

CITY OF EKURHULENI



HOME TO AFRICA'S



FIRST AEROTROPOLIS



EKURHULENI'S NEW HORIZON

EKURHULENI AEROTROPOLIS - LEVERAGING THE ECONOMIC POTENTIAL OF A COMMUNITY'S AIRPORT

The City of Ekurhuleni, together with the Gauteng province, has launched the visionary Ekurhuleni Aerotropolis initiative that is one of the most exciting development projects in South Africa today.



PREMIER'S FOREWORD

"There is nothing more basic at stake than the future of South Africa to play on a global stage. If Ekurhuleni can figure out how to invest in its future, all South Africans will prosper through education, improved quality of life, and jobs".

- **David Makhura**



Gauteng is the economic and industrial hub of South Africa and the SADC region and a significant player in Africa's rising economic fortunes.

In monetary value Gauteng's economy is more than R1-trillion. Our province contributes 36% to South Africa's GDP, 40% of total industrial output and 60% of exports. The number of employed people grew from 2.7 million in 1995 to 4.88 million people in 2014, making Gauteng the biggest contributor to national employment.

Despite our relative strength, our economy has major structural problems which mirror those of the national economy. We are addressing these problems through our ten pillar programme for Radical Transformation, Modernisation and Reindustrialisation.

Over the next 5 to 15 years, we will implement programmes to change ownership patterns to bring black people into the economic mainstream and create black industrialists and change the current industrial structure of our economy to promote manufacturing and industrialisation.

The Aerotropolis Master Plan is one such a plan of the Gauteng City-region that will ensure radical transformation of the spatial economy and human settlements. At its core, the Aerotropolis is more than a development plan. It sets out a

roadmap to better the lives of Gauteng residents and position our province as a hub of investment and industrialisation. It will contribute towards the development of the SMME sector as a key driver of growth. It will also strengthen the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors.

The Aerotropolis is therefore more than a physical land use plan. It is a platform for a host of physical, social, governmental, and economic planning efforts intended to improve the lives of our residents and communicate a message of stability, sustainability, economic energy, and desirability to the world.

The Aerotropolis is a ground-breaking initiative which anchors the Eastern Development Corridor as Gauteng's hub for manufacturing, logistics and transport industries.

David Makhura
Premier of Gauteng

EXECUTIVE MAYOR'S FOREWORD



Our city is named to reflect the aspirations of our residents as a place of peace. In this spirit, we welcome you to the City of Ekurhuleni. Ekurhuleni is a major hub that connects South Africa to the world, and serves as a key point of connectivity and industry for the country and continent.

In May 2016, our Council embarked on a journey of social transformation, to ensure that our residents see improved and impactful service delivery, with accelerated access to a constant provision of quality services. This commitment includes a focus on economic development and increased investment. Immediate and clear priorities include security of water and energy supply; completion of transport infrastructure and launch of the much anticipated bus rapid transit system-Harambee; rollout of Wi-Fi; unleashing of strategic land parcels for development; and implementation of our ten- point economic plan.

The economic plan is a comprehensive programme of economic growth and development, intended to create jobs and attract investment into the city. The Aerotropolis development is one of the key points in this economic plan.

This term of office is one in which we will focus on building a humane pact between the City and its citizens, in which the aspirations of our people,

regardless of their current circumstances, can be given a fair opportunity for progress. The City can't attain these ambitious goals without the support of all of our stakeholders. And in turn, we commit ourselves to deliver on our mandate, efficiently, effectively and in a way which improves the City and the state of its people.

In conclusion, let me reiterate our commitment to working with all of our stakeholders, in growing and developing our city, so that we can ensure increased equality and prosperity for all of our residents.

Yours in Governance
Executive Mayor
Councillor Mzwandile Masina

MEMBER OF THE MAYORAL COMMITTEE'S FOREWORD



The Ekurhuleni Aerotropolis, Africa's first Aerotropolis that links Africa to the World and the world to Africa presents a unique opportunity in positioning our region, province and country as a geo-economic hub amongst the world economies as a catalyst of growth for key economic sectors, including travel, tourism, agriculture, trade and commerce.

As the Government of the Ekurhuleni Aerotropolis in partnership with the Gauteng Province and our strategic partners we are committed to making sure that necessary governance, spatial planning and land use management instruments - such as the Municipal Spatial Development Framework and Regional Spatial Development Framework are utilised to unlock economic opportunities and guide investors on available opportunities in the Aerotropolis.

