

TSHWANE AS AN INVESTMENT DESTINATION

Presented by

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Director: Trade and Investment

PRESENTATION OUTLINE

1. City Business and Investment Environment
2. SA Cities Competitiveness and Performance
3. Tshwane Investment Proposition
 - Tshwane Quick Facts
 - Why Tshwane
 - Economic and Investment Footprint
4. Current Investment Programmes and Initiatives
 - Investment value chain
 - Investment incentive toolkit
 - Investment Portal
 - Investment fast tracking-Facilitation
 - Investment aftercare



1. City Business and Investment Environment

Research Studies



- Key role of economic development at the local municipal level is to foster a favorable and sustainable environment where businesses can thrive.
- The National Framework for Local Economic Development (DPLG, 2006) directs municipalities to establish conditions that attract investment, promote enterprise growth, ensure economic fairness and stimulate job creation.
- Red tape encompasses complex and time-consuming permitting processes, unclear regulations, excessive paperwork, lack of transparency, opportunities for corruption, inefficient public services, and high compliance costs.
- Understanding the investment climate is crucial for attracting and retaining both foreign and local investors. Elements from the literature on this topic include adequate infrastructure including transportation networks, connectivity and utilities, a transparent and predictable regulatory framework and collaboration between stakeholders
- The World Bank's Subnational Ease of Doing Business Report (2020) and the City of Tshwane Customer Satisfaction Survey (2018) and Investment Survey (2024) shed light on concerns expressed by investors and businesses, highlighting key areas for improvement and showcasing best practices adopted by cities to enhance their business climates and achieve economic development goals.

1. City Business and Investment Environment

Investor Requirements



Creating a conducive investment environment for cities involves various elements that collectively attract and retain investors, foster economic growth, and enhance the overall quality of life for residents. Some key requirements of investors are:

- Adequate infrastructure, including transportation networks, connectivity and utilities;
- A transparent and predictable regulatory framework;
- Stable macroeconomic conditions;
- Access to a skilled and educated workforce;
- A vibrant innovation ecosystem;
- A high quality of life; and
- Collaboration between stakeholders

2. Cities Competitiveness and Performance

Key factors by different organisations



	Kearney 2023 Global Cities Report	SA Cities Network 2021	World Bank Ease of Doing Business Indicators 2018
1	Business Activity	People and Households	Starting a business
2	Human Capital	Economy	Paying taxes
3	Information Exchange	Sustainability	Protecting minority investors
4	Cultural Experience	City Finance	Getting electricity
5	Political Engagement	Social Fabric	Dealing with construction permits
6		Service Delivery	Getting credit
7		Citizen Engagement	Trading across borders
8		Transport	Registering property
9			Enforcing contracts
10			Resolving Insolvency

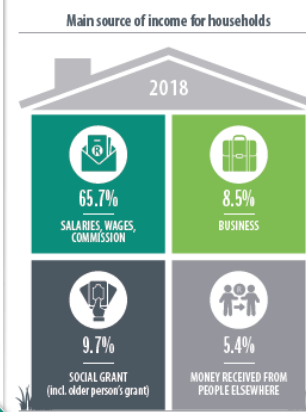
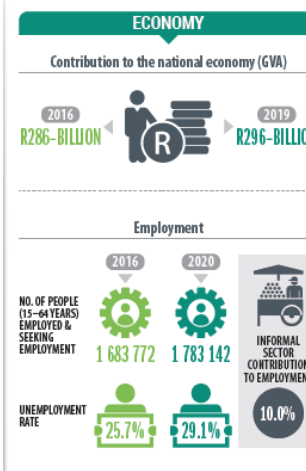
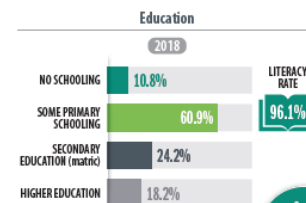
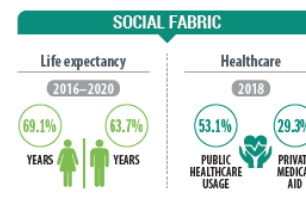
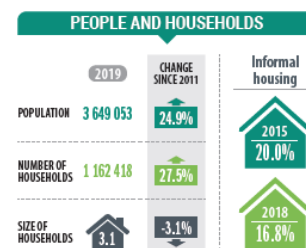
2. Cities Competitiveness and Performance

Key Factors - SA Cities Network 2021



**CITY OF
TSHWANE**

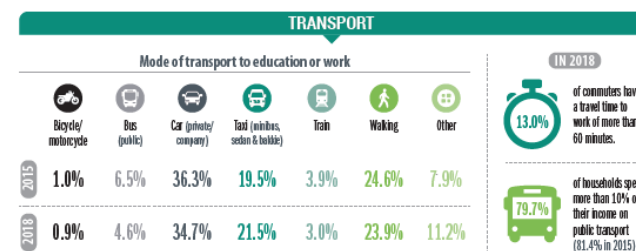
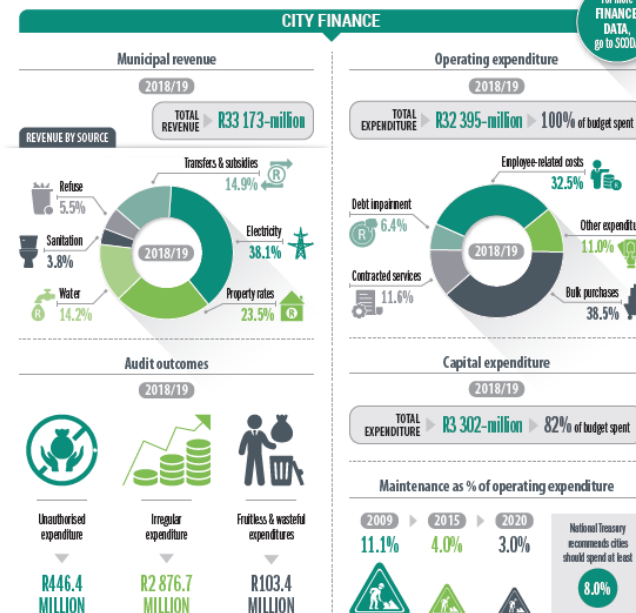
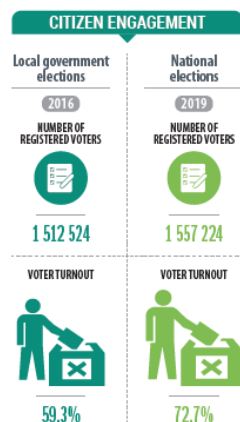
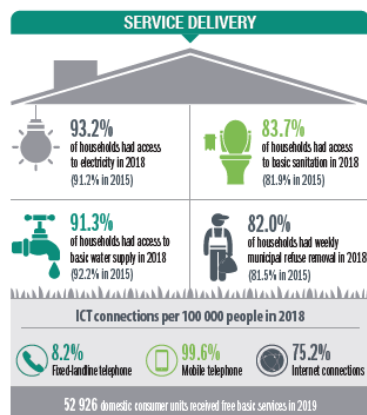
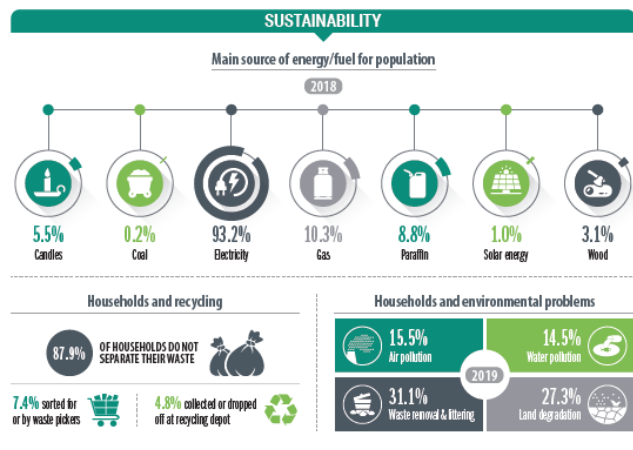
The City of Tshwane is the largest (in land area) metropolitan municipality in Gauteng Province and includes South Africa's executive capital, Pretoria. It covers 6298 km² and stretches almost 121 km from east to west and 108 km from north to south. It has a population density (in 2019) of 579 people per km².



