



City of Tshwane by region

The City is divided into seven administrative and functional regions that have been created to assist with a multidimensional approach to improve service delivery. The Regionalisation Model has assisted the City to better organise, coordinate and align the interaction between government and the people.

The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living. This index is applied across the regions. The HDI can assume a maximum value of 1, indicating a very high level of human development. It has a minimum value of 0, indicating no human development.

The HDI for the City of Tshwane is 13,6 percentage points higher than the national average. Each region in Tshwane has a higher recorded HDI than the national average with Region 4 having the biggest difference of 22,6 percentage points and Region 1 the smallest 4,5 percentage points. All the regions in the Tshwane also have significantly higher population densities except for regions 5 and 7. Each region will now be discussed in turn.

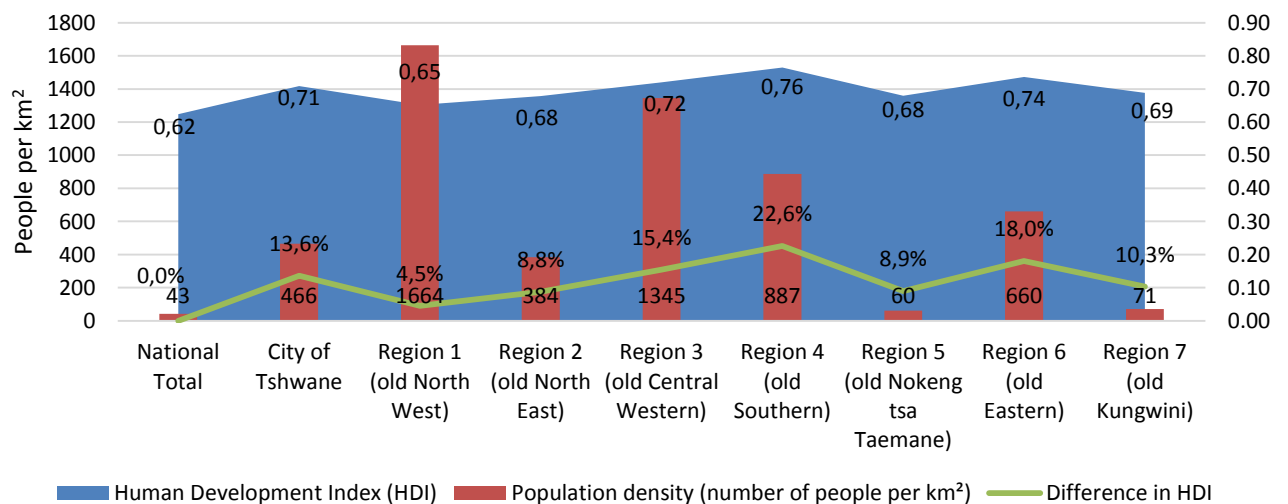


Figure 1: Human Development Index and population density (2012)

