amongst all metropolitan nodes. Traditionally, the inner city is also the central business district (CBD) of major cities.

METROPOLITAN NODES

These are primary nodes of the highest order. These nodes accommodate the highest degree of service specialisation and offer the widest range of services. In the City of Tshwane context, metropolitan nodes are those economic nodes in the city which benefit primarily from investment by the private sector. Equally important is that these nodes serve as economic hubs and focal points for employment opportunities. Metropolitan nodes in Tshwane include Akasia, Montana, Brooklyn, Hatfield, Menlyn, Centurion and Bronkhorstspuit.

URBAN CORES

These township areas were identified, not as a blight in the urban fabric as previously thought of, but as beacons of opportunity through the human capital that is concentrated within the various communities of the townships. Due to the great need that often underlies such nodes, the emphasis is placed on social and economic restructuring, especially in view of the limited private investment relative to metropolitan cores. Urban cores in Tshwane are Hammanskraal/Temba, Mabopane/Soshanguve, Ga-Rankuwa, Atteridgeville/Saulsville, Mamelodi, Ekangala, Refilwe, Zithobeni and Olievenhoutbosch.

EMERGING NODES

Over the past few years, certain economic, social and/or residential opportunities have begun to emerge in various localities in the city. The realisation of these localities into fully fledged nodes will depend on a number of factors. The potential for greater development in these nodes is clear and presents an opportunity to plan for the provision of new infrastructure for sustainable growth and development. These nodes are Soshanguve/Kopanong, Pretoria North/Rainbow Junction, Hazeldean, Woodlands, Wingate Park, Irene and Monavani.



Artist's impression: Mixed-use development (Rainbow Junction)

6.2

SPECIALISED ACTIVITY AREAS

These nodes within the metropolitan area are characterised by largely mono-functional land uses that take up large, concentrated and defined space.

The character of the areas ranges from industrial to high-technology smart industries, medical facilities and educational and research facilities. It is important to acknowledge these specialised activity areas, not just in terms of their scale, but also because of their sphere of influence in terms of generating movement, opportunities and linkages with other areas. The specialised activity nodes are as follows:

RESEARCH, INNOVATION, EDUCATION AND TECHNOLOGY INSTITUTES

Council for Scientific and Industrial Research (CSIR) and Innovation Hub; Highveld Technopark; Human Sciences Research Council (HSRC); Sefako Makgatho Health Sciences University; Onderstepoort Research Laboratories/Veterinary Institute; Steve Biko Academic Hospital; Tshwane University of Technology; University of Pretoria and University of South Africa (UNISA).

AIRPORTS

Waterkloof Air Force Base, Zwartkop Air Force Base and Wonderboom National Airport.

TOURISM NODES

Dinokeng Nature Reserve and Cullinan

INDUSTRIAL ESTATES

Babelegi, Despatch, Ekandustria, Ga-Rankuwa, Gateway, Hennospark, Hermanstad, Irene, Kirkney, Klerksoord, Koedoespoort, Lyttelton Manor, Pretoria North, Pretoria West, Rooihuiskraal, Rosslyn, Samcor Park, Silverton, Silvertondale, Sunderland Ridge, Waltloo (as depicted in Figure 6.1.2)