Go to SCOD to access SAFETY DATA for Tshwane

2. Cities Competitiveness and Performance

Key Factors - SA Cities Network 2021



2. Cities Competitiveness and Performance

Key Factors - World Bank Ease of Doing Business Indicators 2018



TABLE 1.1 *Doing Business in South Africa 2018—where is it easier?*

Location	Dealing with construction permits		Getting electricity		Registering property		Enforcing contracts	
	Distance to frontier score (0–100)	Ranking (1–9)	Distance to frontier score (0–100)	Ranking (1–9)	Distance to frontier score (0–100)	Ranking (1–9)	Distance to frontier score (0–100)	Ranking (1–9)
Buffalo City (East London)	71.66	6	59.40	5	57.81	6	↑ 51.48	9
Cape Town (Cape Town)	75.48	1	↑ 79.81	1	54.69	7	54.71	7
Ekurhuleni (Germiston)	71.81	4	52.09	6	58.48	4	55.58	5
eThekweni (Durban)	73.65	2	↑ 69.40	2	54.58	8	55.74	4
Johannesburg (Johannesburg)	↑ 68.16	8	↑ 68.77	3	59.68	2	54.10	8
Mangaung (Bloemfontein)	↑ 71.25	7	59.82	4	↑ 59.73	1	59.01	1
Msunduzi (Pietermaritzburg)	↑ 73.17	3	↑ 47.59	8	52.78	9	58.78	2
Nelson Mandela Bay (Port Elizabeth)	↑ 71.70	5	↑ 42.19	9	57.93	5	54.85	6
Tshwane (Pretoria)	↑ 66.25	9	51.24	7	59.39	3	56.14	3

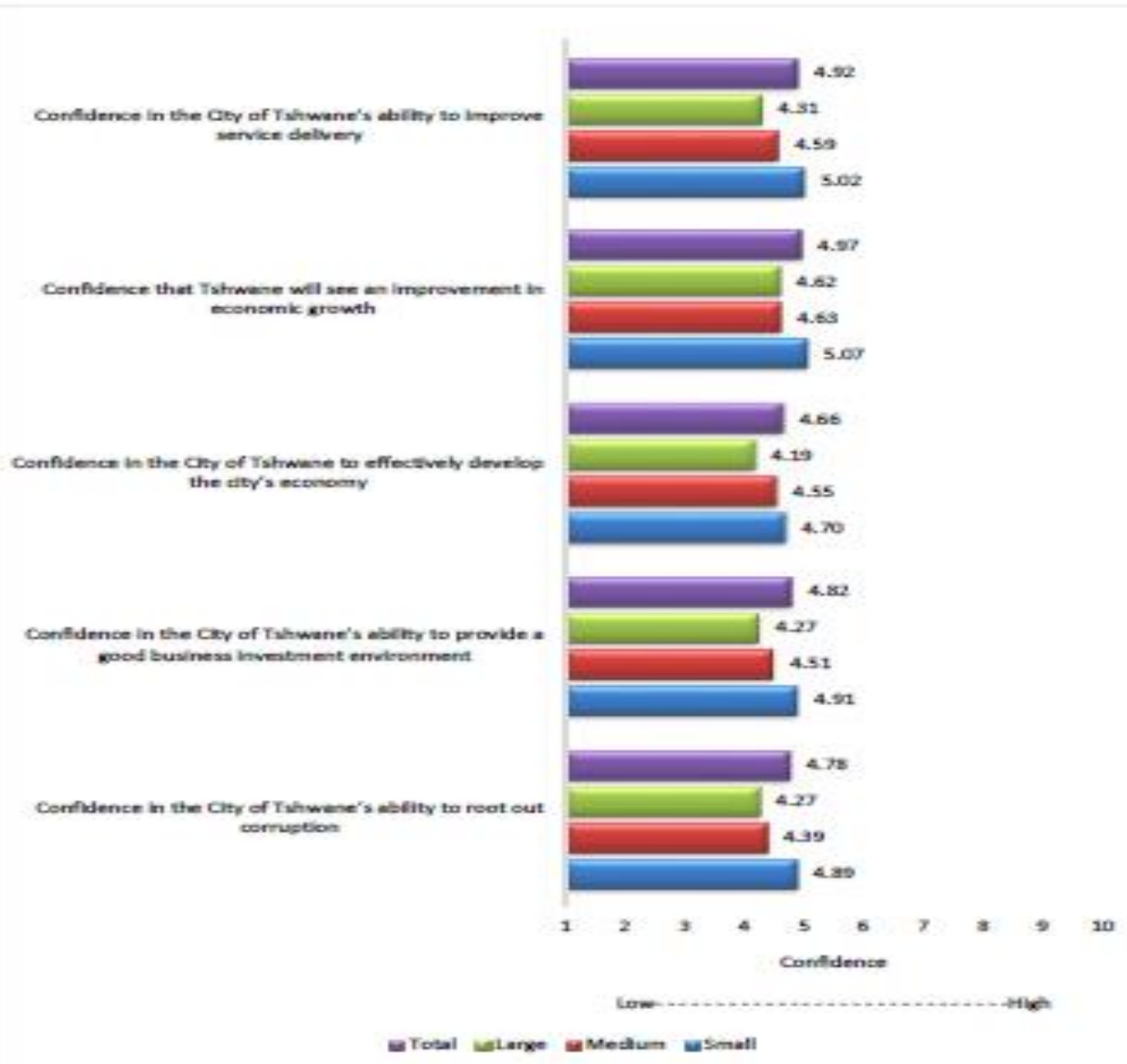
The City of Tshwane has not improved its position with regards to dealing with construction permits, still featuring at number nine out of nine metros benchmarked. The City has also regressed with regards to getting electricity and registering property coming in at number seven from number six and number three from number two, respectively.

2. Cities Competitiveness and Performance

UNISA Customer Satisfaction Survey 2018



BUSINESS CONFIDENCE IN THE CITY OF TSHWANE, 2018



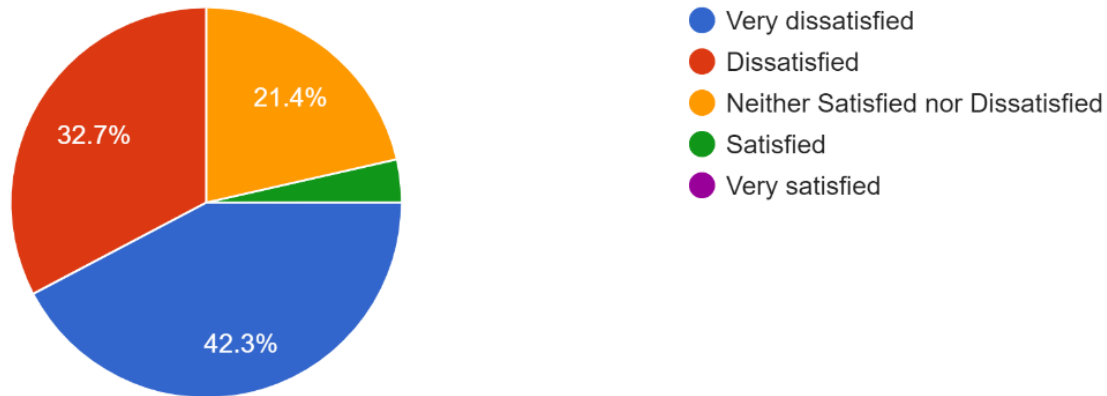
The survey indicates that, overall confidence in the City by the business segment is low. Most worrying is the low confidence with regards to the economic factors as measured by the City's ability to grow the economy and provide a good business environment.

