



TEDA
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From The CEO's Desk



Acting CEO of TEDA,
Mr Solly Mogaladi

Laying your hands on a publication like TEDA Business Review should be an important engagement for every investor, developer and decision makers. Our first edition has provided us with a good foundation to build on. In this edition we feature the budget speech by the Executive Mayor of Tshwane, his worship Councillor Kgosientso Ramokgopa. The budget speech is an important tool for those who would like to plan where to invest and the direction our economy is taking. As it is highlighted in the budget speech, Tshwane is the fastest growing economy in Gauteng

with major developments in the pipeline including Menlyn Maine, various developments planned for Centurion, A Re Yeng (Tshwane Rapid Transport System), Rainbow Junction in the north of Tshwane and the thriving automotive sector both in Rosslyn and Silverton and many more.

Therefore it goes without saying that the journey towards the remaking of South Africa's Capital City is becoming a reality, a daily occurrence and we are building it block by block for the next four decades. TEDA is very excited to be part of this journey and will play its role of facilitating investments into Tshwane and help with the growth of the economy in a manner that deals with the structural deficiencies of unemployment and poverty. One of the flagship projects for TEDA in this financial year is the Tshwane International Trade,

Infrastructure and Investment Conference (TITIIC) which will now be held at the CSIR from the 20-22 May 2015. This edition of TITIIC promises to be a game changer in that key partners have already come on board and some exciting projects and investment opportunities have already been packaged and are ready to be taken to the market. However, the door remains open to those who would like to profile their projects or present their own opportunities. Time is running out, do not be left out.

This edition also comes hot on the heels of the recent National and Provincial Elections which saw some changes in Gauteng Province in terms of leadership. It is against this backdrop that we have decided to feature highlights of the speech of the newly elected Premier of Gauteng, Honourable David Makhura. We are particularly pleased about the emphasis that the Premier has placed on the support of SMME's which are the main drivers of the economy and job creation. On this score, TEDA will be working with the DTI on an Export Awareness Seminar to assist our SMME's with Export Development. In addition to this, we will also be working with the City of Tshwane to assist our SMME's to secure markets for their products with Massmart by taking advantage of their Supplier Development Programme.

We have also included information about our regions and certain investment opportunities that exist within the City of Tshwane. We are therefore delighted that we could bring relevant content and continue to service the needs of our stakeholders for information relating to developments in Tshwane.

A Budget To Move The City Forward



Executive Mayor of the City of Tshwane
Cllr. Kgosientso Ramokgopa

The Tshwane Vision 2055 became the main thrust of the 2014/15 budget that was presented by the Executive Mayor of Tshwane, Cllr Kgosientso Ramokgopa on 26 May this year. He tabled a total budget of R27, 4 billion of which R23, 3 billion will be allocated for operations and R 4 , 1 billion will go to capital investments. However, the total capital investment will amount to R12, 5 billion including grants, borrowings and own funding. In an effort to build financial sustainability, the city has budgeted for a R1 billion surplus in the 2014/15 financial year. Some of the highlights for the 2014/15 budget include:

- Remaking the spatial form of the capital city which will include urban renewal initiatives such as Government Boulevard, an entertainment hub in the inner city, the West Capital, the African Gateway, the Symbio City Development and the East Capital. Most of these projects will be implemented through public-private partnerships and private investments.

- An amount of R40 million (City Support Programme Grant) was allocated for detailed studies for the East Capital Project;
- About R42, 7 million was set aside for the refurbishment of the City Hall;
- Schubart Park Development received a massive boost of R 900 million in the medium term budget.
- R297million was allocated to City Planning and Development;
- R467 million inclusive of R47,5 million Municipal Human Settlement Capacity Grant, has been allocated to the Housing and Human Settlement Department for restoring the dignity of the majority of Tshwane residents;
- An amount of R10,7 billion was allocated for Energy, Electricity, Water and Sanitation;
- R1,5 billion for transport and roads: consisting of R634 million for repairs and maintenance of storm water, roads infrastructure and bus service operations. An amount of R71,9 million on storm water within low cost housing developments, R731, 5 million on Tshwane Rapid Transit System (A Re Yeng),

- R138 million for Public Transport Network Operations, R136 million for the doubling of Simon Vermooten Road, R10 million or the Rainbow Junction, R301 million for internal roads in the Northern Areas and R139 million for addressing floods;
- Garsfontein Road will be improved to support the Menlyn Node Urban Development;
- R537,4 has been allocated for Disaster Management.
- R27, 9 million has been allocated for the expansion of CCTV Cameras.
- R564.9 has been allocated for Environmental Management including greening projects.