Our economy has shown resilience in the wake of recent economic difficulties, it was and still is not immune from the consequences of unstable global economy. Like the country's economy, the City of Ekurhuleni's economy is still characterised by slow economic growth. Despite our skills, job creation as well as economic empowerment initiatives, the unemployment rate remains a major concern, particularly the 36.9% youth unemployment. Despite the volatile economic environment, the City of Ekurhuleni has maintained sound and prudent financial management. We remain a credit worthy municipality with a strong liquidity position.

In our case the Aerotropolis carries our people's hopes and wishes for the future.

For us as the City of Ekurhuleni it will help us define our future and long-term identity of an integrated Ekurhuleni and redesigning growth models that will diversify our economic activity, technology transfer and increase trade through the African Continent and Global partnerships, value chain development, spatial and economic transformation.

As the Aerotropolis Government our plan is to build more modern infrastructure, helping to drive economic growth and prosperity. Such an approach will assist us as a City to attract private-sector investments and spur the creation of good Ekurhuleni jobs.

We should not be afraid of resistance and obstacles. It is impossible to stop progress. The famous philosopher Georg Wilhelm Friedrich Hegel once said: "The best service that can be provided by the old and dying to the new and birthing is, by resisting as consistently and as stubbornly as possible, to make it possible for the new to come to life in its most developed and viable form." In the end, we would like to thank you with all our hearts not only those who helped implement this project, but all those who impeded and resisted its implementation.

Doctor Xhakaza
Member of the Mayoral Committee
Finance and Economic Development

CORE PRINCIPLES

The five overarching principles form the foundation for the vision of the Ekurhuleni Aerotropolis:

COMMUNITY

build strong neighbourhoods that allow people to realise their full potential

COLLABORATE

streamlined and effective governance that meets or surpasses global standards

CONCENTRATE

dense transit-oriented developments that promote and complement existing communities

CONNECT

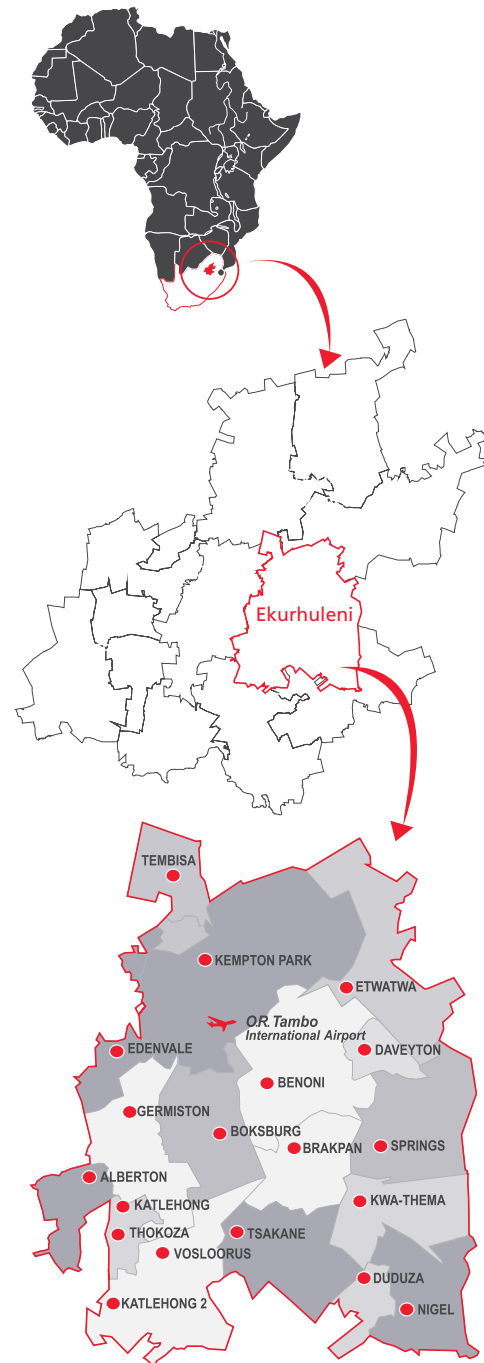
move goods, services and people efficiently and effectively

COMPETE

identify and strengthen the value chains where South Africa has significant competitive advantages in the global economy

An underlying principle of the Ekurhuleni Aerotropolis is to create a programme of permanent, sustainable jobs. Ekurhuleni has 460 000 job seekers, a significant number of whom are educated and employable.

THERE IS NO BETTER SOCIAL PROGRAMME THAN A PERMANENT, SUSTAINABLE JOB!