2. Cities Competitiveness and Performance

Investment Survey 2024

9. HOW WOULD YOU RATE YOUR OVERALL INVESTING/DEVELOPING EXPERIENCE IN THE CITY?

168 responses



75% of investors and developers are either very dissatisfied or dissatisfied while 21.4% are neutral in this regard. Only a small percentage of respondents (3.6%) indicate a positive investment and/or development experience.

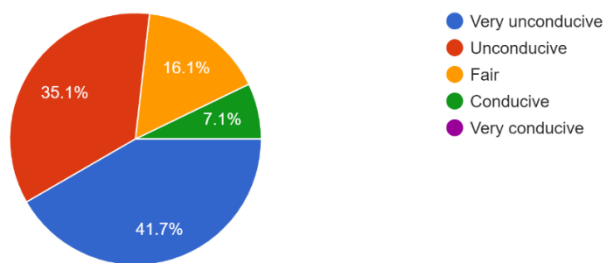
2. Cities Competitiveness and Performance

Investment Survey 2024



4. WHAT IS YOUR PERCEPTION OF THE CONDUCTIVENESS OF THE CITY AS AN INVESTMENT AND BUSINESS LOCATION?

168 responses



Approximately 77% of survey respondents perceive the City's business and investment environment to be totally unconductive. Only 23% appear to be satisfied with the business and investment environment in the City.

REASONS



Top 3 reasons :

- Poor service delivery, red-tape and developmental approval delays (71%),
- Incompetent, unhelpful and corrupt personnel (24%)
- Poor infrastructure (18%)

3. Tshwane Investment Value Proposition

Quick Facts



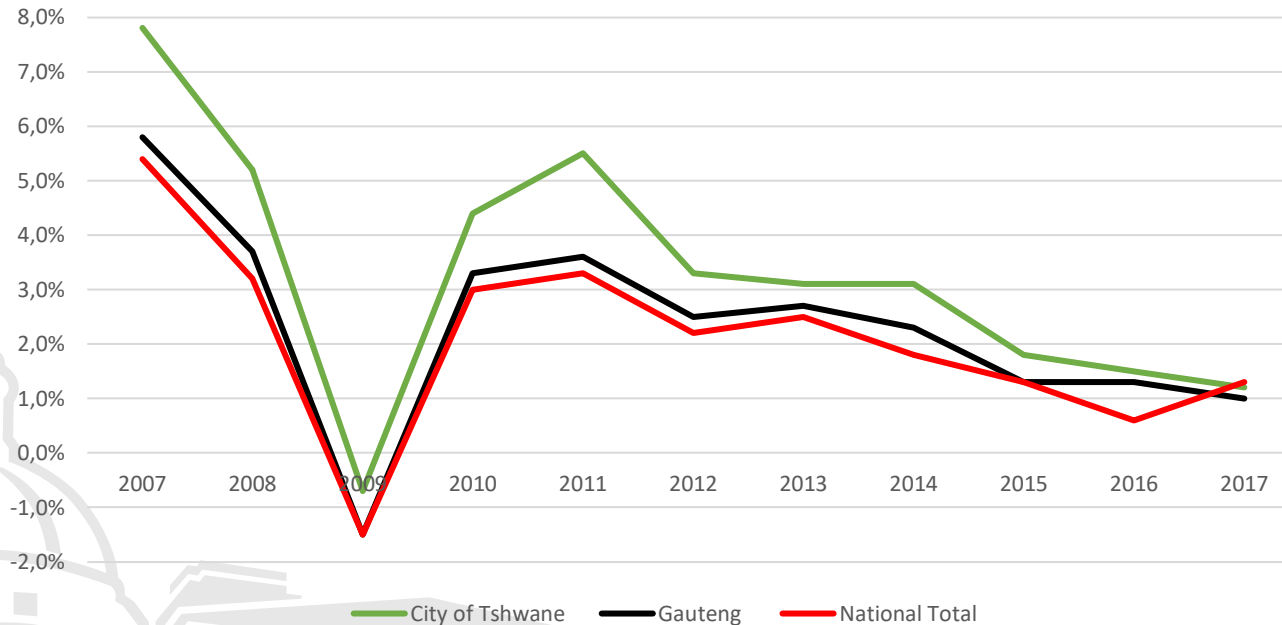
Population	3,6 million (2021)
Area	<ul style="list-style-type: none"> • 345 km² • Tshwane is the largest city in Africa and the third largest in the world based on land area
Municipal area GDP-R	<ul style="list-style-type: none"> • R552,34 billion (2022 current prices (2022 Integrated Development Plan))
GDP-R per capita	<ul style="list-style-type: none"> • R3 597 000,00 (2022 current prices)
GGDP growth	<ul style="list-style-type: none"> • 4,4% (2021 constant prices)
Labour force	<ul style="list-style-type: none"> • Labour force: 1,7 million people • 64,3% labour force participation rate • <i>All figures are for 2021</i>
Unemployment	<ul style="list-style-type: none"> • 30,6% (2021) (official definition)
Principal languages	<ul style="list-style-type: none"> • English, Sepedi, Afrikaans, Xitsonga and Setswana
Principal economic activities	<ul style="list-style-type: none"> • Government and community services (35%) • Finance (26%) • Manufacturing (11%)
Interesting facts about Tshwane	<ul style="list-style-type: none"> • Home to over 135 foreign missions and organisations • Highest concentration of medical institutions per square kilometre in South Africa • Knowledge, research, and development capital of South Africa • 28,26% of the Gauteng GDP (2021) • 9,91% of the national GDP (2021) • 53% of transport equipment exported from South Africa originates in Tshwane
Infrastructure	<ul style="list-style-type: none"> • Extensive road, rail and air network • Effective ICT network • Abundant residential & commercial space • Excellent health care facilities • Excellent higher educational facilities • Various convention and exhibition venues