On the economic front, the Executive Mayor announced a budget of R246 million for local economic development which also includes R20 million for facilitation of an enabling environment for SMMEs and Cooperatives. The Expanded Public Works Programme which is helping many families to alleviate poverty was given an injection of R71, 3 million. ICT programmes including the roll out of free WI-FI sites will receive R553 million, of this amount R150 million is set aside for free Wi-Fi rollout. Investors also stand to benefit from an incentive scheme that was announced. The scheme will incorporate the approval of higher land use rights in priority development areas. According to the Mayor, potential investors will be granted a specific period in which they can develop a site without having to pay rates, however should the site not be developed within the specific period, rates for the period shall become payable.

Premier Promises A Better Future For Gauteng

In his much anticipated maiden State of the Province Address, preceded by a media frenzy regarding e-tolls, Premier David Makhura struck all the right cords when he delivered his speech at a packed Thokoza Auditorium on 27 May 2014. He made a bold statement signifying his confidence for a better Gauteng that is in the making thus “over the next five to fifteen years, we shall take active steps to make Gauteng an integrated city-region characterized by social cohesion and economic inclusion; the leading economy in the continent underpinned by smart and green industrial and socioeconomic development”.

He unveiled a ten-pillar programme of radical transformation, modernisation and re-industrialisation of Gauteng over the next five years. Among the key interventions in the economy, he said “We are determined to revitalise the mainstream township economy by supporting the development of township enterprises, co-operatives and SMME’s that will produce goods and services that meet the needs of township residents”. He committed his government to assist with training, funding, economic infrastructure and finding markets for the goods and services produced by these township and community enterprises.



Gauteng State of the Province Address by Premier David Makhura, Thokoza Auditorium, Ekurhuleni

He also highlighted the fact that the provincial government has identified key sectors that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. These sectors include finance, automotive industry, manufacturing, ICT, tourism, pharmaceutical, creative industries, construction and real estate.

Research institutions will be roped in to vigorously promote innovation within the provincial economy and fast-track the development of new industries that will usher Gauteng into an innovation-driven, knowledge based, smart and green economy. Another key area will be broadening access to internet by Gauteng citizens and small businesses, where the Premier committed his administration to ensure full access to WIFI connection to 100% in the next 5 years.

In terms of Transport infrastructure, R300 billion investment by PRASA and TRANSNET will be used to reindustrialise the province and build economic infrastructure that will boost employment creation and economic inclusion in areas such as post, freight, rail and pipeline capacity.

Other highlights include

- 300 000 jobs to be created through infrastructure investments;
- Tshepo (Hope) 500 000 programme that will benefit about 500 000 young people with entrepreneurship skills, skills development linked to township renewal and revitalization;
- Launching of incubation centres and township hubs to offer technical support, funding and off-take agreements and access to markets for SMME’s.

Gambling Board Approves Casino License For Time Square



Times Square on Menlyn

The Gauteng Gambling board gave the City of Tshwane an economic growth boost when they approved Sun International's application for the relocation of their Morula Sun license to the upcoming development in Menlyn. Sun International's Times Square will form part of the new Menlyn Maine development in the City of Tshwane.

The Time Square development, worth R3 billion will be an entertainment and conference facility that will contribute towards positioning Tshwane as the ideal tourism and leisure destination. The development will take up to 36 months to complete and it will consist of a 5 – star hotel with 100 rooms and 10 executive suites, a conference centre, an indoor entertainment arena seating 8000 people catering for:

concerts, sports events, conventions and exhibitions; retail shopping space, bars and restaurants and a state of the art casino that will have up to 3000 slots and 100 tables.

The development will contribute towards the growth of the economy of Tshwane. It is estimated that the cumulative contribution to the GDP could amount to R19 billion during the construction stage spread over the next 5 years, an estimated amount of R1,7 billion in gaming taxes will benefit both the national and provincial governments in the first 5 years of operation, an estimated 10 000 jobs will be created during the construction phase of the development and upon completion it is estimated that the Time Square on Menlyn Maine will create and sustain 1228 direct jobs

(including those transferred from Morula Sun) and a further 972 jobs through service providers and concessionaries. The estimation on total employment at Time Square is placed at 2200 jobs, which is 1600 more than Morula Sun.

All is not lost for the communities of Soshanguve and Mabopane as they were the main beneficiaries of Morula Sun. Sun International is considering using the existing Morula Sun property as a possible hospitality school for the region; this will be part of Sun International's commitment to continue supporting Morula's social investment and enterprise development initiatives.