THE EKURHULENI AEROTROPOLIS CREATES UNIQUE INVESTMENT OPPORTUNITIES FOR:

- Property developers
- Industrial and agricultural investors
- Just-in-time logistics companies, warehousing and cool chain storage
- Research and development
- Bio-Life products, pharmaceuticals, health care services and training

What does Ekurhuleni mean?

“Pronounced ‘e-koo-roo-le-ni’, Ekurhuleni is a Tsonga (one of South Africa’s 11 official languages) word meaning ‘place of peace’. The choice of a Tsonga word for the name of the metropolitan municipality symbolises the new city’s diversity and its vision of an equitable and progressive community.”

EKURHULENI AEROTROPOLIS

IS AN URBAN DEVELOPMENT CONCEPT

in which the region's layout, infrastructure and economy has an airport at its core. In principle, it resembles a traditional metropolis with its central city area and commuter links to a variety of suburban developments. The key difference of the Ekurhuleni Aerotropolis compared with a metropolis, is its dynamic links to global markets.



INCREASINGLY, THE EKURHULENI AEROTROPOLIS,

as with the metropolis, is moving from a random, haphazard development to a carefully planned long-term growth pattern that is optimised to benefit all stakeholders and, in particular, the surrounding communities. It is by no means focused on packing an airport terminal with more retail facilities and the surrounding airport area with more service industries. Instead, it will engender broad economic benefits for the immediate airport precinct, as well as extending over a region with a radius of up to 25 minutes travelling time.



25min

travelling time radius

A VISION WITH A SOLID FOUNDATION

The concept is central to modern urban planning and has delivered considerable economic and social benefits to airport investors, associated businesses and communities in Europe and North America. The lessons learnt there are extremely valuable and are being used to shape the development of the Ekurhuleni Aerotropolis.

1975 km²

EKURHULENI AND O.R. TAMBO INTERNATIONAL AIRPORT IN CONTEXT

The City of Ekurhuleni is an important part of the Gauteng province, the heart of the South African economy.

Ekurhuleni and its sister Gauteng cities contribute:

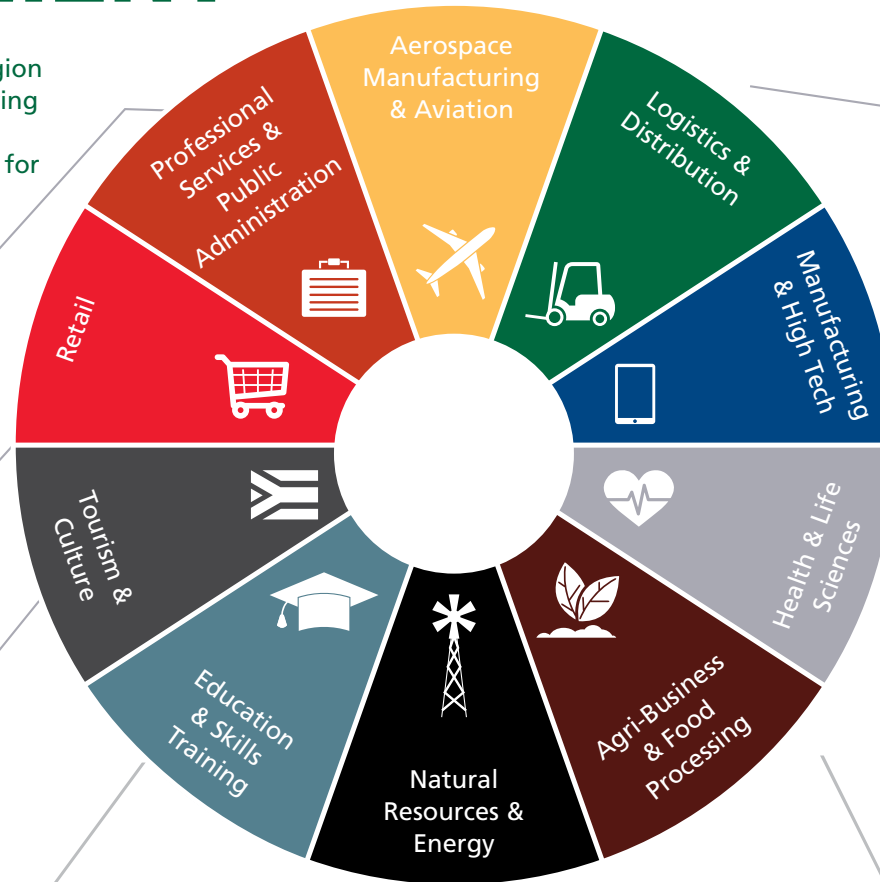
- Almost 33% of the country's GDP
- An estimated 37% of the country's manufacturing
- Almost 41% of South Africa's finance, real estate and business activity