3. Tshwane Investment Value Proposition

Why Tshwane: Economy

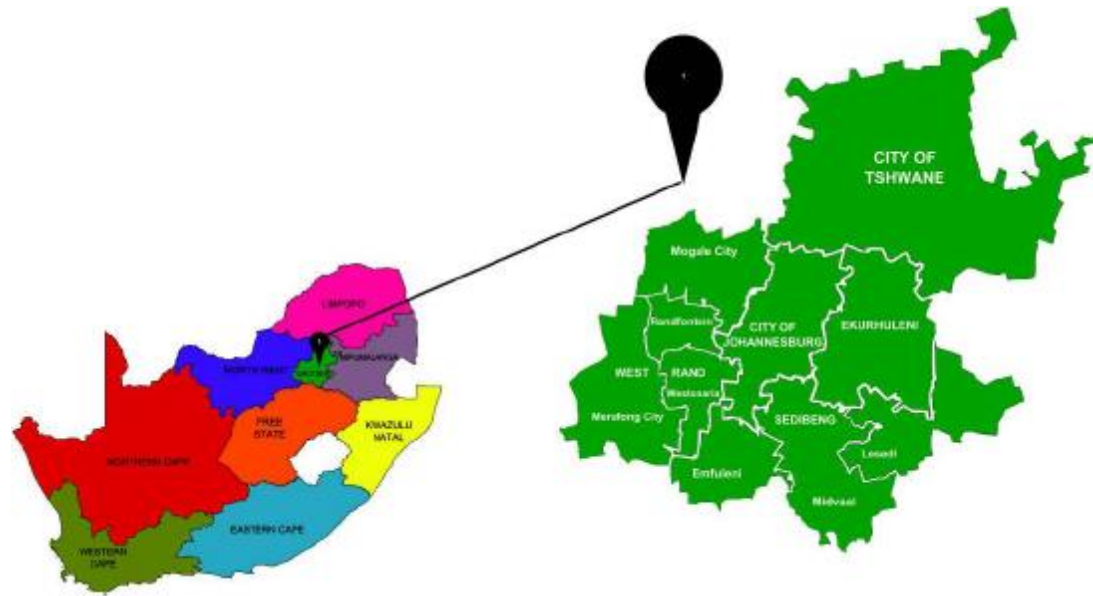
Economic Growth



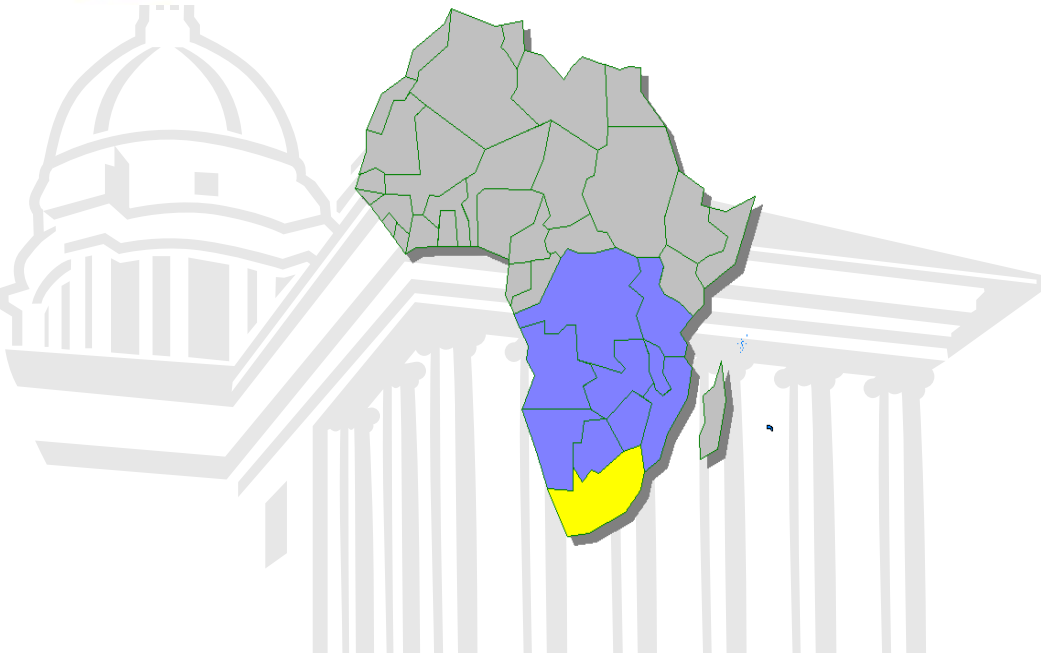
	City of Tshwane GDP	Gauteng	National Total	City of Tshwane as % of province	City of Tshwane as % of national
2017	433.7	1,531.0	4,350.3	28.3%	10.0%
2022	465.9	1,640.9	4,651.8	28.4%	10.0%
Annual growth rate	1,23%				
Forecast growth rate	1.93% from 2017 to 2022				

3. Tshwane Investment Value Proposition

Why Tshwane: Location



Tshwane is a prime business region strategically positioned in the center of the most prosperous part and at the heart of South Africa.



3. Tshwane Investment Value Proposition

Why Tshwane: Competitive Industries



- Global reputation in automotive engineering, Tshwane is a world-class manufacturer of cars, buses, trucks and other types of vehicles and accounts for 40% of South Africa's automotive production.
- Tshwane offers a myriad of business and investment opportunities that can be located within one of the city's 18 mixed manufacturing industrial estates.
- Home to over 30 JSE listed large companies

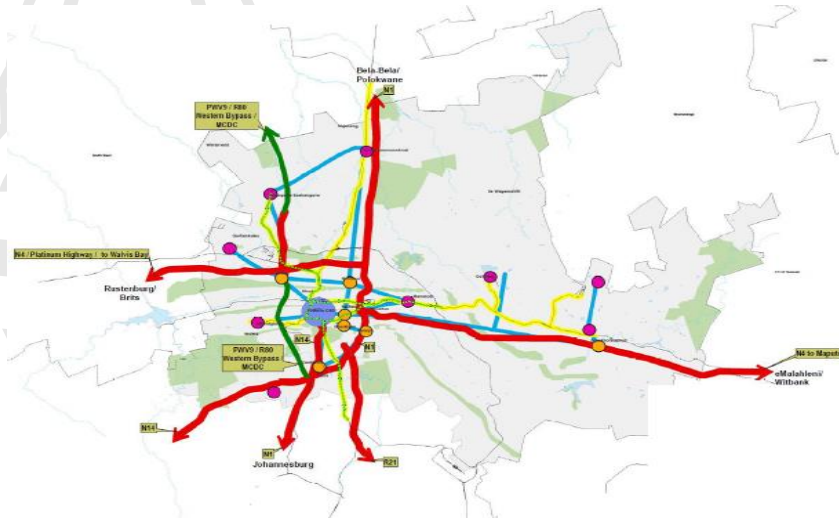


3. Tshwane Investment Value Proposition

Why Tshwane: World Class Infrastructure



- Tshwane well developed economic infrastructure and ongoing infrastructure upgrades provide long term good outlook for competitiveness
- Link to SADC road and rail freight routes



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3. Tshwane Investment Value Proposition

Why Tshwane: R&D Centre of Excellence



- Globally regarded as the knowledge Centre of South Africa, Tshwane has an impressive concentration of academic, research, technology and scientific institutes.
- Over 60% of South Africa's scientific and industrial research output from Tshwane
- Over 60 000 graduates annually from 4 premier universities

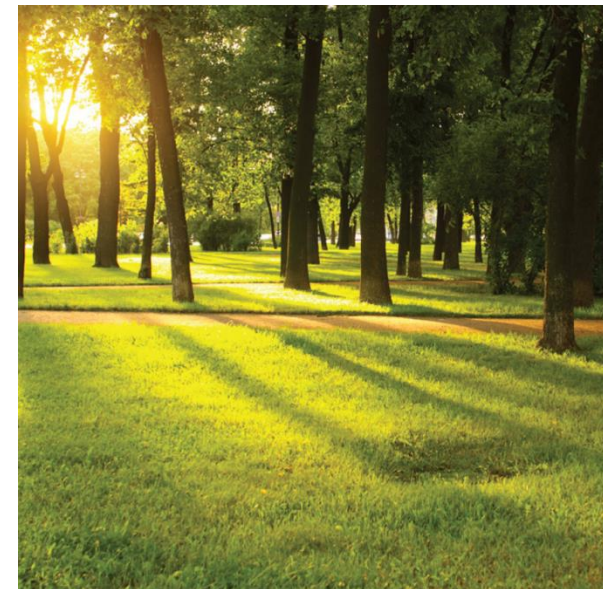


3. Tshwane Investment Value Proposition

Why Tshwane: High Quality of Life



Tshwane offers one of the high quality and low cost living experience of any of comparable capital cities in the world