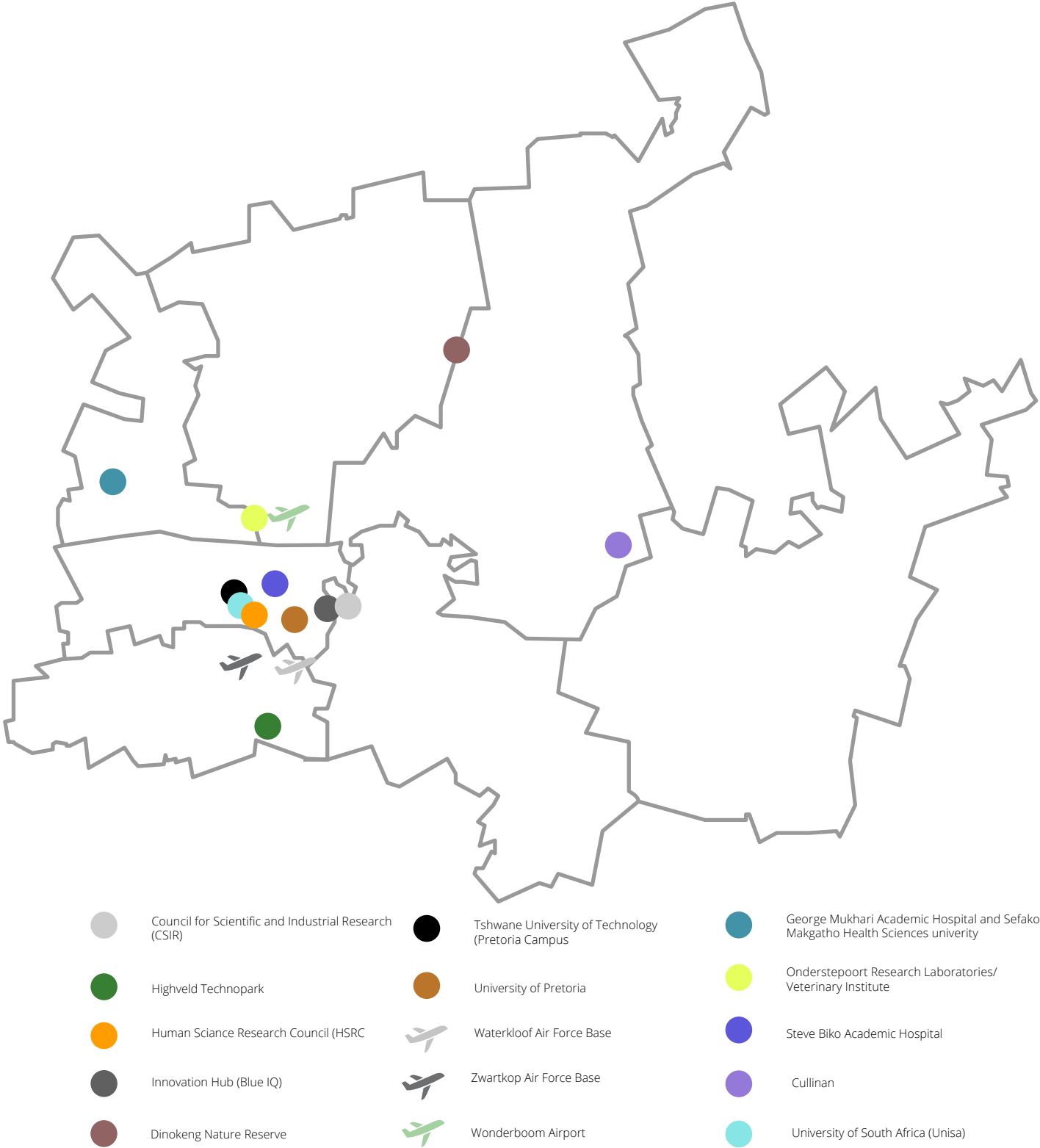
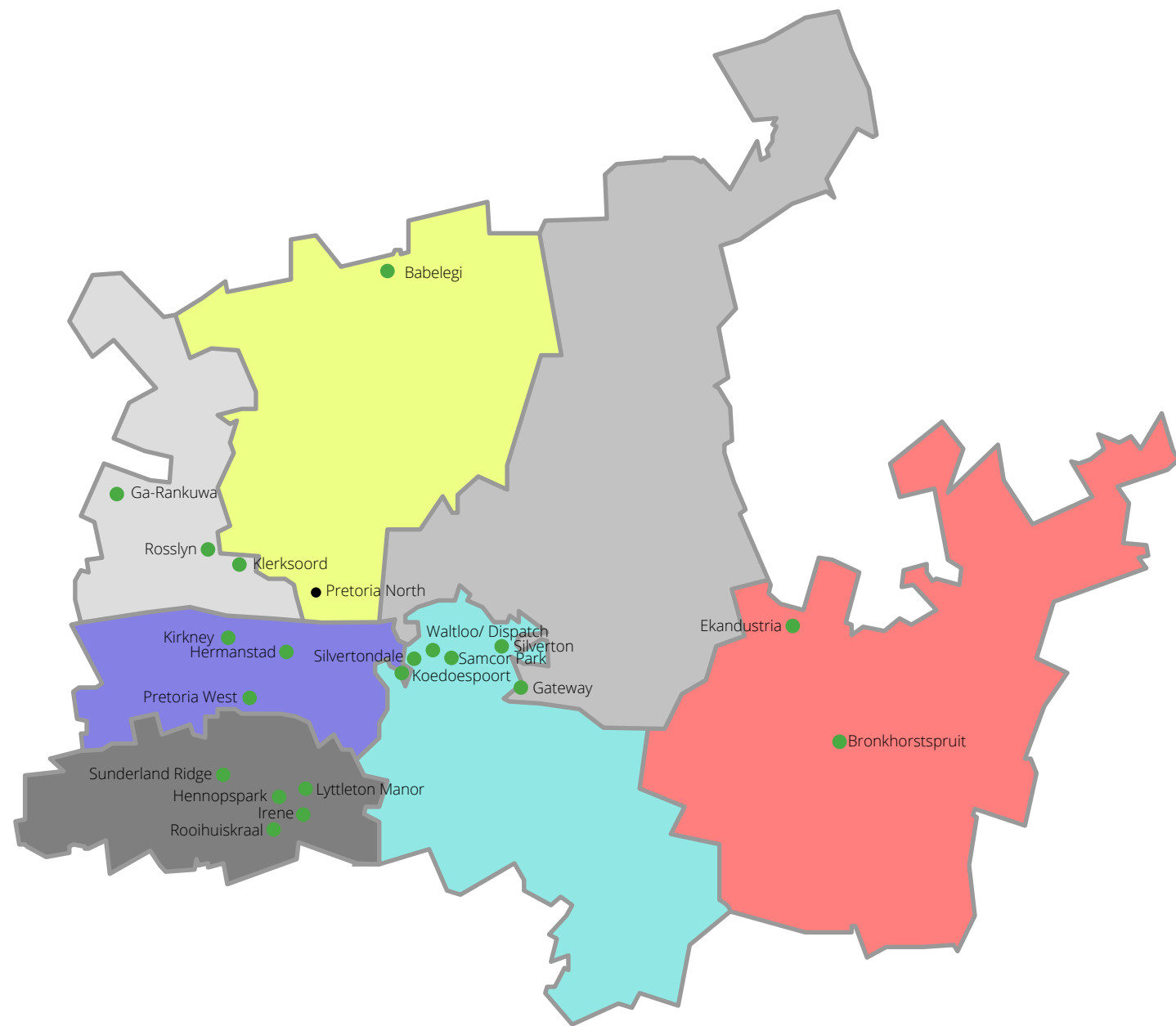
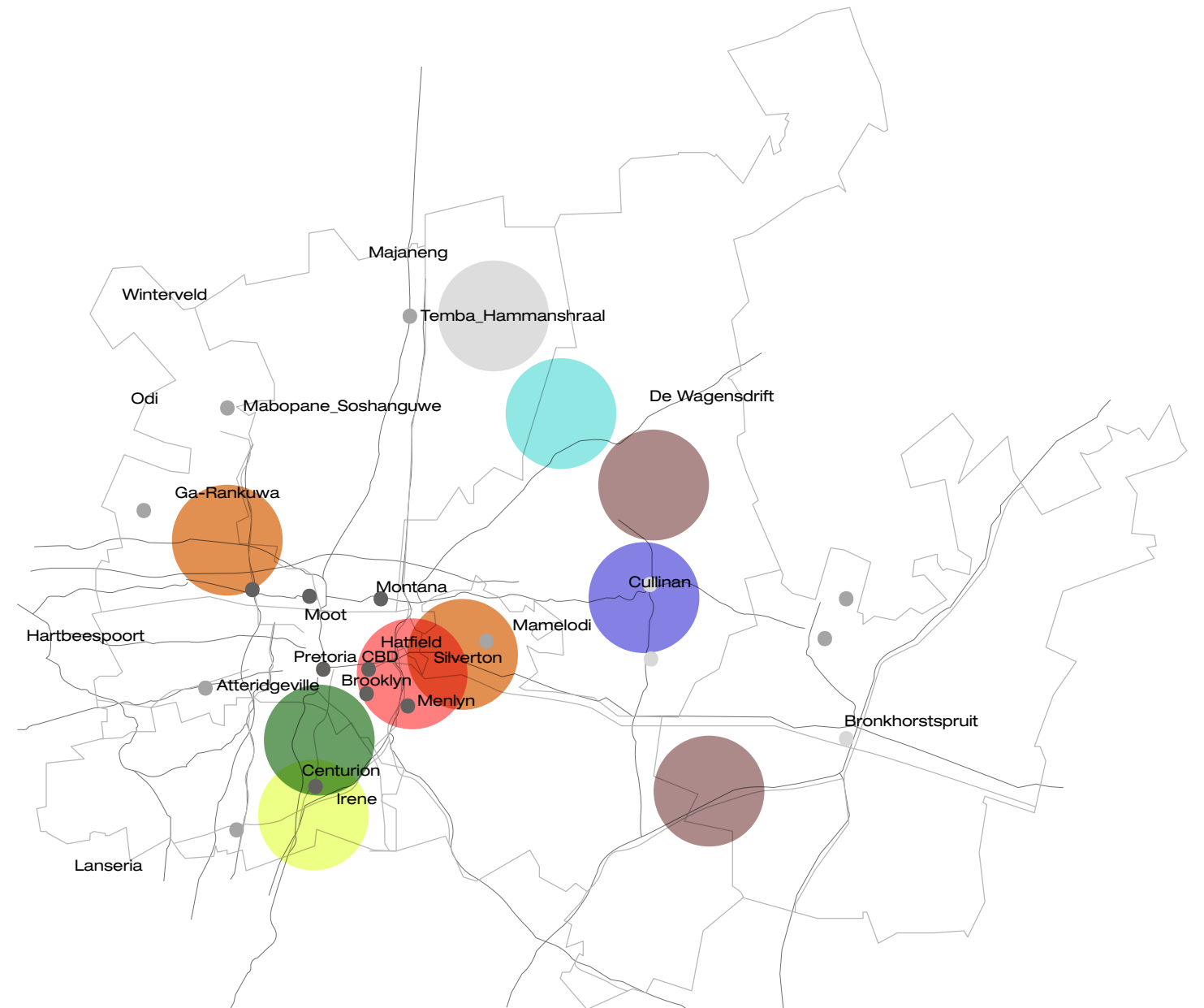


Figure 6.1.1: Specialised activity areas in Tshwane



- LEGEND
- Region 1
 - Region 2
 - Region 3
 - Region 4
 - Region 5
 - Region 6
 - Region 7
 - Industrial estates

Figure 6.1.2: Industrial estates



- Automotives and components
- Tourism and related services (Dinokeng)
- Agriculture and agro-processing
- Aerospace and defence technologies (Centurion)
- Mixed manufacturing
- Research and development (CSIR)
- Alternative and renewable technologies (Technopark)
- Business process outsourcing
- Mining and beneficiation (Cullinan)
- Metropolitan node
- Urban core / NDPG programme

Figure 6.1.3: Economic sectors/cluster

7 INTERNATIONAL PRESENCES

7.1 INTERNATIONAL ORGANISATIONS IN TSHWANE



African Development Bank Group



Africa Institute for the Environmentally Sound Management of Hazardous and other Wastes



League of the Arab States



Collaborative Africa Budget Reform Initiative (CABRI)



European Investment Bank - Regional Representation for the Southern African and Indian Ocean



Food Agriculture Natural Resources Policy Analysis Network (FANRPAN)



International Committee of the Red Cross



International Institute for Democracy and Electoral Assistance (IDEA)



International Labour Organisation (ILO)



International Monetary Fund (IMF)



International Organization for Migration (IOM)



International Union for the Conservation of Nature and Natural Resources (IUCN)



International Water Management Institute (IWMI)



Orange Senqu River Commission (ORASECOM)



United Nations Food and Agriculture Organisation (FAO) in South Africa



United Nation High Commissioner for Refugees (UNHCR)



United Nation Industrial Development Organisation (UNIDO)



United Nations International Children's Emergency Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nation Information Centre



United Nations Office on Drugs and Crime (UNODC)



United Nations Population Fund (UNFPA)



World Bank



World Health Organisation (WHO)

7.2 MULTINATIONAL COMPANIES IN TSHWANE



MMI HOLDINGS



8 CATALYTIC AND STRATEGIC INVESTMENT OPPORTUNITIES

The new focus on the future of the city, as captured in the economic future of Tshwane, has led to a number of key catalytic and strategic projects that can leverage the city's economic and social potential. The city is repositioning itself for a new set of challenges and is aggressively implementing new game changers, which are visible large-scale catalytic projects with a huge impact.