TEDA Finance Unit

The finance unit at TEDA is headed by the organisations CFO Mmatlou Sebogodi. The unit has adopted the following motto "Oiling to the value chain" as they perceive themselves to be the oil in the vehicle that is TEDA. The unit provides financial management support to the organisation, and this includes procurement services to the other business units within TEDA.

The unit has identified various functions and activities that they deem very important to the functionality of the unit, these include financial reporting which is used to communicate TEDA's financial status to shareholders and stakeholders:

SMME support through procurement services and also ensuring SMME's are paid on time for services they render to TEDA, and Budget Management where the unit must ensure that funds are spent in line with the mandate and within the legislative frameworks.

The unit has put measures in place to ensure that the provision for national treasury standards are adhered to, the unit will constantly review the strength of the control systems in place which include financial policies and procedures.

Some of the key success areas of the unit, include the achieving of a 97% overall expenditure of the budget for 2013/14 financial year, the development and approval of key financial management policies and the development of the business unit's strategy and operational plans.



TEDA CFO Mmatlou Sebogodi

TEDA Pushes For SMME Empowerment



"If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea."

-Antoine de Saint-Exupéry'

These were the words that resonated at the Distsong National Museum of Cultural History, where TEDA hosted an SMME FUNDING FAIR on the 19 June 2014. The objectives of the funding fair were to provide a platform for TEDA together with Tshwane based SMME's to exchange information, sharing of ideas and support for SMME's, facilitate access to information on funding for SMME's.

The keynote address was delivered by TEDA's acting CEO Mr Solly Mogaladi, who through his address highlighted the role played by SMME's in economic growth and development. "Unemployment is a cause for concern in our country, and agencies such as TEDA have been established with the mandate of assisting the government in eradicating poverty and ensuring the improvement of the quality of life of the citizens" said Mogaladi.

He went on to touch on some of TEDA service offerings which include export promotion & development, Investment promotions and after care, facilitating and hosting of inbound investments missions, facilitate joint ventures and equity partnership and provide advice on investment packaging and profiling.

Mr Mogaladi concluded by urging all small business owners present, to take advantage of platforms created for their benefit, and acquire as much knowledge as possible and use it to grow their businesses and help create sustainable employment. He also told those in attendance to take advantage of TEDA's open door policy and use it to access information on business opportunities available within the City of Tshwane.

Presentations were also made by representatives from various institutions and companies such as the NYDA, SEFA, DTI, Nedbank and a local auditing firm Mamabolo Consulting. The various funding institutions each explained what assistance and support they can provide to SMME's especially with regards to access to finance. All institutions that were present also had exhibition stands at the exhibition area allocated, where those in attendance were provided with a platform to interact and ask questions on challenges that they are facing as small business owners.



Exhibition Stand

In Memory Of Madiba



Acting CEO of TEDA
Mr Solly Mogaladi shares a moment with one of the children at Buffer day care center.

The Children of a Mamelodi based day care centre, Buffer Day Care, had their wish granted when Tshwane Economic Development Agency visited them as part of its celebration of Nelson Mandela Day in memory of the first President of the democratic republic of South Africa, and the world renowned advocate for children's rights.

The TEDA staff led by Acting CEO Solly Mogaladi and the executives visited Buffer Day Care Centre in Mamelodi East. The day care centre is run by Mrs G Kekana and is home to over 50 children aged between 2 and 5 years and it was identified with the assistance of the City of Tshwane's social development division through the city's outreach program.

Acting CEO of TEDA highlighted the importance of ensuring that South Africans build a society that will protect and nurture little children and ensure that they are given the necessary support from early childhood since it is a critical stage of their development.

This, he said will enable them to become future leaders in society and the country. He further encouraged the community and urged them to keep the legacy of Nelson Mandela alive and his love for the wellbeing and development of children.

The children were treated to a fun day that included them receiving brand new story books,

new mattresses and a fleece blanket for each of them courtesy of the TEDA staff and generous sponsorship from RETROLEX.

On top of the gifts and treats presented, the children at Buffer Day Care Centre were also treated to a braai. TEDA staff also participated in the day to day activities of the day care centre; they played games, sang, played and read stories to children.

It was a day well spent for both the children and the TEDA staff. It was a day that drove the message home to everyone that indeed a lot more needs to be done to ensure that our little children's needs are attended to and they are exposed to love and care on a daily basis.



Know Your City

REGION 1:

Population: 811 575

Number of households: 227 828

Number of formal dwellings: 187 44

Average annual household income: R10 225

This region is made up of the North Western side of the city. It is comprised of former homeland township: Garankuwa, Mabopane, Soshanguve and Winterveld.