3. Tshwane Investment Value Proposition

Why Tshwane: Professional Investor Support and Aftercare



City of Tshwane helps local and international companies to establish and build their businesses in Tshwane. CoT assists new and existing investors by navigating the challenges of investing and by providing the information required to make good investment decisions by facilitating a coordinated City approach that saves investors time and money. CoT services include:

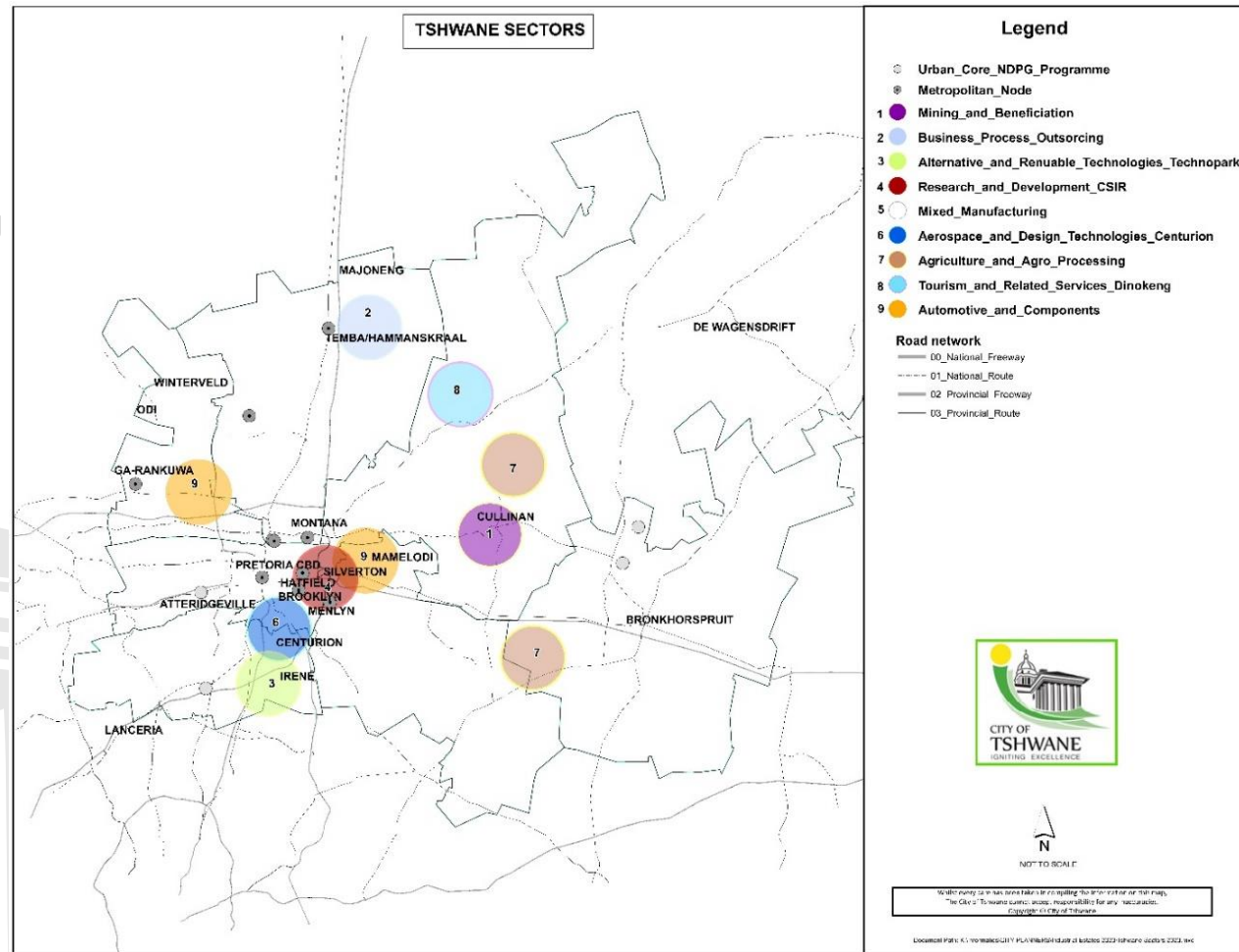
- Information on issues such as economic factors, business costs, the taxation regime, investment regulations, skills availability and immigration;
- Introductions to key stakeholders and role-players;
- Facilitate and host inbound and outbound investment missions;
- Provide information on financing options and investment incentives;
- Assist investors to obtain work and business permits;
- Provide assistance in obtaining and facilitate access to suitable land, factory space, etc.;
- Assist existing firms to expand and re-invest;
- Provide advisory services to improve company growth and performance;

3. Tshwane Investment Value Proposition

Economic and Investment Footprint

Priority Sectors

- Automotive and components
- Agriculture and agro-processing
- Aerospace and defence
- Tourism
- Global business services
- Mining and beneficiation
- Renewable energy
- Advanced manufacturing
- Research and innovation

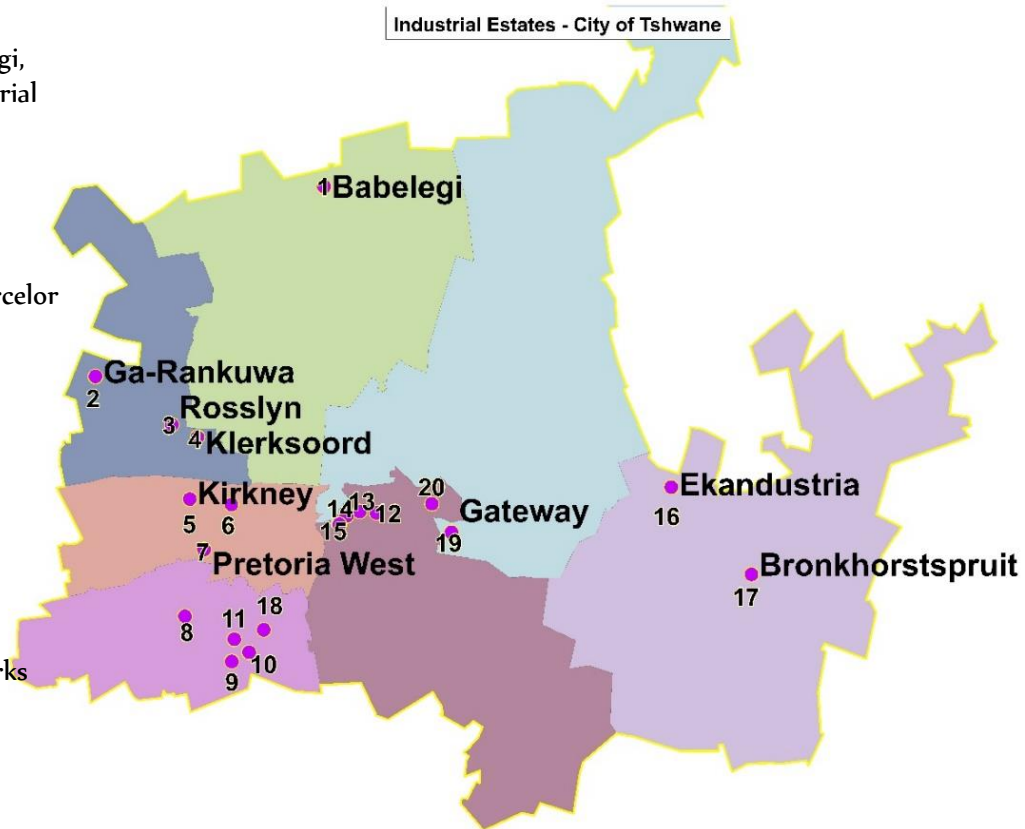


3. Tshwane Investment Value Proposition

Economic and Investment Footprint



- Region 1
 - 3 x Industrial Parks
 - Automotive industry hub (BMW, Nissan, etc)
- Region 2
 - 1 x Industrial Park
 - 4 notable foreign investors (Nestle, Maggi, Dodson International Parts, Global Material Technologies)
- Region 3
 - 3 x Industrial Parks
 - Host to mining and metals investors (Arcelor Mittal, Kumba Iron Ore, SASOL)
- Region 4
 - 4 x Industrial Parks
 - Manufacturing investment dominant in industrial park
- Region 6
 - 5 x Industrial Parks and 2 x Science Parks
 - Characterised by a significant local manufacturing activity
- Region 7
 - 2 x Industrial Parks
 - Few foreign investors focusing on manufacturing