KEY FOCUS AREAS FOR INVESTMENT

The Ekurhuleni Aerotropolis will stimulate the region by generating an environment conducive to growing existing development and investment, as well as creating numerous new investment opportunities for a wide range of investors as outlined below:

- Regional business growth will generate increased demand for professional services
- The decentralisation trend of offices will make office space in the Ekurhuleni Aerotropolis increasingly sought after
- Strategically located and high-visibility sites available for retail development
- Regional focus on business tourism and cultural event-based travel creates opportunities for accommodation, as well as convention and exhibition hosting facilities
- The opportunity exists for an innovative multi-institutional university campus catering for the needs of the target industries and organisations



- The concentration of mining houses complements the Ekurhuleni Aerotropolis' transportation networks, warehousing, manufacturing and specialised technical contractor work

- Opportunities for plasma gasification plants, renewable energy pilot projects and transport of heavy equipment parts

- Existing skills base and advanced manufacturing operations provide the nucleus for potential expansion into the growing commercial aerospace industry

- Investors have the immediate benefit of mature logistics and distribution systems with excellent air, road and rail connectivity

- Commitment by national, provincial and municipal government to support the revitalisation of the manufacturing sector
- Excellent opportunities exist for high-value, low-weight goods production and exports

- The air connectivity and facilities will be ideal for elective healthcare procedures, sample testing services, as well as the manufacturing and export of medical devices and pharmaceuticals

- Land availability for high-value, low-weight agricultural production
- Increased opportunity for cold chain space as well as, domestic and international agricultural commodity trade

INTEGRATION WITH THE GAUTENG IDZ

THE EKURHULENI
AEROTROPOLIS PROJECT
ENCOMPASSES
O.R. TAMBO INTERNATIONAL
AIRPORT AS WELL AS
THE PROPOSED GAUTENG
INDUSTRIAL DEVELOPMENT
ZONE (GIDZ)



The GIDZ is a Gauteng Provincial Government initiative to develop a purpose-built industrial estate linked to O.R. Tambo International Airport that promotes fixed direct investments in value-added and export-oriented manufacturing industries.

The GIDZ's strategic intent is to contribute to economic development by exploiting the Zone's competitive location to attract local and international investment in the manufacturing industry. GIDZ aims to be a leading Industrial Development Zone (IDZ) that facilitates and promotes inclusive and competitive economic growth and development. This will be effected through focused support for targeted sectors to strategically position Gauteng as a global city region.

THE EKURHULENI AEROTROPOLIS VISION

The Ekurhuleni Aerotropolis aims to be a showcase for Gauteng and South Africa as a viable and compelling place in which to invest, live, build a business and thrive. It will achieve this by capitalising on the area's strengths, including production and movement of goods, agribusinesses, food production, aerospace manufacturing, tourism and the most dynamic asset

— ITS PEOPLE.

The attractive environment for business created by the Ekurhuleni Aerotropolis project could result in an estimated

**581 000
NEW JOBS**

THE EKURHULENI AEROTROPOLIS PROJECT

WILL PROVIDE A POTENTIAL INCREASE IN EMPLOYMENT

FROM 2015 TO 2040

IN THE KEY FOCUS AREAS



The estimated increase in employment in the key focus areas by 2040 is indicated in the pie chart. It serves to compare the potential impact of the various target industries on employment growth.

LINKAGES

To the outside world

**325 000
TONS**

of airfreight per year.

90%

of South Africa's airfreight through O.R Tambo International Airport.

62

international destinations, of which 76% are in Africa.

45

scheduled passenger carriers through O.R Tambo International Airport.

AIR LINKAGES

that connect the Ekurhuleni Aerotropolis to the African continent will also foster the growth of foreign direct investment into the region and beyond.

KEY ELEMENTS OF THE EKURHULENI AEROTROPOLIS

THE HEART – THE AIRPORT

The O.R. Tambo International Airport itself is constantly being upgraded to meet the growing demand for air transport. Significant investments are being planned to take advantage of increased freight movement demands. Likewise,

the airport surroundings would be developed with efficient road networks, hotels, retail and office clusters to complement the exceptionally positive first impression of the airport.

