



TEDA BUSINESS REVIEW

MARCH Edition 2019

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Contents



■ Foreword By CEO	3
■ Tshwane Mayor commits to improving the ease of doing business in the City.....	4
■ Teda Meets Representatives Of Unido To Discuss Bio Energy.....	6
■ NACAAM Show 2019, TEDA Makes It's Presence Felt.....	7
■ Project Update Tshwane clothing and Textile Hub.....	8
■ TEDA Hosts Delegation From India	9
■ TEDA Hosts German Motor Parts.....	10
■ TEDA Consults Stakeholders For The PTA West Precinct Plan.....	11
■ AERO South Africa To Be Staged At Wonderboom.....	12

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Foreword By the CEO

TEDA CEO,
Mr Solly Mogaladi



The news that Foreign Direct Investment increased by 446% to R98.6 billion in 2018 from almost R19 billion in 2017, has injected major confidence among investment promotion agencies like TEDA and many others in South Africa. Furthermore, reports from Statistics SA showing decrease in unemployment further bears testimony that the South African economy is on the road to recovery. However, the low business confidence and lower GDP growth figures indicate that there is still more work to be done.

There are number of initiatives that TEDA is implementing to attract investors to the City of Tshwane including our recent participation in the NACAAM show that took place in March this year. This trade show was staged to showcase capabilities of South Africa in the automotive sector and the Automotive Master Plan for the sector including addressing issues of transformation. As a leading automotive City, we sought to make our mark in this show and showcase opportunities and successes registered by the thriving Tshwane automotive sector which contributes immensely to export outputs of Gauteng and South Africa. On the investment attraction front, we also feature a story on Rangkala Glass, an Indian company with international

footprint visit to Tshwane to investigate possibilities of setting up a South African operation. Furthermore TEDA hosted German Motor Parts Company which is also looking at investing in Tshwane.

In this edition, we also profile the work done in relation to implementation of TEDA projects and provide updates to our readers. These include among others, the Bio Energy Facility to be located in Daspoort and Clothing and Textile Hub to be located in Watloo. Consultation also undertaken with stakeholders on the Pretoria West Precinct Plan. We worked together with our key stakeholder, the Capital City Business Chamber to stage the inaugural Tshwane Business Breakfast. This is a platform established to improve good relations between the City of Tshwane and business and to identify and resolve problems jointly with business. Clearly this initiative will also assist to grow the economy and help create much needed jobs especially for the youth.

We are also delighted to update you on the Aero South Africa Show taking place on 4-6 July 2019, a first show of its kind in the general aviation industry.



From left – Solly Mogaladi, Fani Xaba (CCBC), Nils Flaatten, Cllr Isak Pietersen, Cllr Stevens Mokgalapa, Brett Hoppe, Neil Craddock, Martin Sanne and Lullu Krugel

Tshwane Mayor commits to improving the ease of doing business in the City

The Executive Mayor of Tshwane, Councillor Stevens Mokgalapa made a commitment to roll out a red carpet to business in the City of Tshwane by making it easy for them to do business in the City and cut the red tape usually associated with government. He said this at the Tshwane Business Breakfast held in Menlyn under the theme of Growing the Capital City.

Cllr Mokgalapa told delegates at this event that he has consulted with all stakeholders within the municipality and outlined his plans which mainly focus on service delivery and implementation. He said he will hold officials accountable if they don't deliver on targets set for them. "I want people to say this is what I am going to do on a particular month and day on the calendar," he said.

Captains of industry and the business community who attended in their numbers applauded this stance taken by the Executive Mayor and indicated that they will immediately take

advantage of his eagerness to attend to their issues.

"This City is on course towards the development of a high-growth economy that is attractive to both domestic foreign investors. By working with captains of industry and assisting businesses to realise their true growth potential, this administration of Tshwane is fully geared towards positioning the City as the preferred destination for trade and investment.

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. Facilitating economic growth and creating job opportunities is one of our five integrated development pillars that this DA-led administration is prioritizing, it is for this reason that instructed the City Manager to lead a Strategic Investment Committee which will expedite and ease the red tape for any application that is above R 100 million," said Cllr Mokgalapa

Tshwane Mayor commits to improving the ease of doing business in the City... **CONT**

According to the Member of the Mayoral Committee responsible for Economic Development and Spatial Planning, Cllr Isak Pietersen, the Tshwane Business Breakfast was organised in order to afford dialogue between business and the City to collectively find solutions to problems of low growth, weak business confidence and unemployment that facing the country and mainly young people. He assured business that issues that they raised will not fall within the cracks but will be addressed with the necessary speed.