The automotive cluster in Rosslyn is situated within the central section of the region and is an important employment node for the city. This is the zone of choice for strategic investment and it is also a catalyst for development growth within the northern areas of Tshwane.

REGION 2

Population: 339 182

Number of households: 93 788

Number of formal dwelling: 74 864

Average annual household income: R124 763

It is made up of the north – western and north – eastern parts of the City, it also include Hammanskraal. It has limited economic activity, it is known as a tourism area, with the Dinokeng and Wonderboom Natures Reserves being situated in this region.

The region is currently not a strong economic base and it has limited economic activities. Therefore it is expected that the City of Tshwane will take the lead in the public and private sector investment to the socio – economic infrastructure in Hammanskraal CBD.

REGION 3

Population: 585 159

Number of households: 195 126

Number of formal dwelling: 169 761

Average annual household income: R188 940

This is the hub of the city, which includes the CBD, Brooklyn and Hatfield areas/nodes. This where the seat of government of the country is situated and it has the highest number of embassies second to Washington DC. Key infrastructure project in this region are: the Mandela Development Corridor, Tshwane House, West Capital, The pedestrianisation of Paul Kruger and the BRT system, which will connect all other regions to the CBD.



REGION 4

Population: 379 347

Number of households: 131 736

Number of formal dwelling: 105 935

Average annual household income: R296 014

This is the south –western part of the city and one of the affluent parts of the city. The region includes the Centurion Metropolitan core, Centurion Lake, The Samrand Development Node, technology and business hubs. It's one of the identified economic nodes/corridors in the Gauteng Province. This region is an important corridor that links Midrand to the Centurion CBD, and it is known as the high tech hub as it is host to the Aerosat and the Centurion Aviation Village (CAV)

REGION 5

Population: 90 900

Number of households: 27 603

Number of formal dwelling: 19 027

Average annual household income: R120 507

This is a relatively underdeveloped area with very little business happening in the area. Rayton, Cullinan and Refilwe are the main developed area/centres in this region; these 3 urban centres will anchor the development of this area.

REGION 6

Population: 605 556

Number of households: 203 907

Number of formal dwelling: 158 216

Average annual household income: R194 428

The region is bordered by the N1 and the Ekurhuleni Local Municipality. It has two different economic profiles: the developed southern part which links Tshwane to Johannesburg. This region covers the affluent area of Centurion, Samrand commercial and Industrial node and the N1 Commercial Development Corridor. It is known as Tshwane knowledge belt, due the high number of research and development institutions in this area



REGION 7

Population: 109 767

Number of households: 31 547

Number of formal dwelling: 23 896

Average annual household income: R83 172

Made up of mostly rural areas: Bronkhorstspuit, Ekandustria and Enkangala. Has the most fertile land and it is known to have the best land for farming in Gauteng. Manufacturing, services, finance and trade are the biggest contributors to the economy of this region with tourism being a small but developing sector of the region.

Investment Opportunities



The GGDA is looking for investors to develop an adventure zone in South Africa.

The GGDA is looking to attract tourists while providing family activities for locals with a multi-functional adventure facility.

Expressions of interest are invited for a multi-functional, multi-million rand adventure zone development three kilometres outside of Tshwane CBD in South Africa.

The park will include anchor facilities such as:

- A state-of-the-art 22-stage obstacle course
- Accredited 4X4 track (which will be used to train 4X4 drivers, launch off-road vehicles and a venue for 4X4 club meetings)

- An international 100mX50m Competition angling dam (hosting two competitions a month)
- Four paintball ranges
- Chalet-type hospitality suites overlooking activities
- Rock-climbing and abseiling wall with a zip-line
- Scuba-training facilities
- An air-gun range
- Archery range
- A kiddies' corner
- Conference/events centres
- A restaurant and roof garden
- A picnic area

The project aims to attract tourism to the city centre, to provide families with diverse and enjoyable entertainment in a centrally-located and safe environment; to meet the market demands of outdoor and sport enthusiasts; and to create sustainable employment.

The project is estimated to cost US\$2.15-million and detailed costing can be provided on request.

Interested parties are encouraged to get in touch with:
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Development project seeks financing

The GGDA is seeking financing for a housing and commercial development in Olivienhoutbosch, Centurion, south of Pretoria in South Africa.

The aim of the project is to aid the housing backlog in Tshwane while also unlocking further economic develop potential.

The proposed township development in Centurion, Gauteng is intended to address the current housing backlog experienced in Tshwane. The Tshwane Regional Spatial Development Framework identified housing, among other land uses, as a catalyst to unlock the development potential of the area in terms of providing opportunities for new entrants into the housing market.