The timing and sequencing of these projects require balanced implementation with an emphasis on economic development and employment creation. Furthermore, it is also essential to appreciate that the delivery of the catalytic and strategic projects requires major public-led infrastructure investment facilitated by various spheres of government. It also requires significant planning and preparation in order to deal with complex technical matters and long lead times.

Catalytic projects are those projects initiated by the city and which have a direct bearing on the Council's balance sheet (on- or off-balance sheet). This would include projects related to the provision or upgrading of bulk services and infrastructure.

Strategic projects are defined as those projects initiated by another organ of state or the private sector that may require input from the city to be successful, such as the allocation of land or the provision of bulk services, and that could play a significant role in achieving the political agenda of the city.



Artist's impression: Mixed-use development



Artist's impression: African Gateway, Business Connexion

8.1 TSHWANE AUTOMOTIVE CITY

SECTOR

Mixed-use development

LOCATION

Rosslyn, 20 km northwest of the CBD

PROJECT DESCRIPTION

The Tshwane Automotive City (TAC) is a shared vision and joint venture of government and the automotive industry to transform Tshwane into a leading automotive investment destination. The TAC concept aims to emulate well-established automotive cities such as Shanghai Automotive City in China, Autostad in Germany and Toyota Automotive City in Japan. The TAC development will include various nodes:

LOGISTICS NODE

- An advanced logistics and supply chain network in partnership with Transnet
- Commercial and recreation node: Retail and shopping malls, banks and restaurants
- Community and civic node: Residences, parks, public environment and links
- Industrial node: This will include factories to suit customers' needs

The TAC aligns strongly with the Automotive Sector Vision 2020 aimed at producing 1,2 million vehicles and deepening the component-manufacturing base through the increase in the target of local content of 70 percent and it will stimulate investment of foreign as well as domestic organisations focused on the automotive sector. The TAC concept aims to assist the local automotive industry to become globally competitive by increasing locally manufactured parts and components. It also aims to boost Gauteng's economy by ensuring transformation in the area that will entail housing and retail malls, amongst other facilities. The

objectives will be achieved by attracting both foreign and local direct investment into a multi-billion-rand infrastructure programme that will transform Rosslyn and Klerksoord into Africa's largest automotive industrial park

The TAC development is located in the Rosslyn region in Tshwane. The region was identified after conducting a number of studies and consultations with various stakeholders. Careful consideration was given to the spatial development plans of the city and a few geographic locations were considered. Rosslyn was chosen due to various factors, including the availability of land that can be developed. Rosslyn is the current home of four automotive assemblers namely BMW SA, Nissan SA/Renault, Iveco and Tata with Ford SA Motor Company only 34 km away in Silverton. The region also houses a multitude of multinational and local automotive component manufacturers in close proximity to the vehicle assemblers.

PROJECT RATIONALE

With the Automotive Industry Development Company's (AIDC) strategic positioning and mandate to support the automotive industry to become globally competitive, the AIDC developed the Tshwane Automotive city concept. This implies that all automotive-related industries are located in a geographic area or 'auto city'. It is not uncommon for component manufacturers to be located in close proximity to the original equipment manufacturers that they supply to. The auto city concept acts as an enabler to ensure that critical mass is achieved to gain the potential benefits of subsidised utilities, reduced rental, consolidated logistical flows, bulk infrastructure improvements and dedicated logistics hubs. The concept also creates a key attraction for foreign direct investment and establishes Tshwane as an 'area of choice' for the automotive manufacturing sector.

PROJECT VALUE

Phase 1 - US\$4,5 billion (over a 10-year period)

On completion - US\$34,5 billion

ECONOMIC IMPACT

During construction

GGP growth: 1,49% pa

wage flows: R738,5 million pa

Over the long term

GGP growth: 0,19% pa

wage flows: R115,8 million pa

FUNDING REQUIREMENTS

The development is partially funded. The funding concept is planned to be a hybrid of private and public funding, ie investment opportunities are offered to equity markets, direct financial investment, investment in infrastructure, development partnerships, specific precinct investment involvement, provisions of services, lease or purchase of premises, including sectional or full title options and other tailor-made investment opportunities. Such packages and prospectuses are available on request. National and local investment incentive policies are available as an additional investment attraction.

JOINT VENTURESHIP (JV) PARTNERSHIP REQUIREMENTS

JV to be negotiated



Artist's impression: Tshwane Automotive City

8.2

ROSSLYN HUB

SECTOR

Mixed-use development

LOCATION

Rosslyn, 20 km northwest of the CBD

PROJECT DESCRIPTION

Rosslyn Hub is strategically located opposite Nissan SA, BMW SA and Iveco on the doorstep of 750 000 people. It will provide a new ‘town centre’ for Rosslyn, The Orchards, Soshanguve and Ga-Rankuwa.

It has strong logistic links to the N4 highway (to Botswana and Mozambique) and the N1 highway (to Zimbabwe). Rail linkage connects Rosslyn Hub to Transnet’s new freight and logistics mega facility at Pyramid. Sefako Makgatho Health Sciences University and Tshwane University of Technology are within 10 km of Rosslyn Hub.

The project consists of the following elements:

- Regional shopping mall, including an automotive interactive visitor centre and motor court
- Ancillary retail, including motor showrooms, filling stations, value shopping and convenience shopping
- Gated commercial and logistics business park
- Truck staging and logistics centre
- Middle-income residential development of 1 200 houses
- High-density rental units of 200 apartments

The project is divided into five phases:

Phase 1: Rosslyn Gardens (700 of 1 400 houses completed)

Phase 2: Commercial and logistics park (key infrastructure installed and ready to start)

Phase 3: Truck staging area with associated facilities and filling station

Phase 4: Vehicle car park (including solar-topped power provision) for up to 6 500 vehicles

Phase 5: Rosslyn Mall (planned for 2018/9)

PROJECT RATIONALE

The project forms an integral component of the Tshwane Automotive City project and encapsulates a self-sufficient environment in which to live, learn, grow, work and play.