The Chairperson of TEDA, Nils Flaatten highlighted the fact that the concept of Tshwane Business Breakfast was implemented to bridge the gap between government leaders and business and that the first instalment of these sessions was for the City to interact with business. "In future we will also be able to host Ministers and other role players," he said

He told the audience that certainty and trust is a very important aspect considered by business in decision making therefore interactions which business are important to improve on this. Nils told the gathering that TEDA was able meet and exceed its target of attracting investment into Tshwane. He announced that TEDA attracted over R3, 6 billion in the 2017/18 financial year.

Another important aspect of the event was a panel comprising experts drawn from the Council for Science and Industrial Research (Martin Sanne - Executive Director), Sun International (Brett Hoppe' - General Manager), Nissan (Neil Craddock - Director for Corporate Planning) and PWC (Lullu Krugel - Chief Economist) who facilitated the panel discussion.

The event was organised by the Tshwane Economic Development Agency in collaboration with the Capital City Business Chamber. It is expected that there will other similar session in future to track progress of issues raised by stakeholders.

Tshwane Business Breakfast

#TshwaneBusinessBreakfast





Teda Meet Representatives Of Unido To Discuss Bio- Energy

From left is

Mogau Leshilo,

Executive (Projects Portfolio),

Robert Novak

(Industrial Development Officer: UNIDO),

Tareq Emtairah,

Director (Department of Energy: UNIDO),

Solly Mogaladi,

Chief Executive Officer,

Nokwazi Moyo

(National Manager: UNIDO)

Gabriel Molotsi,

Senior Manager (Project Management)

Senior representatives from headquarters of United Nations Industrial Development Organisation (UNIDO), Tareq Emtairah, Director of Energy and his colleague Robert Novak met with the CEO of TEDA, Solly Mogaladi and Mogau Leshilo, Executive (Projects Portfolio) to discuss the Bio-Energy Facility. The Bio-Energy Project is now ready for a pilot phase to be implemented soon once the funding has been raised. This is the reason why representatives of the UNIDO came to visit based on the application made by TEDA for initial funding of the project.

The project is a public private partnership initiative and is valued at approximately R322 million. It is earmarked for the production of three products namely bio-methane gas (for Tshwane Buses) carbon dioxide (for external clients) and manure (farming community). The project will be located at the Daspoort Water Treatment Works in Region 3. It is expected that the project will add R177 million to the Gross Geographic Product of Tshwane per annum.



Nacaam Show 2019 Teda Makes Its Presence Felt

NAACAM Show 2019, provided a magnificent platform for the Tshwane Economic Development Agency to promote the City of Tshwane as a premier destination for automotive manufactures and components suppliers. NACAAM 2019 focused on the following objectives:

- To facilitate outcome based dialogue;
- Enable foreign direct investments and technology partnerships;
- Facilitates localisation, Intra-African trade, industrial linkages and exports from sectors determined to be globally competitive;
- Promote development and growth of black owned suppliers in the South Africa.

TEDA made its presence felt by showcasing opportunities in the automotive sectors and strides made in clusters that already exist in Rosslyn and Silverton. A number of companies currently operating in other locations approached representatives of TEDA indicating their desire to move to Tshwane and set up their operations in these successful clusters. Other companies operating in Tshwane have also shared their expansion plans with TEDA and are already working with the agency to realise their plans.



Project Update: Tshwane Clothing And Textile Hub

Due to the positive trends emerging from the clothing and textile industry, the Tshwane Economic Development Agency (TEDA) proposed to establish Tshwane clothing and textile hub at a the location in Region 3, Waltloo after conducting suitable locality analysis within the boundaries of the City of Tshwane.

The Industrial Policy Action Plan IPAP 2016/17-2018/19 highlights the need for the clothing, textiles, footwear and leather (CTFL) sector to be revived. The Department of Trade and industry (the dti) established a Clothing and Textiles Competitiveness Programme, which sets out targets for the sector in terms of job creation, growth, stability and global competitiveness. The sector has been adversely affected by cheap and illegal imports. The proposed hub will create jobs and also increase local production, which could replace some imports.

LOCALITY – SITE IDENTIFICATION

TEDA completed the pre-feasibility, market and technical studies on the project. Considering the activities within the ecosystem of the cotton and textile sector, it became pertinent that a phased approach be adopted in the establishment of the hub. An approach to define products with growth potential in the market, facilitated the priority definition of the opportunities identified. The Cut, Make and Trim (CMT) value chain activity became an ideal platform to rationalise the approach. This led to consultation with key partners in national and provincial government to refine the project concept. The proposed hub will be regarded as a business integration support centre with tentacles which are located in various township across Tshwane. This hub is seen as contributing and affirming township economy activities in the clothing and textile sector. The proposed hub will incorporate value chain activities from various clothing fibres e.g. cotton, hemp and flax.