- The proposed development seeks to:
- Expand the established township's residential component into the vacant site
 - Consolidate business, commercial, light industrial and residential, while forging appropriate linkages with future development
 - Act as a catalyst in enabling the establishment of social housing and social facilities that will anchor the development as a people-centred development
 - Develop 1 654 housing units
 - Create 17 143m² of commercial activity

Interested parties are encouraged to get in touch with:
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Automotive Supplier Park seeks finance to unlock economic potential

The Gauteng Growth and Development Agency is looking for private sector partners to build a four-phase automotive supplier park in South Africa.

The phased project in South Africa requires investors in order to realise the park's 2020 vision.

The GGDA and its partners are looking to partner with private sector investors in order to complete a four-phase automotive supplier park (ASP). Targets set out in the 2020 vision detailed in Industrial Policy Action Plan 3 include:

- producing 1.2-million vehicles
- achieving 70% local content (current local content is 35%)
- meeting transformational objectives
- deepening and broadening the local value chain
- meeting or exceeding global standards on cost, quality and delivery
- significantly reducing CO2 emissions through cleaner products and cleaner production processes

The attraction of foreign or domestic direct investment will lead to:

- Increased enterprise development opportunities
- Increased quality job creation
- Increased contribution to GDP
- Increase government tax and revenue generation
- Increased local value addition

The ASP has 100% government-owned infrastructure and the business model is based on "Construct to Lease Model" that comprises:

- The construction of any facility is funded by government and these costs include environmental impact assessments, bulk infrastructure and services, architects, quantity surveyors and building contractors.
- The rental/lease price per m2 is calculated based on the factors above as well as on the socio-economic impact that the potential investor will register
- The rental/lease period is negotiated based on the investors contractual agreement with their clients
- A levy price per m2 is charged for shared services offered as additional value added services to the ASP tenants

Interested parties are encouraged to get in touch with:
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Seeking investors for multi-functional precinct in South Africa

The Gauteng Growth and Development Agency is seeking support for a mixed-use multi-functional self-sustainable precinct near Tshwane City.

The Gauteng Growth and Development Agency in South Africa is looking to meet the country's rapid urbanisation with a new mixed-purpose zone outside the Tshwane CBD.

Urbanisation in Africa is one of the fastest in the world and is expected to overtake Asia by 2030. As a result, there is a growing demand for residential, commercial and leisure property in close proximity to the city centre. Gauteng, while being South Africa's smallest province (geographically), has the biggest and fastest-growing population, increasing over 33% since 2001

The Gauteng Growth and Development Agency is developing a mixed-use multi-functional self-sustainable precinct. The development will include retail, residential, exhibitions, health, education, social and cultural and sport and recreational facilities.

These buildings of varying heights will be inspired by the African tree of life – the Baobab.

Phase one of the project is estimated to be worth \$200-million with the completion expected to cost up to \$15-billion.

Interested parties are encouraged to get in touch with:
Imraan Bakhas
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BPO&O park project seeks investors

The Gauteng Growth and Development Agency is looking for investors for a business processing and off-shoring facility in South Africa.

South Africa's BPO&O industry has matured over the last 10 to 15 years, making it the natural choice for companies looking to offshore functions.

GGDA is looking for partners to assist in the creation and running of a three-phase business process outsourcing and off-shoring (BPO&O) park. The BPO&O park will be setup as an employment stimulator in the Hammanskraal/Babelegi area of Gauteng. The proposed Hammanskraal/Babelegi area is in a good location, less than 50km from the Pretoria CBD to the north. Such a development is estimated to create up to 2102 jobs.

South Africa has become the natural first-choice destination for off-shoring. Some of the many reasons are that:

- It offers major cost savings to companies (anything between 50 and 60%)
- South Africans have more neutral accents
- The country's time zone is favourable
- The government offers favourable employment incentives
- English is widely spoken in the local workforce.

The country has won the Offshoring Destination of the Year award two years running by the National Outsourcing Association (UK) and European Outsourcing Association. The demand for BPO&O is large and the City of Pretoria has identified the sector as one that has potential for large scale employment opportunities and economic growth.

There are three phases to this project each with different projected values.

Phase 1 is estimated at US\$18-million, Phase 2 is estimate at US\$13, 5-million, Phase 3 is estimated at US\$14-million.

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 additional investment attraction.

Interested parties are encouraged to get in touch with:
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We Hope All Women of Tshwane Had A Wonderful And Enjoyable Women's Month