5 MINUTE RADIUS

Just-in-time logistics companies, warehousing and cool chain storage, ground-side air logistics and single tenant distribution will be accommodated within a 5-minute radius.

10 MINUTE RADIUS

Major employers such as advanced and heavy manufacturing, single tenant light industrial enterprises, research and development campuses, bio-life, pharmaceuticals, and healthcare services will benefit from being within a 10 minute travelling time from the airport.

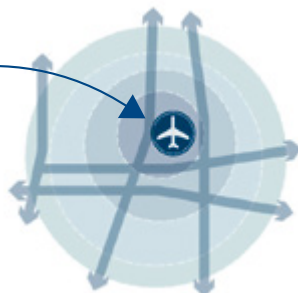
20 MINUTE RADIUS

Many existing businesses such as extended-stay hotels, amenity retailers and office campuses, would become more competitive with the benefit of new local services and facilities.

20+ MINUTE RADIUS

Unique to Ekurhuleni are large peripheral areas of agricultural land. Technological infrastructure would accelerate growth and manage crops more efficiently. Agribusiness that could work in this area includes cash crops, renewables and food. In order for this to work, crop land and production areas should be linked with high speed infrastructure connections to the airport and adjacent storage areas.

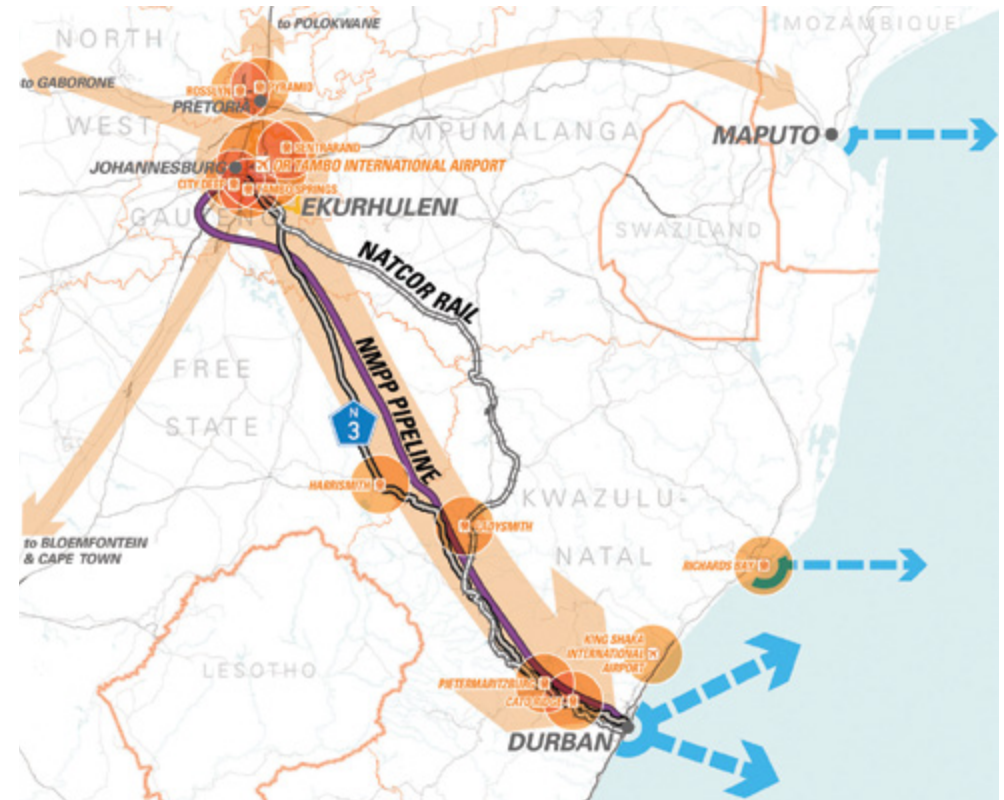
O.R. Tambo International Airport



GOAL = ADD VALUE

MODELS FOR LEVERAGING ACCESS TO THE OUTSIDE WORLD

Logistics will be a major economic driver in the Ekurhuleni Aerotropolis. Developing value-chain-driven business models, where value is added at each stage of logistics activity within the Aerotropolis zone, will be a top priority.



SYNERGY WITH GAUTENG AND OTHER NATIONAL PROJECTS

Far from being a solely inward looking scheme, the Ekurhuleni Aerotropolis project will explore ways to participate in provincial and national development and integration projects.