The project is at project planning phase as guided by TEDA – PPM Project Management Framework. The multi-disciplinary stakeholders comprising national, provincial and local departments are in discussions currently with the goal to formulate a delivery strategy.

The project is estimated at R1.4 billion. The impact of the project is the gross value add (GVA) of R142.1 million, with job creation of 1 363 (permanent).



Teda Hosts Business Delegation From India

As part of its strategic objectives to attract investments into the City of Tshwane, TEDA hosted a business delegation from India consisting of a representatives from Rangkala Glass.

Rangkala Glass is a company that has its origins in the Surat region of India. It's was established in 2001 as a family business, but it has since built a large International footprint with presence in Dubai, USA, UK and Australia. Currently they are considering venturing into Africa.

From left Vusi Mveli (TEDA), Dumisani Maluleke (TEDA), Amit Bhagat (Rangkala Glass), Shailesh Patel (Rangkala Glass), Koketso Tamale (Invest SA Gauteng), Refilwe Matebesi (Invest SA Gauteng), Ofenste Shakung (CIPC) and Ben Makhalemele (Home Affairs).

The visit to Tshwane was a follow up to a meeting held between TEDA and Rangkala Glass at the South African Embassy in India in February, where the company indicated their intention to travel to South Africa to investigate the possibilities of Investing in a manufacturing plant.

TEDA assisted Rangkala Glass to Identify and view potential sites of location in the Sunderland area and Samrand, and also introduced them to the Invest SA Gauteng representatives who pledged to assist with any Visa and working permit issues that Rangkala Glass would require.



Teda Hosts German Motor Parts

TEDA hosted an investment visit to Tshwane by Mr David Holzmann, Managing Director of German Motor Parts (GMP). GMP is a manufacturer of automotive parts for the aftermarket with production facilities in Germany, Czech Republic, China and Hungary. The company supplies its products to Europe and North America.

The purpose of the visit was to investigate possible investment opportunities in Tshwane. During the visit the company met a number of local small to medium automotive manufacturers for possible partnerships related to joint venture or

production agreements. The company also visited the Watloo area in Region 3 where some of the potential partners have their production facilities.

Part of the visit for GMP was to also identify possible sites for a manufacturing facility. As part of attracting investors into the Rosslyn area to ensure the attainment of the vision behind the Tshwane Automotive City, TEDA facilitated a meeting between the Automotive Industry Development Center (AIDC) and Mr Holzmann, where the AIDC did a presentation on the Automotive Supplier Park and what it offers to potential Investors.

Teda Consults Stakeholders For The Pta West Precinct Plan

Stakeholders came together to discuss the envisaged Industrial Precinct Plan for the Pretoria West Industrial area during a workshop held in February. These stakeholders included among others, businesses in the industrial area, City of Tshwane departments, the Ward Councillor and organised business as represented by Capital City Business Chamber. All short-term interventions required in the industrial area such as urban management issues were identified and escalated to the Regional Executive Director for Region for his immediate attention. The Pretoria West Industrial precinct plan development objectives are in fourfold namely:

- **Spatial planning** - mainly to address spatial planning elements within the area such as zoning, illegal land use and overall unlocking strategic urban development projects;
- **Infrastructure Development** - bulk infrastructure intervention to address capacity, gaps and demand for the Pretoria West Industrial area;
- **Economic development** – analysis of the productive and potential sectors in the industrial for the purpose of retention, business attraction and formalisation where necessary;
- **Urban management** – develop a proactive built form management for responsiveness and sequencing of maintenance by the City of Tshwane.





The African Show For General Aviation

4-6 July 2019

Wonderboom National Airport,
Pretoria, Tshwane, South Africa

www.aerosouthafrica.com

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Aero South Africa To Be Staged At Wonderboom Airport

Aero SA is set to be Africa's largest general aviation trade show, covering the full spectrum of services and products for the aviation industry. It is an opportunity to discover what direction developments in the General Aviation industry are going into.

The AERO South Africa conference and exhibition takes place from 4-6 July 2019 and is poised to be Africa's largest general aviation trade show. The event will expose visitors to the latest advances, developments, products and services across the aviation industry.

From ultralights and gliders to business jets, helicopters, remotely piloted aircraft and electric aircraft as well as avionics and maintenance, various companies will be afforded the opportunity to showcase their cutting-edge products and services.

Meet with leading industry experts, enthusiasts, aviation companies, flight training schools, pilots, business jet owners and private aircraft owners over 3 days of excitement, demonstrations and face-to-face business meetings.

AERO South Africa is presented in collaboration with Messe Friedrichshafen, the organisers of the industry's major trade show that attracts 35,000 visitors from 60 different countries. Other partners of the Aero SA are the City of Tshwane, Wonderboom Airport and CAASA.