PROJECT VALUE

Retail and ancillary: US\$ 104 million

Industrial and logistics: US\$ 70 million

Solar/parking: US\$ 14 million

Rental housing: US\$ 7 million

ECONOMIC IMPACT

During construction

GGP growth: 0,13% pa

wage flows: R64,1 million pa

Over the long term

GGP growth: 0,02% pa

wage flows: R12,4 million pa

FUNDING REQUIREMENTS

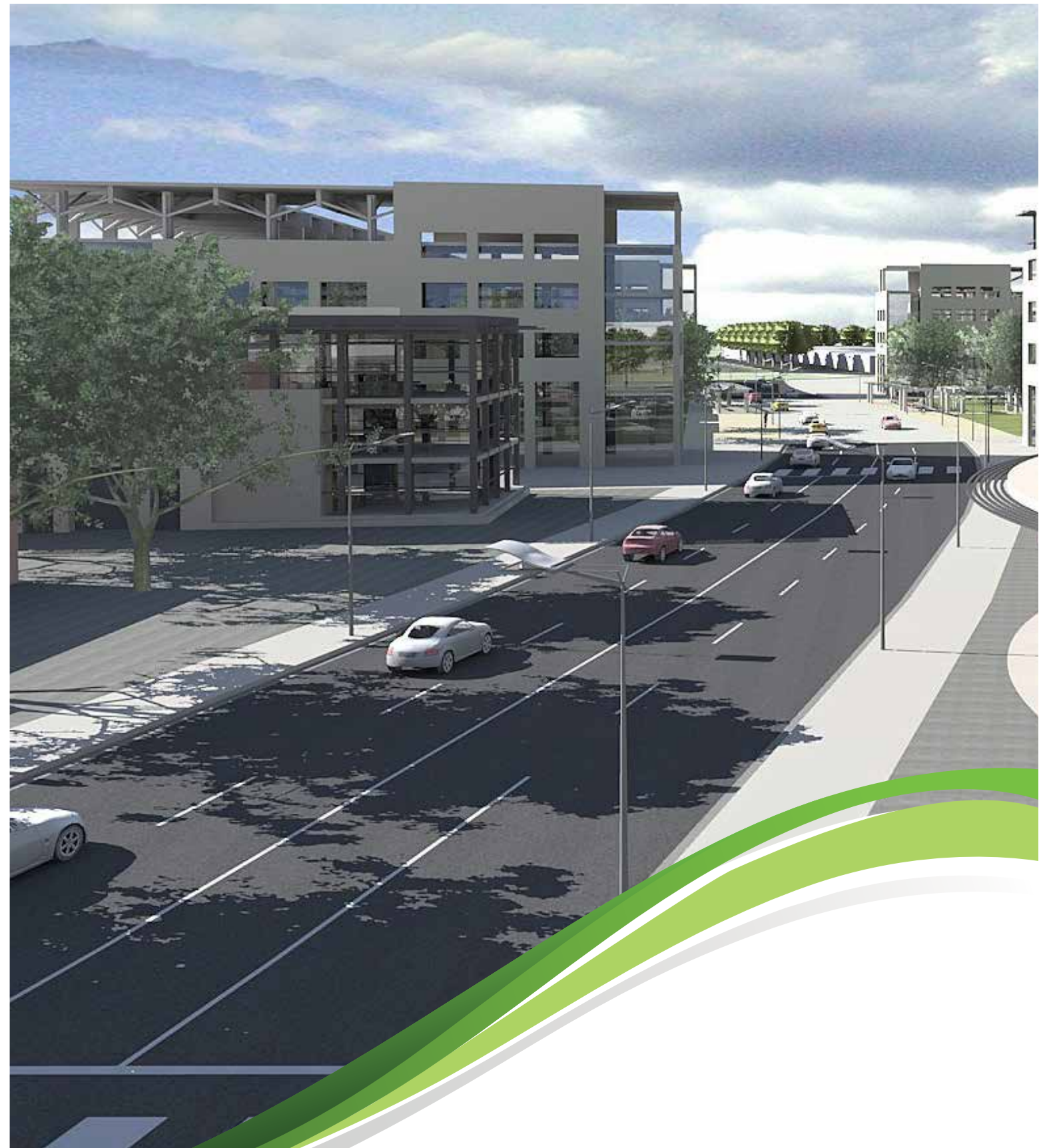
BBBEE equity partner or development equity or investment in Rosslyn Hub entire development

JOINT VENTURESHIP (JV) PARTNERSHIP REQUIREMENTS

- BBBEE equity investors or partners
- Equity investment
- Retail investors and tenants
- Light industrial and logistics companies
- Solar or energy companies
- Rental housing investors and developers



Artist's impression: Rosslyn Hub



8.3 BUSINESS PROCESS OUTSOURCING

SECTOR

Business process outsourcing (BPO)

PROJECT LOCATION

Hammanskraal (University of Tshwane Campus) 50 km north of the CBD

PROJECT DESCRIPTION

The Tshwane BPO Park represents a major opportunity to stimulate socio-economic growth in the Hammanskraal area. The park is poised to become a centre of excellence for BPO in South Africa and will offer BPO operators modern and high-quality integrated contact centre services, providing a one-stop-shop approach for all BPO needs. This initiative is set to be a game changer in this space and will see the City of Tshwane gaining first-mover advantage to other regions in accelerating industry growth, attracting private and public investment, facilitating job creation and skills and infrastructure development, and positioning Tshwane as the BPO location of choice for local and global BPO operators. It will provide a globally competitive facility to both the public and private sector and contribute significantly to the Gauteng Province Township Revitalisation Programme. The park will provide modern, fully-equipped plug-and-play infrastructure, using state-of-the-art equipment and software, including:

- A high-speed fibre-optic link
- VOIP (voice over Internet protocol)
- High redundancy servers
- Back-up power supply
- On-site technical support

The Tshwane BPO Park will be developed in three phases, with each phase constituting a nominal 1 000 agent seats. Once fully developed, the park will comprise six buildings designed to optimally support BPO operations with capacity for 3 000 agents addressing various market needs. The BPO Park will offer the following:

- BPO training facility with capacity for 1 000 trainees per annum
- Business incubator for BPO and IT-related industries
- Staff care facilities that provide amenities such as overnight accommodation for staff and clients, clinics and day care
- Shared services

Green principles will be followed in the development of the park to minimise the impact on the environment and preserve the rural ambience. Off-shoring (international business) will be a priority and the park will seek to develop niche markets that are not catered for by other South African BPO service providers. These will primarily focus on selected value-added, back-office activities.

PROJECT RATIONALE

South Africa has developed a reputation as a world-class BPO destination. This growth has been built on the back of a mature domestic market and a compelling international offering that in recent years resulted in the creation of over 15 000 BPO jobs through foreign direct investment. The following underpins the rationale of the Tshwane BPO Park:

Tshwane is easily accessible by road and air:

- Tshwane BPO Park: 90 km from OR Tambo International Airport and 50 km from the Pretoria CBD
- Sound and stable economic activity with easy access to supporting industries (IT support, retail, transport)
- Large labour pool with a concentration of skilled personnel (UNISA, University of Pretoria, Tshwane University of Technology and other higher learning institutions) – to leverage the establishment of a BPO university
- Cultural and language affinity with UK and USA markets and favourable time zones
- Huge opportunity for Tshwane to attract foreign direct investment through a government-led enabling environment
- Opportunity for impact sourcing

PROJECT VALUE

US\$37 million

ECONOMIC IMPACT

During construction

GGP growth: 0,02% pa

wage flows: R12,3 million pa

Over the long term

GGP growth: 0,02% pa

Wage flows: R2,4 million pa

JOB CREATION

The BPO Park will create 3 000 new jobs upon completion of the three development phases.

JOINT VENTURESHIP (JV) PARTNERSHIP REQUIREMENTS

The Tshwane BPO Park is an initiative of the City of Tshwane and will be partly outsourced to the private sector for property development and facilities management. The appropriate developer or operator will own and manage the facility along with the City of Tshwane to form a special purpose vehicle (SPV) in a public-private partnership. The SPV will be required to finance the park, construct other phases, operate the park and assume responsibility for all services required to maintain the park, including sales and marketing and facilities management. The land will be offered on a long-term lease by the City of Tshwane.



Artist's impression: Business process outsourcing

8.4

WEST CAPITAL

SECTOR

Inner city housing/mixed-use development

PROJECT LOCATION

2 km west of CBD

PROJECT DESCRIPTION

This is a US\$385-million plan of the City of Tshwane to redevelop the western part of the city over the next five to eight years. The West Capital development project, as a mixed-use development, consists of residential accommodation, which will include a student village, retail and commercial components as well as inner-city housing.

PROJECT RATIONALE

The City of Tshwane is of strategic importance to the country as a whole and is internationally significant. A strong central business area is vital. Tshwane the capital city, has however become somewhat dysfunctional with key areas of the city not forming part of the mainstream economic and social environments.

The city’s development strategies have all identified the inner city as a key strategic focus area in its redevelopment vision. The latter has led to the city parcelling portions of land and releasing it to the market to present redevelopment proposals for the West Capital project. This challenging project will lay the foundation for the repositioning and regeneration of the identified area.

A development approach is proposed that will promote sustainable land development in a coordinated manner to enhance its speedy development in an effective, efficient and integrated way. In order to achieve the city’s vision of creating diversified land use, a development catalyst project is envisaged that will stimulate the necessary activity to sustain viable and sustainable communities. The project consists of individual parcels of land, located in Pretoria West, for which the City of Tshwane invites proposals for development.

PROJECT VALUE

US\$385 million

ECONOMIC IMPACT

During construction

GGP growth: 0,26% pa

wage flows: R126,4 million pa

Over the long term

GGP growth: 0,03% pa

Wage flows: R24,4 million pa

FUNDING REQUIREMENTS

Partially funded



Artist's Impression: West Capital

8.5 ECO-ONE PARK

SECTOR

Light industrial eco-estate

PROJECT LOCATION

Central, 5 km northwest of the CBD

PROJECT DESCRIPTION

The project entails 35 ha of light industrial eco-development that is centrally located. The Greenfield site enjoys good visibility, access to major arterial roads and passenger and goods rail from a central location within the city. In addition, the site houses an established dam with water rights.

The development directly borders the Hermanstad industrial node, rail, the R80 highway and the suburb of Daspoort, providing direct access to skilled and semi-skilled labour in the immediate area, as well as multiple transport modes for passengers and goods. The land has been appropriately zoned for the sector descriptions above and is currently unserviced.