1. Aligning with the plans to expand the Gautrain network as part of the Gauteng Provincial Integrated Transport Master Plan
2. Anchoring the Gauteng end of the national high speed freight corridor to Durban, as well as the international freight corridor to Maputo



3. Integrating regional airports into Ekurhuleni Aerotropolis master planning



4. Creating Smart Corridors that link universities and their satellites throughout the Gauteng City Region with innovation hubs

PREPARING THE GROUND

1. 25-YEAR MASTER PLAN

A 25-year Master Plan is being developed, together with the necessary organisational restructuring, to streamline governance and regulatory procedures to support investment and development. An Ekurhuleni Aerotropolis management agency will be created and it is anticipated that it will evolve into an agile, dedicated authority with broad-based powers and responsibility for implementing the 25-year Master Plan.

One of the strengths of the Master Plan is that it is being developed with full awareness of the importance of integration with broader provincial and national development plans. This includes key plans such as the National Spatial Development Framework SIP2 (the strategic integrated project addressing the Gauteng - Free State - Ethekewini freight and logistics corridor), and SIP7 (studying the coordinated development of urban and integrated transport networks).



2. TRANSPORT

- Reducing traffic congestion with 100 km of road improvements.
- Upgrading of 30 intersections.
- Implementing a coordinated province-wide integrated bus (Bus Rapid Transit) system.
- Integrate seamless air cargo logistics to improve import and export movements.



3. LAND DEVELOPMENT

The best positioned portions of land are being identified and earmarked for development. The aim is to capitalise on the opportunities created by proximity to a growing worldwide network of airlines and air cargo freighters, together with a robust national highway system.



4. POWER, WATER AND SANITATION

Upgrading of power, water and sanitation infrastructure is underway in the target development areas, while innovative funding schemes are being developed to facilitate this.



5. ICT AND LOGISTICS SYSTEMS

The project aims to implement seamless air cargo logistics systems that will convey goods through customs and on to their destination without interruption or delay.

DRIVING THE EKURHULENI AEROTROPOLIS VISION TO REALITY

GOVERNANCE AND MANAGEMENT APPROACH

The road to reality for the Ekurhuleni Aerotropolis has begun with the planning of well-focused decision-making structures for the identification and mitigation of potential obstacles to progress.

Aligned to the Ekurhuleni Aerotropolis Master Plan principles, which form the foundation of the vision of the Ekurhuleni Aerotropolis and the criteria for its success, is the requirement for a governance structure and institutional arrangement, explicitly described in the principle of 'Collaborate'.



Collaborate: "Streamlined and effective governance that meets or surpasses global standards." It is envisioned that a special purpose vehicle is created to fulfil the role of a nimble, dedicated entity with broad-based authority and responsibility for implementing the 25-year Aerotropolis Master Plan.

The **objective of the entity** will be to successfully manage the financial, regulatory and physical complexities inherent in the Ekurhuleni Aerotropolis development.

The essence of the Governance and Implementation Plan can be summarised as follows:

- To commit to and execute the unified vision of the Ekurhuleni Aerotropolis
- To lead, manage, coordinate and ensure operational efficiencies, and ultimately drive the effective implementation of the Ekurhuleni Aerotropolis Master Plan
- To collaborate with public and private entities to facilitate the development of strategic projects
- To create an evolving funding model which will enable the execution of various funding strategies based on the requirement of the specific programme element
- To restructure where appropriate with the aim of streamlining government and regulatory structures for ease of investment and development

The proposed development and management approach will evolve as the Ekurhuleni Aerotropolis matures:

- It is envisioned that a special purpose vehicle will be set up initially with the aim of addressing the immediate to medium-term objectives of the Ekurhuleni Aerotropolis
- As the Ekurhuleni Aerotropolis evolves, so too will the special purpose vehicle develop, gaining new functions and responsibilities where appropriate



IMPLEMENTATION OF THE 5-YEAR PLAN

As the Ekurhuleni Aerotropolis project transitions from the **5-year vision to the 25-year Master Plan**, workflow will begin to focus upon sites with the most viable development potential. Sufficient information will be collected to make a well-considered assessment of what the development potential of each targeted land parcel would be.

The 5-year Implementation Plan begins that process by describing a series of initiatives that map out the scope and breadth of the Aerotropolis Master Plan.