Legend

- Industrial Estates
- Region 1
- Region 2
- Region 3
- Region 4
- Region 5
- Region 6
- Region 7

1. Babelegi
2. Ga-Rankuwa
3. Rosslyn
4. Klerksoord
5. Kirkney
6. Hermanstad
7. Pretoria West
8. Sunderland Ridge
9. Rooihuiskraal
10. Irene
11. Hennopspark
12. Samcor Park
13. Waltloo/Dispatch
14. Silvertondale
15. Koedoespoort
16. Ekandustria
17. Bronkhorstspuit
18. Lyttleton Manor
19. Gateway
20. Silverton



1:170,000

Source: City of Tshwane (2010) & Statistics South Africa (2011)

4. Current Investment Programmes and Initiatives

Investment Value Chain



Investment Research

- Trade and Investment intelligence to inform trade and investment promotion activities

Investment Attraction

- Position CoT as the preferred destination for business and investment in Africa
- Inform potential and existing investors and entrepreneurs about the CoT's business climate, incentives, opportunities and investor services
- Investor targeting and lead generation

Mandate of
TEDA

Investment Facilitation

- The provision of various investor services aimed at minimising delays and expediting the investment process for domestic and foreign investors within the CoT

Aftercare

- Designed to enhance the level of investor confidence and satisfaction in the CoT.
 - Business retention
 - Business expansion
 - Policy Advocacy

4. Current Investment Programmes and Initiatives

Investment Incentive Toolkit



- The city has published an investment incentive and business service offerings in the form of a toolkit.
- The toolkit, one of many resources provided by the City's Strategic Trade and Investment, Attraction, Facilitation and Aftercare Section, aims to promote investment and boost the economy of Tshwane.
- The toolkit thus highlights Tshwane's favorable business and investment environment, sector and industry potential, and financial and non-financial investment incentives.

4. Current Investment Programmes and Initiatives

Investment Incentive Toolkit



The City's fiscal and non-fiscal incentives offerings can be summarized as follows:

- Fiscal incentives
 - Residential rates and rebates
 - Rebate on the total market value of all unregistered erven in a township
 - Offsetting development charges on multiple townships
 - Bulk service contribution rebate scheme
 - Destination events incentive: Hosting
- Non-fiscal incentives
 - Prioritisation of strategic urban developments
 - Prioritisation of strategic investment projects/initiatives
 - Prioritisation of strategic investment initiatives
 - Business retention and expansion and Investment aftercare offerings
 - Economic data
 - Export development and Export promotion
 - Investment promotion and attraction
 - Project development facilitation offerings

4. Current Investment Programmes and Initiatives

Investment Incentive Toolkit

Fiscal/Financial City Incentive	COT	CCT	ETH	COJ	COE	NMB	MAN	BFC
Property rate reduction rebate/exemption	x		x	x	x		x	x
Service charge reduction	x	x	x		x	x	x	x
Building plan/land use application fee waiver	x	x	x			x	x	x
Development contribution fee waiver		x	x			x	x	
Land and rental subsidies			x				x	
Development incentives					x			
Community enterprise development fund					x			
Capital infrastructure fund	x							
Inclusionary housing incentive				x				
Support to agriculture sector and SMMEs	x							x
Technical and business support incentives	x	x	x	x	x	x	x	x
Investment Fast-tracking	x	x	x	x	x	x		
Economic Intelligence	x	x	x		x	x		

4. Current Investment Programmes and Initiatives

Investment Portal



The city has modernised its approach to investment facilitation by launching a dedicated investment portal to facilitate interaction between the city and the investor/business community using the latest information and communication technology. The solution allows for the following:

- Request investment specific information;
- Escalate service delivery issues that have been reported but not yet addressed;
- Electronic submission of investment project applications;
 - Ability for investors to have a single point of access in the city, with online application and completion of the application for assistance or services;
 - Uploading of supporting documentation;
 - Partial evaluation of the application as a strategic and catalytic project;
 - Channelling of applications to relevant stakeholders for processing; and
 - Channelling of applications to Joint and Strategic investment committee members for recommendation and approvals

4. Current Investment Programmes and Initiatives

Investment Portal



eTshwane
It's paperless

Landing page

Logged in as: Imzand
2018-09-27

Home

Getting Started

Accounts

Municipal Services

Manage Profile

Query/Complaint/Compliment

Investor Portal

Welcome to the Investor Portal

Our new Investor Portal will put you as an investor in touch with the people who can assist you to fast-track a project or assist with an enquiry.

General Investor Enquiry

Connect with City of Tshwane Economic Development Department for general enquiries, request for info or service delivery assistance.

Enquire

Investment Proposition

Click [here](#) to inform us about your investment and development proposition that the City may be able to assist you with.

Enquire

Submit Application

Submit an online application in order to have an investment project become considered as a strategic project.