PROJECT RATIONALE

Having recently obtained conditions of establishment, the developers are still at an early stage of development and open to exploring opportunities for single large tenants. The developers are still flexible to accommodate a large tenant interested in the entire precinct of land available or a large portion of it by redesigning the layout to suit specific requirements. They are also able to entertain the sale of individual parcels of land, a long-term lease or a top-structure build on the back of a long-term lease agreement.

There is an additional opportunity to explore partnerships with independent power producers (IPPs) as well as other green technology and infrastructure providers. The land owner/developer of Eco-One is the Sinovich Group, which has over 100 years aggregated property development experience in Tshwane. The Sinovich Group is proud of its longstanding relationship with the city and has as property developer been responsible for numerous successful large-scale developments in Tshwane.

PROJECT VALUE

Land value, zoned, unserviced: US\$5.5 million

Land value, serviced: US\$18 million (initial engineering report estimates)

Development total build out value:

US\$83 million (estimate)

ECONOMIC IMPACT

During construction

GDP growth: 0,07% pa

Wage flows: R33,2 million pa

Over the long term

GDP growth: 0,01% pa

Wage flows: R26 million pa

FUNDING REQUIREMENTS

- Large industrial tenant opportunities
- JV development/Partner opportunities
- Project specific equity investments
- Green/Eco-power and infrastructure partnerships.

JV PARTNERSHIP

REQUIREMENTS

JV to be negotiated



Artist's impression: Light industrial

8.6 AFRICAN GATEWAY

SECTOR

Mixed-use development

PROJECT LOCATION

Centurion, 12 km south of the CBD

PROJECT DESCRIPTION

The African Gateway project represents a significant landmark of mixed-use development in the heart of Centurion, Gauteng. The project is strategically located on an 8 ha site in close proximity to airports, local rail and bus stations and the Gautrain station at Centurion. Directly adjacent to the site is a busy regional mall and artificial lake.

The project comprises 500 hotel rooms, 150 000 m² of offices, 35 000 m² commercial space and high-end residential apartments – a total development of 240 000 m². This is a sustainable project with green buildings and parklands to provide a ‘green lung’ to an otherwise built-up area.

PROJECT RATIONALE

To create a high-density government precinct with mixed-use accommodation, anchored by a much-needed international convention centre, centrally located in Gauteng.

This project forms part of a larger development that includes the Tshwane Convention Centre project. Tshwane houses approximately 135 foreign missions as well as all national government departments, but does not have a convention centre to meet the needs of its capital city status. By constructing this development in close proximity to the convention centre an opportunity is created to host conventions, house delegates on site, provide shopping and entertainment facilities within walking distance and have access to rapid rail transport to the international airport.

PROJECT VALUE

US\$480 million

ECONOMIC IMPACT

During construction

GDP growth: 0,32% pa

Wage flows: R157,6 million pa

Over the long term

GDP growth: 0,04% pa

Wage flows: R42,8 million pa

FUNDING REQUIREMENTS

Partially funded

JV PARTNERSHIP REQUIREMENTS

To be negotiated



Artist's impression: African Gateway

8.7 CENTURION AEROSPACE VILLAGE

SECTOR

Aerospace

PROJECT LOCATION

12 km south of the CBD

PROJECT DESCRIPTION

The Centurion Aerospace Village is a high-tech advanced manufacturing aero-mechanical and defence cluster aimed at integrating sub-tier suppliers of the local aerospace industry into the global supply chain.

This cluster development is aimed at strengthening the aerospace supply chain by bringing new and existing aerospace and defence industry suppliers, in close proximity to one another and to locate them next to tier one-supplier companies and anchor industry partners.

PROJECT RATIONALE

The aerospace and defence industry will benefit from the Centurion Aerospace Village development as it will enhance the international competitiveness of the local industry with regards to local OEM representatives, OEM suppliers of components, parts and tools, as well as service providers who will all benefit from the synergy and economy of balanced applications.

Other relevant industries and sectors, such as automotive, metals and chemicals, will directly or indirectly benefit from the establishment of the Centurion Aerospace Village. The SMME sector will also benefit from numerous opportunities that will be identified for further development.

PROJECT VALUE

Landside investment:

Infrastructure: US\$20 million

Buildings: US\$34,5 million

ECONOMIC IMPACT

During construction

GDP growth: 0,15% pa

Wage flows: R75,5 million pa

Over the long term

GDP growth: 0,02% pa

Wage flows: R12,5 million pa

FUNDING REQUIREMENTS

Public and private investors are targeted for capital and operational investment into the Centurion Aerospace Village, its facilities and services. Development funding is envisaged to be equity and debt-funded.

JV PARTNERSHIP REQUIREMENTS

To be negotiated



Centurion Aerospace Village



8.8

SYMBIO CITY

SECTOR

Mixed-use development

PROJECT LOCATION

12 km south of the CBD

PROJECT DESCRIPTION

The conversion of 10 ha of land surrounding and including the man-made Centurion Lake into a vibrant mixed-use Symbio city, linking the Centurion Gautrain Station with the existing Centurion Mall.

PROJECT RATIONALE

The aim is to provide both high-density and large, high-quality urban open spaces to enhance liveability for the inhabitants. Symbio city will make optimal use of public transport and a proposed monorail system to move away from car-based transport to lower carbon emissions. Centurion provides global connectivity for non-car owners. The project will focus on the generation of renewable energy from natural resources and building waste products to eventually achieve off-the-grid efficiency.

The timing has never been more appropriate to leverage the emerging knowledge economy that is becoming the hallmark of Centurion. It is envisaged that this be done through acquiring the new technology and expertise of leading global companies to develop the potential of Centurion to its fullest extent. This will take place through the creation of an African and, indeed, global landmark in the form of Symbio City, which will incorporate the tallest building in Africa, consisting of two office towers and one residential tower, a hotel and retail facilities.

This specific location in Gauteng has the potential to enhance the size of the regional economy and to attract international commercial interest. The location between the Ben Schoeman Highway (N14) and the N1 Highway corridor, adjacent to the Gautrain Station, forms part of the development corridor of Gauteng. The environment is currently surrounded by businesses, offices and residential and commercial facilities. This locality in Gauteng, which has is the fourth largest economy in Africa, has immense potential waiting to be unlocked, with the planned Symbio city development being the ideal catalyst for the total redevelopment of the Centurion business precinct.

THE DEVELOPMENT WILL CATER FOR

- retail development: a shopping centre with at least 100 000 m² of gross leasable area (GLA), with a maximum height of five storeys;
- office and hotel development: an office component with at least 350 000 m² of GLA and a hotel with a maximum of 295 beds and a maximum height of 110 storeys; and
- residential development: allow for a maximum of 1 000 units, with an average size of 150 m² per unit and a maximum height of 60 storeys.

PROJECT VALUE

US\$2.2 billion

ECONOMIC IMPACT

During construction

GDP growth: 1,46% pa

Wage flows: R722,15 million pa

Over the long term

GDP growth: 0,18% pa

Wage flows: R139,3 million pa

JOB CREATION

It is envisaged that the project will create 10 000 jobs during the development phase and 4 000 while in operation thereafter.

FUNDING REQUIREMENTS

Partially funded

JV PARTNERSHIP REQUIREMENTS

To be negotiated



Artist's impression: Symbio City



8.9

MENLYN MAINE

SECTOR

Mixed-use development

PROJECT LOCATION

11 km east of the CBD

PROJECT DESCRIPTION

The project entails the creation of the first green living precinct in South Africa. Menlyn Maine is situated in the heart of Tshwane's eastern suburbs and is ideally located to make full use of the newly upgraded Garsfontein and Atterbury highway intersections.

Menlyn Maine is a redevelopment of approximately 100 residential erven located in the current townships of Waterkloof Glen Extension 2 and Menlyn Extensions 3 and 11.

The previous residential houses were dismantled through the salvaging of all recyclable/reusable building material, while endemic trees were located to an on-site nursery for later replanting as the precinct develops.

The urban design for Menlyn Maine is based on the town planning principles of mixed-use, connectivity and an integrated open-street system, designed around a clearly defined public domain.