These initiatives include:

Building a global brand:

creating a world-class brand on the existing base of awareness, in parallel with the introduction of the 25-year Master Plan

Being pragmatic:

focusing on 'easy wins' such as the Integrated Development Plan projects that are already funded, and will benefit the region while supporting the general educational, infrastructural, and logistical aims of the Ekurhuleni Aerotropolis

Restructuring where necessary:

working to streamline government and regulatory structures to facilitate investment and development

Creating a special purpose vehicle:

begin the process to establish a nimble, dedicated authority with broad-based powers and responsibility for implementing the 25-year Master Plan



ATTENTION TO FUNDING

The financing of the various stages of the Ekurhuleni Aerotropolis development will be guided by a financial model. The first priority will be to identify and implement the 'ready-to-go' initiatives and projects. It will be important to investigate possible scenarios to develop Public Private Participation to fund, design, contract and operate strategic elements of the Ekurhuleni Aerotropolis project.

It is envisaged that the special purpose vehicle will play a pivotal role through its ability and mandate to:

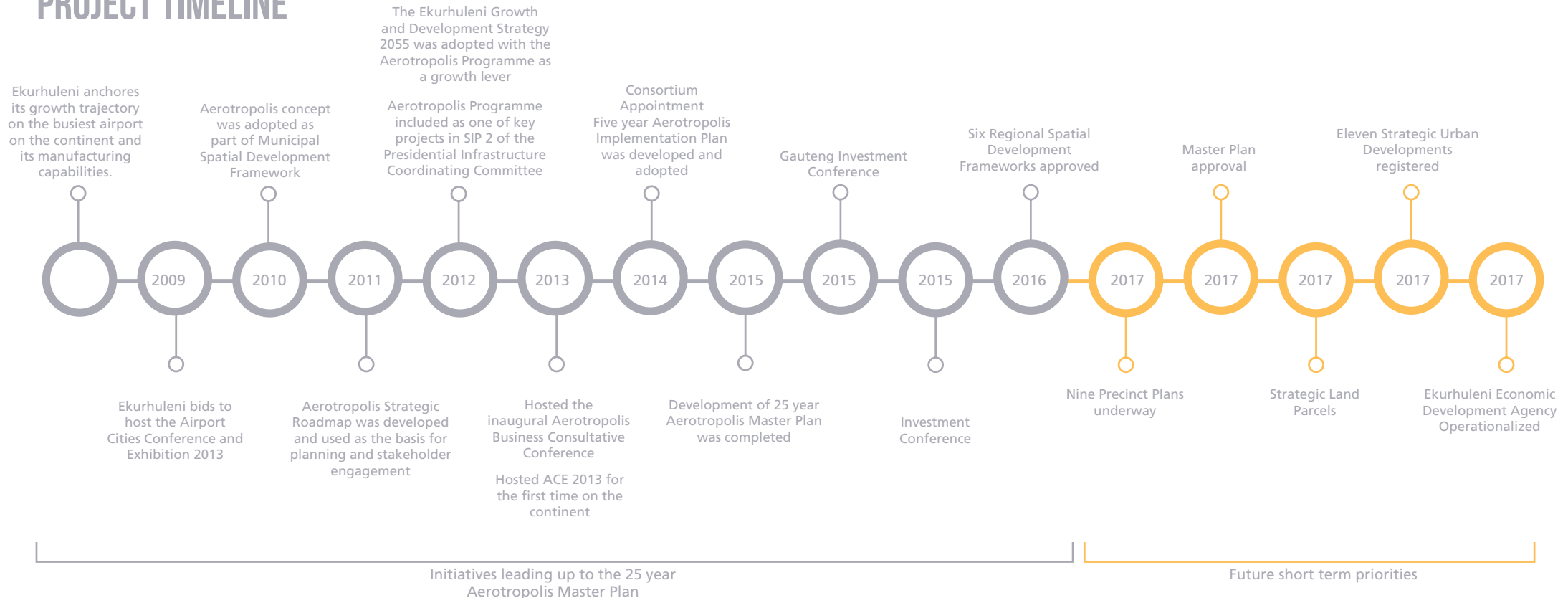
- Receive surplus municipal land and developing it for sales or long-term leasing
- Acquire privately held land at fair market value
- Raise working capital through borrowing
- Enter into Public Private Partnerships

THE PROJECT IS UNDERWAY

The Ekurhuleni Aerotropolis Master Planning Team is conscious of the need to translate creative vision into clear strategy implementation and goals. In line with this, the **5-year Implementation Plan** has begun to fulfil that need by identifying early programmes and initiatives that will capture the imagination of investors and stimulate further development.