Apply

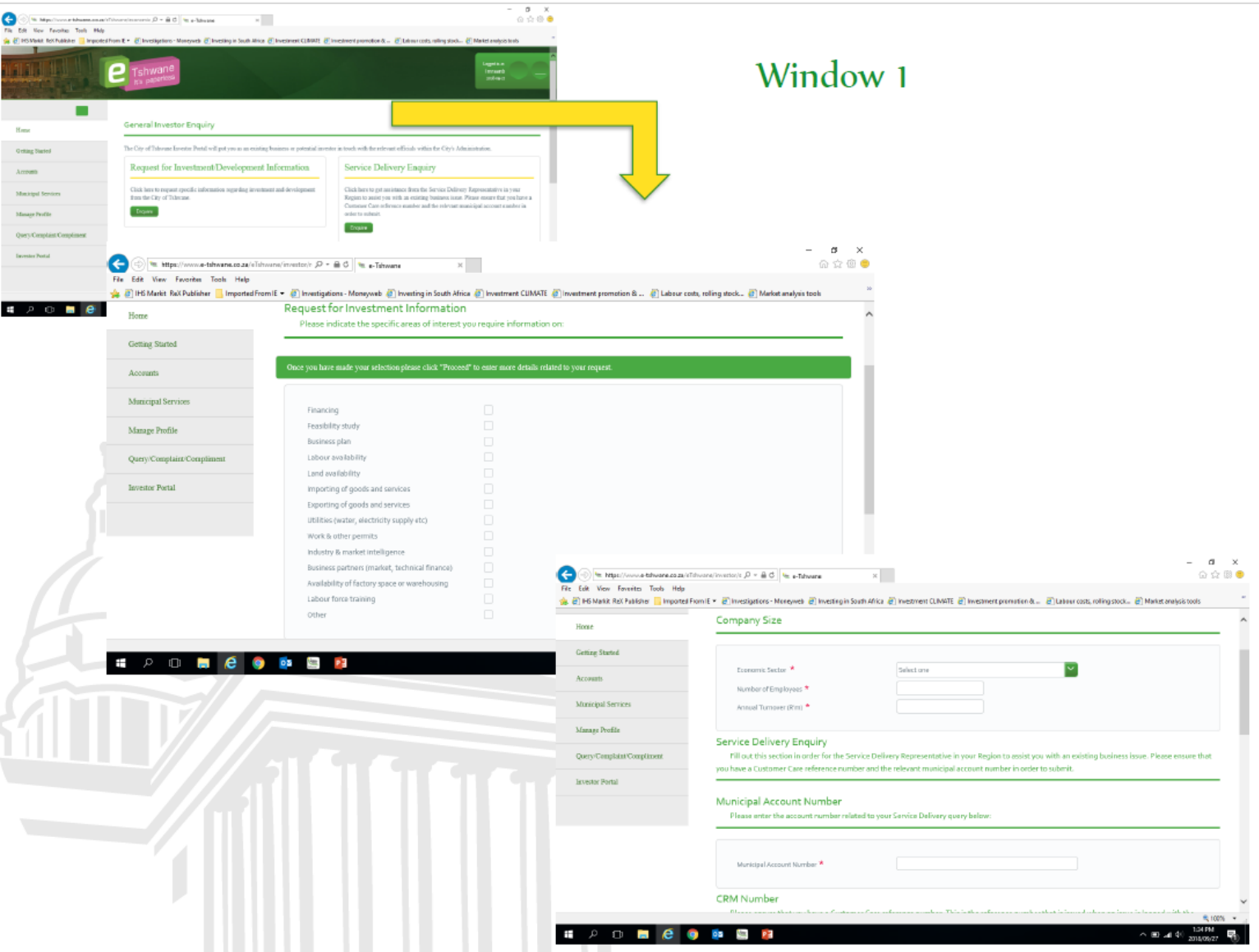
Note: You need to have a company linked to your profile in order to use the Investor Portal.

100%

4. Current Investment Programmes and Initiatives

Investment Portal

Window 1



The screenshot displays the City of Tshwane Investment Portal. The top navigation bar includes links for Home, Getting Started, Accounts, Municipal Services, Manage Profile, Query/Complaint/Complement, and Investor Portal. The main content area is titled 'General Investor Enquiry' and contains two sections: 'Request for Investment Development Information' and 'Service Delivery Enquiry'. A yellow arrow points from the 'Request for Investment Development Information' section to the 'Request for Investment Information' form. The form is titled 'Request for Investment Information' and includes a section for 'Please indicate the specific areas of interest you require information on'. Below this, there is a list of categories with checkboxes: Financing, Feasibility study, Business plan, Labour availability, Land availability, Importing of goods and services, Exporting of goods and services, Utilities (water, electricity supply etc), Work & other permits, Industry & market intelligence, Business partners (market, technical/financial), Availability of factory space or warehousing, Labour force training, and Other. The form also includes a 'Proceed' button to enter more details related to the request.

Request for Investment Information

Please indicate the specific areas of interest you require information on:

Once you have made your selection please click "Proceed" to enter more details related to your request.

- Financing ☐
- Feasibility study ☐
- Business plan ☐
- Labour availability ☐
- Land availability ☐
- Importing of goods and services ☐
- Exporting of goods and services ☐
- Utilities (water, electricity supply etc) ☐
- Work & other permits ☐
- Industry & market intelligence ☐
- Business partners (market, technical/financial) ☐
- Availability of factory space or warehousing ☐
- Labour force training ☐
- Other ☐

Company Size

Economic Sector *

Number of Employees *

Annual Turnover (Rm) *

Service Delivery Enquiry

Fill out this section in order for the Service Delivery Representative in your Region to assist you with an existing business issue. Please ensure that you have a Customer Care reference number and the relevant municipal account number in order to submit.

Municipal Account Number

Please enter the account number related to your Service Delivery query below:

Municipal Account Number *

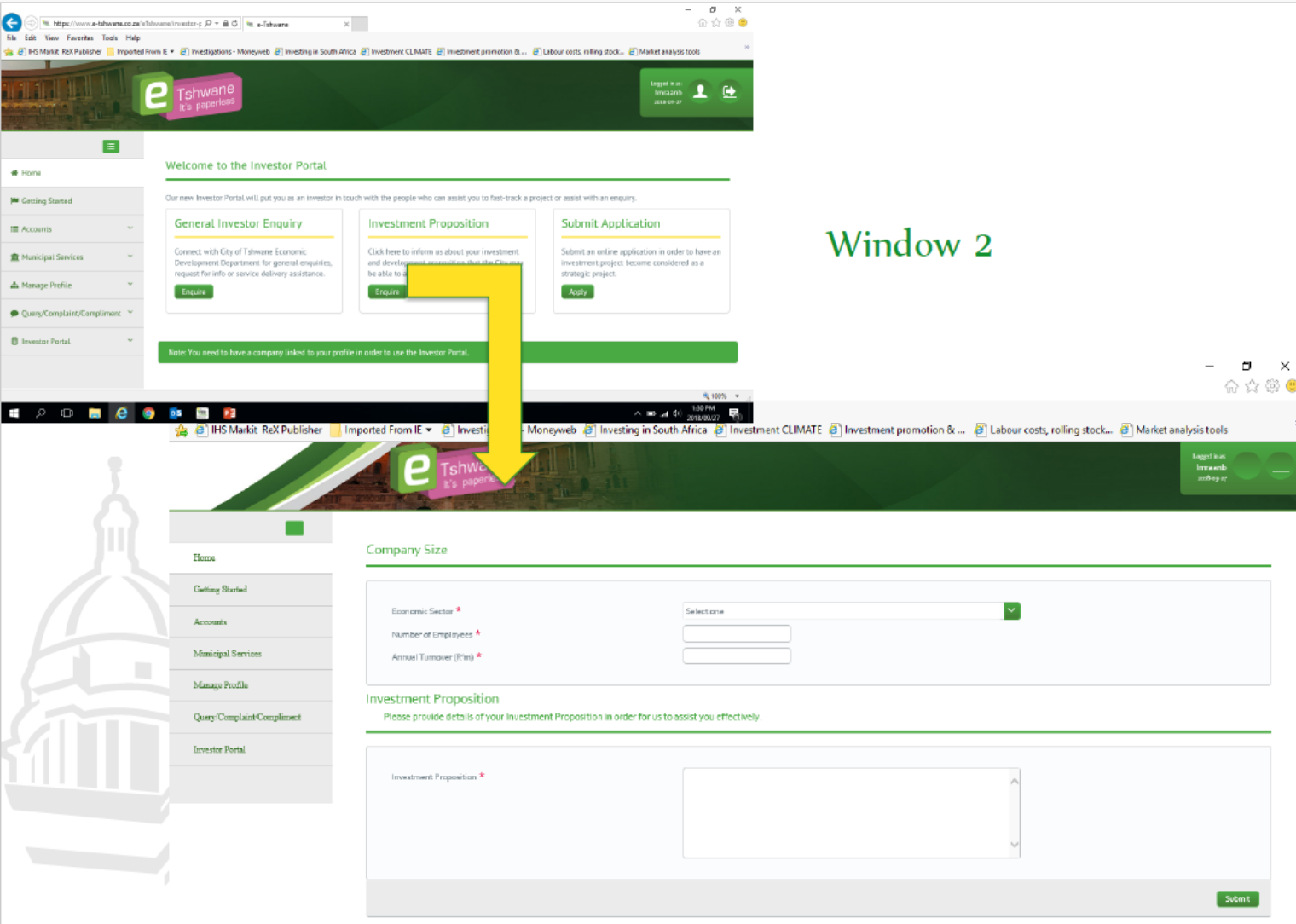
CRM Number

Please enter the Customer Care reference number. This is the reference number used to track your request in our system.