It ensures a precinct that:

- is characterised by a spatially coherent sense of place and builds on what is locally unique through the integration of diverse land uses in comparison to the anonymity of urban sprawl
- is a densification of the context thereby allowing pedestrian movement
- offers a variety of land uses within the precinct and surrounds to replace the existing single-use zoning, thereby promoting 24-hour precinct usage
- establishes a quality address; and
- ensures investment sustainability with higher and more stable property values.

PROJECT RATIONALE

Menlyn Maine is envisioned to be the first green living precinct in South Africa. The Menlyn Maine precinct is the densification of an existing low-density residential suburb with an approximate size of 315 000 m².

Land usage has been divided as follows: 150 000 m² office space, 4 500 m² gym, 35 000 m² retail and dining space, 85 000m² residential, 30 000 m² luxury hotel space and 30 000m² urban entertainment facilities – all of which overlook 5 700 m² of scenic parks that run through the centre of the entire precinct.

PROJECT VALUE

US\$600 million

ECONOMIC IMPACT

During construction

GDP growth: 0,4% pa

Wage flows: R196,95 million pa

Over the long term

GDP growth: 0.05% pa

Wage flows: R37.98 million pa

FUNDING REQUIREMENTS

Partially funded for all projects underway

JV PARTNERSHIP REQUIREMENTS

To be negotiated per building



Menlyn Maine



8.10 HAZELDEAN

SECTOR

Mixed-use Development

LOCATION

Pretoria East, bounding Silverlakes and the N4 Freeway 20 km east of the CBD

PROJECT DESCRIPTION

The Hazeldean nodal development is envisioned as a mixed-use, self-sufficient, live, learn, grow, work and play eco-friendly suburban precinct. The development comprises an area of 900 ha and started in 2006. It is a full-circle-living concept with all amenities on its doorstep, eliminating the need to spend hours commuting each day.

The development's vision for the Hazeldean node is to create a home for young and old in an eco-friendly, park-like environment.

Opportunities within the development include:

- Residential opportunities: 11 000 dwellings (both the old and new phases)
- Developable floor Area: 1,7 million m²
- Environmental Record of Decision (ROD) issued for the entire development
- Approved condition of establishment for most of the phases of the development.

PROJECT RATIONALE

The project falls within the 25 km radius from the Pretoria CBD as advocated by the Metropolitan Spatial Development Framework. The rationale is to encourage high-density development in and around the nodes to take advantage of the existing services, infrastructure and job opportunities. In doing so, the city seeks to:

- drive spatial transformation through densification and compact development;
- address many of the ills currently caused by urban sprawl;
- achieve balanced sustainable growth to optimise the potential and infrastructure capacity;
- revitalise and develop new economic nodes that support transit-oriented development and public transport systems;
- strategically invest in infrastructure targeting various nodes, corridors, activity spines, and strategic land parcels that support higher intensity of mixed-use development;
- achieve balanced sustainable urban growth by implementing a certain density typology based on the characteristics of the locality;
- conserve and protect natural resources through the intentional ordering of urban development within the boundaries of specific delineations; and
- give equal access to Tshwane's social and economic infrastructure.

PROJECT VALUE

Total investment of land and top structure development estimated at US\$3 billion

ECONOMIC IMPACT

During construction

GDP growth: 1,98% pa

Wage flows: R984,75 million pa

Over the long term

GDP growth: 0,25% pa

Wage flows: R189,93 million pa

JOB CREATION

An estimated 239 700 jobs are expected during the construction phase. The number of jobs during the long-term sustainability phase is estimated at 177 520.

FUNDING REQUIREMENTS

Public and private investors are targeted for capital and operational investment for residential, commercial, industrial, education and property development.

JV PARTNERSHIP REQUIREMENTS

Co-ownership structures



Artist's impression: Hazeldean

8.11

RAINBOW JUNCTION

SECTOR:
Mixed-use development

LOCATION:
6 km north of the CBD

PROJECT DESCRIPTION
The vision of Rainbow Junction encapsulates the delivery of a vibrant new economic node at a premier location of 140 ha at the entrance to the capital city to reflect the dynamic lifestyle of the new South Africa with a mixed-use property development. This unique address is serviced by road, rail and air. The approved mixed basket of integrated land uses comprise of office and corporate parks, 1 200 high-density residential units, a spread of extensive retail developments, and including a high-street shopping precinct and a regional shopping centre, hotels with conference facilities, clean light industry aligned with the city’s commitment to environmentally sustainable development, community facilities such as a private hospital and other bespoke commercial opportunities. This new district, focused on business, is Africa’s new business gateway and is located within the heart of the country’s capital city.

Environmental Record of Decision (ROD) has been issued for most of the phases in the development. The master plan of the area, adopted in line with the City of Tshwane 2012 Regional Spatial Development Framework, and approved condition of establishment for most of the phases of the development have been secured.

PROJECT RATIONALE
The project has been identified as a priority development area focusing on:

- developing the northern areas of the city where a large number of impoverished communities reside; and
- the need to compact the city and provide housing and employment opportunities closer to the city centre.

A number of opportunities have also been identified, including industrial and logistics developments that are enabled by road and air accessibility, residential infill and related commercial opportunities.

The project falls within the 25 km radius from the Pretoria CBD as advocated by the Metropolitan Spatial Development Framework. The rational is to encourage high-density development in and around the nodes to take advantage of existing services, infrastructure and job opportunities. The development will further transform the spatial structure of the city through reduced travelling time and commuting, and by linking the affluent areas with the low-income areas located north of the CBD.

PROJECT VALUE
Total capital investment of US\$1,1 billion

ECONOMIC IMPACT
During construction
GDP growth: 0,4% pa
Wage flows: R210,6 million pa

Over the long term
GDP growth: 0,03% pa
Wage flows: R22,16 million pa

JOB CREATION
During construction: 17 100 jobs
Sustainable jobs: 27 300

FUNDING REQUIREMENTS
The project requires partnership between the government and the private sector in providing the required bulk infrastructure to unlock the development.



Artist's impression: Rainbow Junction

8.12

THE ORCHARDS

SECTOR

Mixed-use development

PROJECT LOCATION

20 km north of the CBD

PROJECT DESCRIPTION

The development is primarily a low to middle-income development, providing much needed housing for the middle and low end of the housing market. When fully developed, it will provide 16 000 residential units in the area currently characterised by informal settlements and poor housing conditions.

The development will be a mixed-housing typology, catering for needs ranging from RDP to the gap market and the bonded market, in its response to the socio-economic conditions of the area. In delivering the project, the city is partnering with the private sector.

PROJECT RATIONALE

A number of opportunities have been identified, including industrial and logistics developments that are enabled by road and air accessibility, residential infill and related commercial opportunities. The challenge facing this zone is the provision of bulk engineering services to unlock development in this area.

In order for the vision and the strategic development framework for the zone to fully realise, it is important that it be supported by economic development, social development, a quality environment (built and natural), effective transport systems and, most importantly, bulk engineering services.

The area is one of the best locations for residential opportunities as part of the process to restructure the city spatially. The areas along the Platinum and Metropolitan Corridors are extremely suitable for development of higher-density housing. The area has high development potential due to the availability of land and the new accessibility created by the N4.

PROJECT VALUE

US\$56 million

ECONOMIC IMPACT

During construction

GDP growth: 0,24% pa

Wage flows: R210,6 million pa

Over the long term

GDP growth: 0,03% pa

Wage flows: R22,16 million pa

JOB CREATION

5 000 temporary job opportunities created during the construction phases

2 000 permanent jobs to be created

FUNDING REQUIREMENTS

To be negotiated



Artist's impression: Mixed-use development

8.13 SOLAR GEYSER ROLLOUT

SECTOR

Municipal infrastructure/Energy

PROJECT LOCATION

Citywide

PROJECT DESCRIPTION

The City of Tshwane aims to decommission all conventional electric geysers and replace them with solar water heaters. This will require various technological interventions and skills. Both low- pressure and high-pressure solar water heaters are currently installed but the use of low-pressure systems will ultimately be phased out.

The citywide use of solar geysers will have cost benefits for consumers and will significantly reduce the pressure on the electricity grid. The city will require project managers, plumbers and trained labour to achieve the milestones to the benefit of the communities of Tshwane.

At least 18 986 low-pressure (100ℓ) solar water heaters have been installed over the past four years. All the systems were installed independent of electricity support (off the grid).

In an average household with a 150 ℓ geyser or larger, studies have shown that the electricity savings can be between 30 percent and 40 percent of the household’s electricity consumption.