A series of projects and programmes of strategic significance have been identified within existing municipal and provincial plans. They have been selected based on their macro-level importance to the overall vision of the Ekurhuleni Aerotropolis and their relevance to the Master Plan work streams.

PROJECT TIMELINE



PROJECT TEAM

aurecon

Turner & Townsend

SALT & PEPPER
MARKETING

resolve

MXD
MULTIMEDIA EXPERIENCE DESIGN

RTKL
AN ARCADIS COMPANY

CSIR
our future through science



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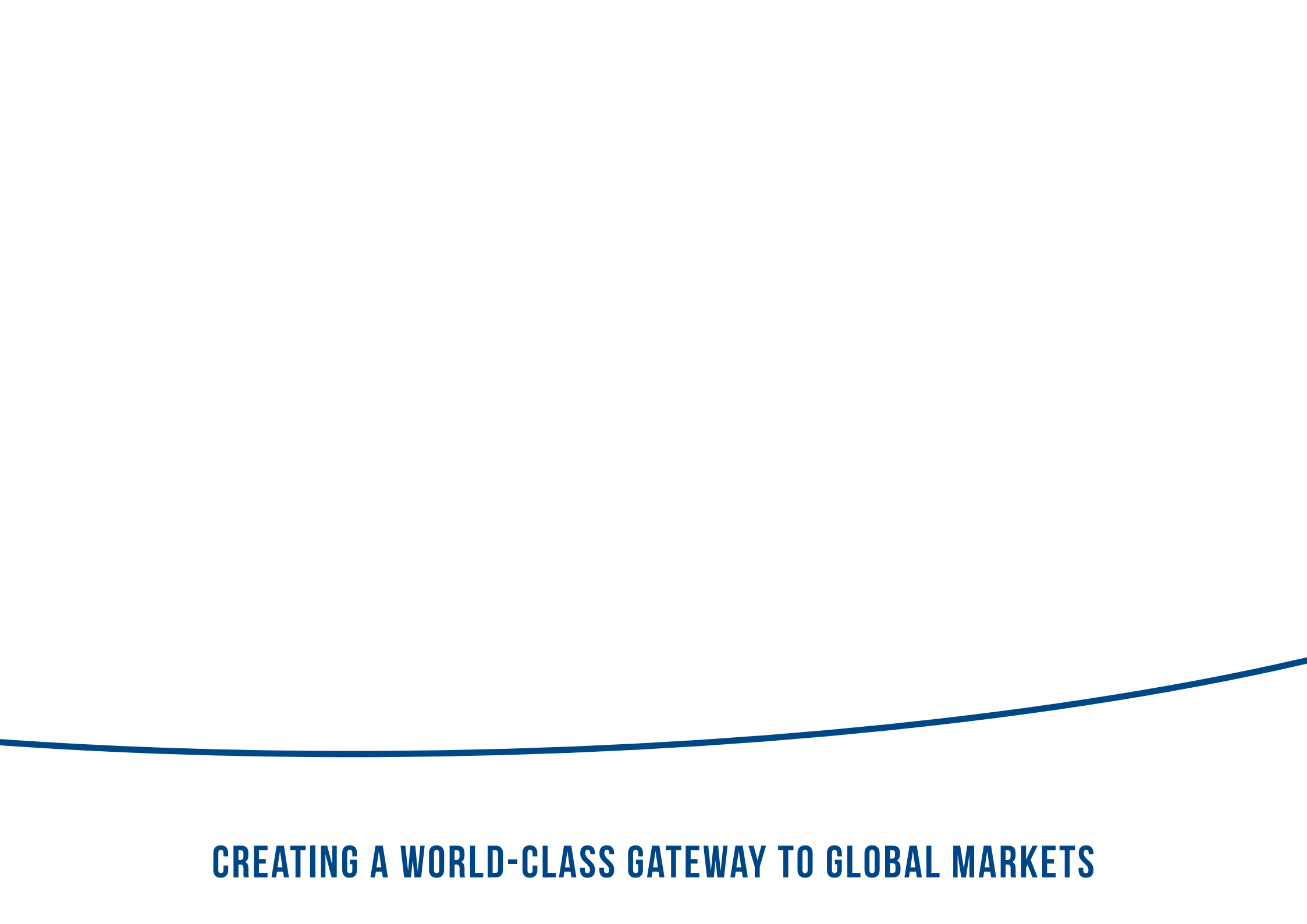
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CREATING A WORLD-CLASS GATEWAY TO GLOBAL MARKETS