CRM Number *

4. Current Investment Programmes and Initiatives

Investment Portal



The screenshot displays the City of Tshwane Investor Portal. The top navigation bar includes links for Home, Getting Started, Accounts, Municipal Services, Manage Profile, Query/Complaint/Complement, and Investor Portal. The main content area is titled 'Welcome to the Investor Portal' and features three primary actions: 'General Investor Enquiry', 'Investment Proposition', and 'Submit Application'. A yellow arrow points from the 'Investment Proposition' link to the corresponding form below. The form is titled 'Company Size' and includes fields for 'Economic Sector', 'Number of Employees', and 'Annual Turnover (Rm)'. Below this, the 'Investment Proposition' section prompts the user to provide details of their investment proposition, with a large text area and a 'Submit' button at the bottom right.

Window 2

Company Size

Economic Sector *

Number of Employees *

Annual Turnover (Rm) *

Investment Proposition

Please provide details of your investment Proposition in order for us to assist you effectively.

Investment Proposition *

Submit

4. Current Investment Programmes and Initiatives

Investment Portal



Window 3

Welcome to the Investor Portal

Our new Investor Portal will put you as an investor in touch with the people who can assist you to fast-track a project or assist with an enquiry.

General Investor Enquiry
Connect with City of Tshwane Economic Development Department for general enquiries, request for info or service delivery assistance.
[Enquire](#)

Investment Proposition
Click here to inform us about your investment and development proposition that the City may be able to assist you with.
[Enquire](#)

Submit Application
Submit an online application in order to have an investment project become considered as a strategic project.
[Apply](#)

Note: You need to have a company linked to your profile in order to use the Investor Portal.

City of Tshwane Strategic Investment Application
Complete this application form in order to have an investment project become recognised as a strategic project.

Project Details

Are you the project owner?
☐ Yes ☐ No

Type of Project
☐ Greenfield ☐ Brownfield ☐ Other

Type of Development

Service
☐ Research and Development (R&D)
☐ Industrial Development
☐ Commercial
☐ Industrial
☐ Other

Economic Activities

Agriculture
☐ Mining
☐ Manufacturing
☐ Electricity
☐ Construction
☐ Trade
☐ Transport
☐ Finance
☐ Community Services
☐ Other

4. Current Investment Programmes and Initiatives

Investment Facilitation – Fast tracking



The institutionalizing of the investment facilitation process in the City takes place through the STRIC. The aim is to create a more conducive investment environment by fast tracking and reducing red-tape and unnecessary bureaucracies with regard to the implementation of strategic investment initiatives

As per Mayoral Committee approval of 7/08/2019, A **Strategic Investment Initiative** is defined as “Any retention or expansion based investment as well as any new investment that has a propensity to create employment opportunities and is not deemed to be a Strategic Urban Development”.

4. Current Investment Programmes and Initiatives

Investment Facilitation – Fast tracking



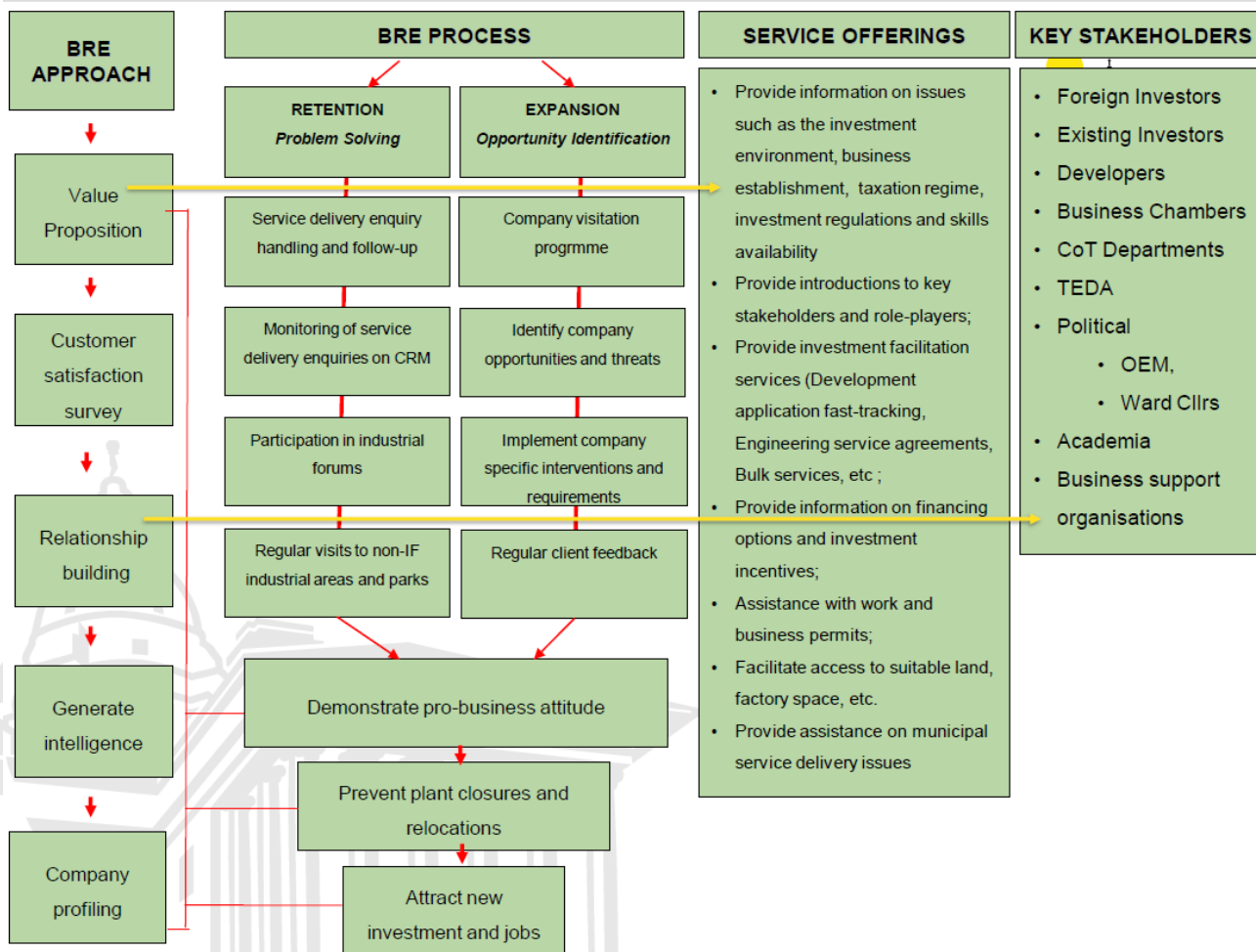
Investment Facilitation Framework

- The CoT has implemented an investment framework aimed at fast-tracking strategic investment initiatives within the city. The Investment framework places strategic emphasis on high-level decision-making relating to strategic investment projects and ensures synergy and coordination between the various city departments to ensure that the city becomes a globally competitive investment destination based on a one-stop-shop approach.
- To further reduce red tape, CoT continually enhances its integrated investment facilitation in order to save investors time and money.



4. Current Investment Programmes and Initiatives

Investment Aftercare



A key feature of the investor aftercare programme is company engagements aimed at maintaining and enhancing relationships with existing investors, profiling key investors and obtaining investor intelligence

THANK YOU