PROJECT RATIONALE

Solar power is one of the most effective renewable energy sources available. By implementing this source for water heating, the City of Tshwane opts for maximum power saving. Solar heaters offer significant cost savings to consumers and alleviate the pressure on the electricity grid.

PROJECT VALUE

Approximately 118 000 RDP (low-cost) houses still require installations. This amounts to US\$64,9 million
Approximately 440 000 middle- and high-income houses still require installations. This amounts to US\$551,7 million

ECONOMIC IMPACT

During construction

GGP growth: 0,41% pa

Wage flows: R202,4 million pa

Over the long term

GGP growth: 0,05% pa

Wage flows: R25,3 million pa

FUNDING REQUIREMENTS

JV development/partnership opportunities, project-specific equity investments, Green/Eco-power and infrastructure partnerships

JV PARTNERSHIP REQUIREMENTS

To be negotiated



Solar geyser rollout



8.14 ADVANCED BIO-MANUFACTURING PARK

SECTOR

Advanced manufacturing

PROJECT LOCATION

At the Innovation Hub, 10 km east of the CBD

PROJECT DESCRIPTION

The project entails the establishment of an advanced bio-manufacturing facility that will be accessed and utilised by specific SMME's in the bio-economy sector.

The overarching objective of setting up an advanced bio-manufacturing facility to support SMME's in this sector is three-fold:

- for the provision of commercial, yet subsidised manufacturing infrastructure/facilities and business development support programmes to SMME's in the bio-manufacturing industry to support and enable sustainable bio-technology businesses
- to develop a cluster of SMME's in this sector that will serve as suppliers R&D partners of multinational companies or large corporates in the sector
- to leverage on the rich skills availability and innovations that emerge from the surrounding research institutions to establish critical expertise within the sector and create jobs

The companies located at the Bio-manufacturing Park will be supported through;

- market access opportunities through The Innovation Hub's International Science Park community and a global network;
- business incubation support and access to subsidised manufacturing facilities;
- technical support through facilitating collaborations with universities in Gauteng;
- access to technical skills through the partnerships that The Innovation Hub has with the various science councils, universities and SMME's in the region;
- access to new innovative technologies through collaborations with companies of the Bio-manufacturing Park on the Innovation Hub campus;

PROJECT RATIONALE

With The Innovation Hub strategically located in the knowledge axis of Tshwane, it is ideally positioned to facilitate the establishment of this bio-manufacturing corridor that will be geared towards providing financially accessible infrastructure, market access opportunities and access to critical technical skills and resources through the partnerships it has with the institutions in its vicinity.

PROJECT VALUE

To be determined by feasibility study

FUNDING REQUIREMENTS

To be determined by feasibility study

JV PARTNERSHIP REQUIREMENTS

To be negotiated



The Innovation Hub



8.15 WONDERBOOM NATIONAL AIRPORT

SECTOR

Aviation and Aerospace

LOCATION

10 km north of the CBD

PROJECT DESCRIPTION

Wonderboom Airport was established in 1936 as a training facility for World War 2 pilots and has a rich history in South African aviation. The airport currently has national airport status and is owned and managed by the City of Tshwane and serves the needs of the greater Tshwane area.

Being a general aviation airport, it currently hosts numerous economic activities such as aircraft maintenance operations, aircraft refurbishment and spray painting, avionics services, parachuting, aircraft manufacturing, specialised propeller centers and pilot training for both fixed wing aircraft and helicopters. There are also a number of charter companies based on the airport. The main terminal building accommodates a restaurant, a pilot shop and a boutique hotel.

Further studies are underway which will determine the future modus operandi of the airport. These studies will identify the nature of service(s) to be delivered as well as the infrastructure requirements that would be required should international status be obtained and would open up further investment opportunities beyond those highlighted below. A market exists in northern Gauteng and adjacent Limpopo and North West to develop Wonderboom Airport to such an extent that it would enhance the quality of life of all the people in the city and adjacent areas by rendering an efficient, effective and affordable aviation service with further national destinations made possible.

The airport presently operates under a CAT 5 airport license and as such its emergency services are geared to address emergencies up to a CAT 8 to 9 level. The airport composes all appropriate airport infrastructure. More specifically, it operates with two runways: runway 11/29 (1 829 m in length, 30 m wide with an approximate PCN of 48) as well as a cross secondary runway, runway 06/24 (1 200 m and 22 m wide, with a PCN of approximately 25 which is primarily used by smaller general aviation aircraft).

There is a control tower manned by ATNS. Weather information is provided and the airport also offers a DVOR, a VDF and NDB system for aeronautical instrumentation support. Runway lights on the main runway, runway-end lights, taxiway lights and a PAPI system are also in place on both the 11 and 29 thresholds as supporting ground lighting systems.

PROJECT RATIONALE

The environment wherein Wonderboom Airport is located is such that the activities on the airport can be extended without damaging the nature of the environment and is ideally situated so as to be developed as a further major airport in Gauteng supplementing the services presently available at OR Tambo International Airport and Lanseria International Airport.

The cost of expanding the present facilities at Wonderboom Airport would be far less than the cost of developing a major new airport to supplement the services at the above-mentioned airports. The vacant land on the airport (in excess of 35 ha) provides for further aviation-focused development as well as office and retail facilities, thereby making provision for additional airport users.

THE FOLLOWING INFRASTRUCTURE AND RELATED INVESTMENT OPPORTUNITIES ARE ENVISAGED AND INCLUDE

- the possible extension of the main runway to a minimum length of 2,7 km;
- relocation of control tower;
- expansion of the main terminal building;
- development of a parcade, offices, conference facilities and shops typically found at an airport terminal; and
- the development of aviation-related services on the available 35 ha (ie aircraft hangars, AMO aircraft or aircraft component manufactures, etc);
- the possible establishment of a cargo centre;

PROJECT VALUE

To be determined by feasibility study underway

ECONOMIC IMPACT

To be determined by feasibility study underway

FUNDING REQUIREMENTS

Public and private investors are targeted for capital and operational investment into the Wonderboom Airport.

JV PARTNERSHIP REQUIREMENTS

To be negotiated



Wonderboom National Airport

8.16

EAST CAPITAL

SECTOR

Mixed-use development

PROJECT LOCATION

The eastern quadrant of Tshwane

PROJECT DESCRIPTION

The project entails the development of the eastern areas of the capital city. This project will result in a dynamic mega node covering the areas of Cullinan, Bronkhorstspuit and Rayton. The plan is to focus on developing a green belt of industries, agricultural beneficiation and green settlements.

PROJECT RATIONALE

The purpose of the project is to revitalise the eastern part of Tshwane in support of economic growth. The area has been in economic decline and resulted in de-urbanisation due to changes in the spatial economy of the area in relation to the Gauteng city region's urban core.

The East Capital development concept has been finalised and the packaging of investment opportunities is underway. The minimum financial requirements of the initial intervention are determined at US\$15 million. This will unlock potential private investment of about US\$250 million.

Agro-processing Hub (Agri-logistical Service Centre)

PRODUCT/SERVICE

Agriculture

LOCATION

Eastern region

DESCRIPTION OF INVESTMENT OPPORTUNITY

The development of an Agro Hub, an agricultural logistics and agro-industrial service centre that provides the farmer, grower, entrepreneur and business firm with the opportunity to affordably access the services and inputs that are required to decrease costs and increase productivity, income and profit.

The services provided will include post-harvest processing and agro industries, assistance with marketing and information, demonstration of state-of-the-art technologies and best practice management procedures, skills training and capacity building and supply of inputs (seeds, fertiliser, machinery).

COST: CAPEX/OPEX

CAPEX: R460 million

OPEX: R50 million

SOCIO-ECONOMIC IMPACT

Direct employment: 450 permanent jobs (250 in Agro hub-based industries, 200 on the respective farms and production units)

Multiplier effect: High

Skills transfer and capacity building: High

BBBEE contribution: High

AFFORDABILITY

Based on combined investment of the City of Tshwane for basic planning, design and infrastructure and private sector investments by financing institutions, banks, corporate sectors, investors and entrepreneurs.



Bronkhorstspuit Dam Waterfront Development

PRODUCT/SERVICE

Hospitality

LOCATION

Bronkhorstspuit Dam

DESCRIPTION OF INVESTMENT OPPORTUNITY

To develop a waterfront at Bronkhorstspuit Dam with restaurants, shops, a hotel and conference centre. Providing a relaxing environment for weekend guests and attracting the business tourism sector from the OR Tambo node and tour operating routes.

COST: CAPEX/OPEX

CAPEX: R268 million

OPEX: R51 million

SOCIO-ECONOMIC IMPACT

- Create employment at different levels of management;
- Encourage hospitality and tourism management training;
- Key transformation sector;
- Create entrepreneurial opportunities;
- Estimated direct employment of 330 people.

AFFORDABILITY

The project is a large investment, but has the ability to attract multiple investors and businesses in developing the project.



Aquaculture (Integrated Fish Farm)

PRODUCT/SERVICE

Agriculture

LOCATION

Eastern region

DESCRIPTION OF INVESTMENT OPPORTUNITY

This opportunity is a fish farming aquaculture project on a central aquaculture farm (can be located near the Agro Hub) and a system of peripheral outlying growers/farmers.

The central farm will provide fingerlings, feed and training to the outlying farmers and will produce and supply feed, train the farmers and market the final fish products.

The outlying farmers will concentrate on the fattening of the fish receiving the fingerlings, feed and training from the central farm.

COST: CAPEX/OPEX

CAPEX: R650 000

OPEX: R450 000

SOCIO-ECONOMIC IMPACT

Employment: 20 people on central farm and one to two people on each peripheral farm.

Environmental impact: Moderate

Multiplier effect: High

Skills transfer and capacity building: High

BEE contribution: High

AFFORDABILITY

The investment of the central farm is deemed affordable due to attractive IRR and PBP. Investment in the peripheral farms is considered attainable.

Theme Park, Edwardian Style

PRODUCT/SERVICE

Entertainment/Theme Park

LOCATION:

Cullinan old town and Premier mine

DESCRIPTION OF INVESTMENT OPPORTUNITY

The proposed theme park aims to create a similar environment in Cullinan to that of Gold Reef City in the south of Johannesburg. The recommended theme is an Edwardian fairground, which links to the history of Cullinan and its diamond mine in a fun and entertaining manner.

The theme park needs to link to the tourism activities and attractions in Cullinan surrounding the mine, Oak Avenue, the train station and the historical town.

COST: CAPEX/OPEX

CAPEX: R276 million

OPEX: R157 million

SOCIO-ECONOMIC IMPACT

- use professional and international corporate assistance in managing the system;
- thereafter transfer the management and operation skills to local personnel;
- estimated direct employment of 300 people;
- several small business opportunities within and relative to the proposed theme park development.

AFFORDABILITY

Developing and operating a theme park is very expensive, but holds high levels of revenue and employment generation.



Ezemvelo Nature Reserve Educational Ecotourism Model

PRODUCT/SERVICE

Ecotourism

LOCATION

Ezemvelo Nature Reserve (near Bronkhorstspuit)

DESCRIPTION OF INVESTMENT OPPORTUNITY

The opportunity calls for Ezemvelo to develop a unique educational ecotourism model, as a 'knowledge nature reserve', that offers state-of-the-art green and environmental education while protecting a biodiversity biome. The existing facilities require upgrading and there is significant potential to develop additional facilities, namely conference facilities, upmarket accommodation and tourism activities (sporting events, guided walks and water activities).

COST: CAPEX/OPEX

CAPEX: R10 million

OPEX: R3 million

SOCIO-ECONOMIC IMPACT

- a black youth-owned enterprise will be established for the students to own and manage the facilities at Ezemvelo;
- estimated employment of 30 permanent staff and 50 part-time staff;
- an estimated 50 students will obtain part-time work at Ezemvelo during their studies;
- students receive entrepreneurial and practical training.

AFFORDABILITY

Ezemvelo is an untapped resource with significant tourism potential and has BBBEE status.

Distribution and Hospitality Services

PRODUCT/SERVICE

Tourism

LOCATION

Cullinan area

DESCRIPTION OF INVESTMENT OPPORTUNITY

The Tourist Central Activity Node and Visitor Centre in Cullinan will provide a safe haven for tour bus groups by providing bus parking facilities, access to tourism information and reservation facilities, the opportunity to refresh with the provision of ablution facilities and refreshment stalls. Moreover, the centre will provide an interpretation facility with optional tour guiding services at the tourist activities pickup zone. The Tourist Central Activity Node and Visitor Centre thus offers a central meeting and orientation zone for tour groups, also creating a more organised and unique environment in the historic town by removing the obstruction and inconvenience of tour buses occupying scenic space and tourist flow zones in Cullinan.

COST: CAPEX/OPEX

CAPEX: R10 million
OPEX: R900 000

SOCIO-ECONOMIC IMPACT

- Estimated direct employment of 30 people;
- Several small business opportunities correlate with the development; with other tourism products linking their reservations and pickups at the centre.

AFFORDABILITY

The development is affordable, since the infrastructure requirements are general, relating to a small-scale retail centre.



Artist's impression: Distribution and hospitality services



Artist's impression: Green Industrial Park

Green Industrial Park

PRODUCT/SERVICE

Commercial property development

LOCATION

Cullinan, Rayton

DESCRIPTION OF INVESTMENT OPPORTUNITY

The Green Industrial Park will provide quality commercial property for a range of key green sectors, such as agriculture and recycling. Moreover, the industrial park will support and cater for the development of SMMEs and BBBEE businesses in the eastern region of Tshwane.

Businesses located in the industrial park will have to adhere to green building standards and ongoing environmental regulations (ie carbon emissions and water management).

Potential tenants will be drawn from surrounding areas such as Refilwe, Rayton, Ekandustria and Bronkhorstspuit.

COST: CAPEX/OPEX

CAPEX: R350 million
OPEX: N/A

SOCIO-ECONOMIC IMPACT

Employment:	1 400-1 600 (temporary and ongoing)
Environmental impacts:	No effect
Multiplier effects:	Medium
Skill transfer:	Low
BEE contribution:	Medium

AFFORDABILITY

The project has a high projected capital expenditure and offers a low-risk return. The project is thus moderately affordable.

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ABBREVIATIONS

AIDC	Automotive Industry Development Company
AIS	Automotive Investment Scheme
BBBEE	Broad-Based Black Economic Empowerment
BMW	Bayerische Motoren Werke AG
BPO	Business Process Outsourcing
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CAV	Centurion Aerospace Village
CBD	Central Business District
CFL	compact fluorescent lamp
CIP	Critical Infrastructure Programme
CNG	Compressed Natural Gas
COMESA	Common Market for Eastern and Southern Africa
CPI	consumer price index
CSIR	Council for Scientific and Industrial Research
DIIP	Development Investment Incentives Policy
DTI	Department of Trade and Industry
EAC	East African Community
EY	Ernst and Young
FDI	Foreign Direct Investment
GB	gigabyte
GCR	Gauteng City Region
GDP	Gross Domestic Product
GGP	Gross Geo Graphical Product
GLA	Gross Leasable Area
GMT	Greenwich Mean Time
GSDF	Gauteng Spatial Development Framework
GVA	Gross Value Added
ha	hectare
HSRC	Human Sciences Research Council
ICT	information and communications technology
IDP	Integrated Development Plan
IPAP	Industrial Policy Action Plan
IPP	Independent Power Producer
IRR	Internal rate of return
IT	Information technology
Jhb	Johannesburg

JIC	Joint Investment Committee
JSE	Johannesburg Stock Exchange
JV	Joint Venture
km	kilometer
LED	light-emitting diodes
MIP	Manufacturing Investment Programme
MNCs	Multinational Companies
MSDF	Metropolitan Spatial Development Framework
MW	megawatts
NDPG	Neighbourhood Development Partnership Grant
OEM	Original Equipment Manufacturer/Manufacturing
ORT	O.R. Tambo International Airport
PBP	Payback Period
PPP	Public Private Partnership
QoL	Quality of Life
R&D	Research and Development
RDP	Reconstruction and Development Programme
ROD	Record of Decision
RSA	Republic of South Africa
SADC	Southern African Development Community
SME	Small and medium-sized enterprises
SMME	Small, Medium and Micro-sized Enterprises
SPV	special purpose vehicle
STRIC	Strategic Investment Committee
TAC	Tshwane Automotive City
TshWiFi	Tshwane Wi-Fi
TV	Television
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNISA	University of South Africa
US\$	United States Dollar
USA	United States of America
VOIP	voice over internet protocol
ZAR	South African rand

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