Source: Global Insight

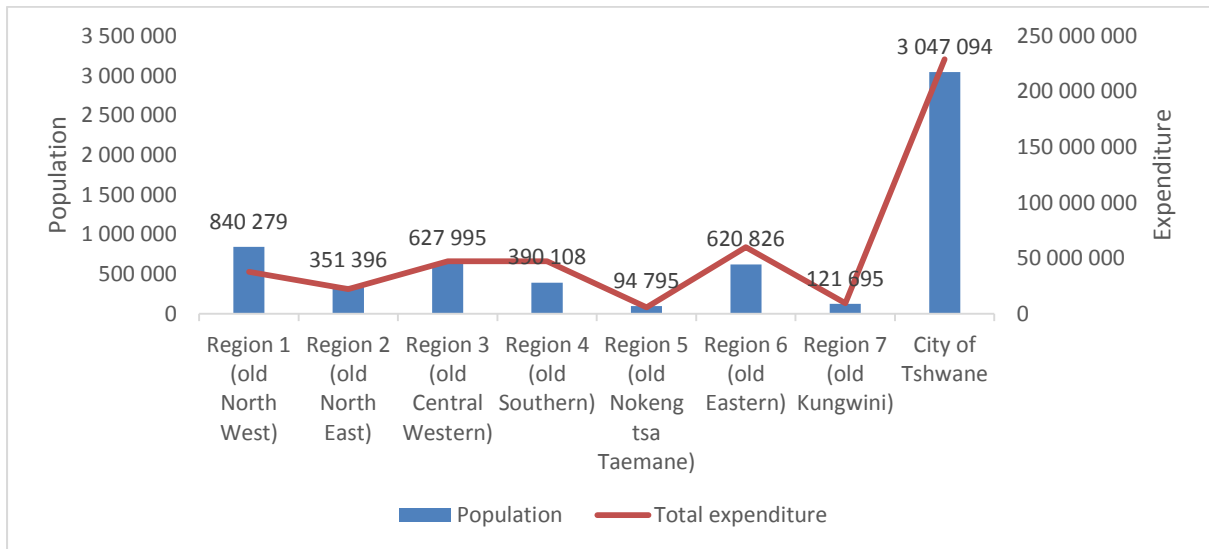


Figure 2: Regional expenditure and population of City of Tshwane

Source: Global Insight

Figure 31 shows the regions' and City's population as well as the expenditure by region. From this it can be observed that at a regional level expenditure is the highest in Region 6 followed by regions 3 and 4. The per capita expenditure is the highest in Region 4 (see figure 32) followed by Region 6. Both figure 31 and 32 points to the fact that the City of Tshwane has a large consumer base and subsequently a large market size.

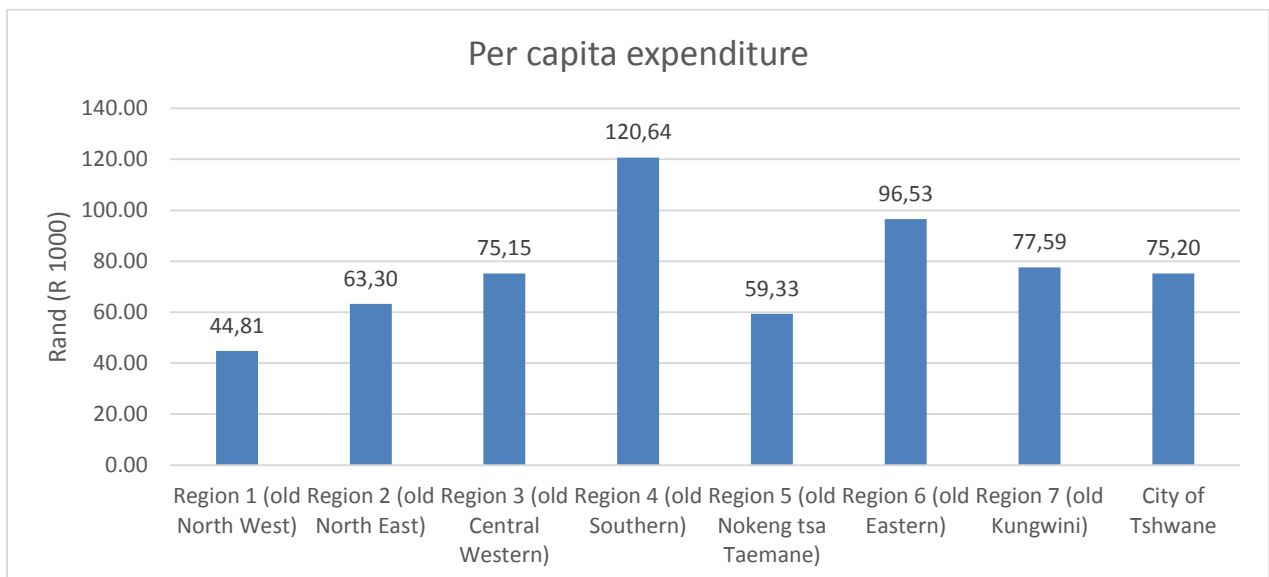
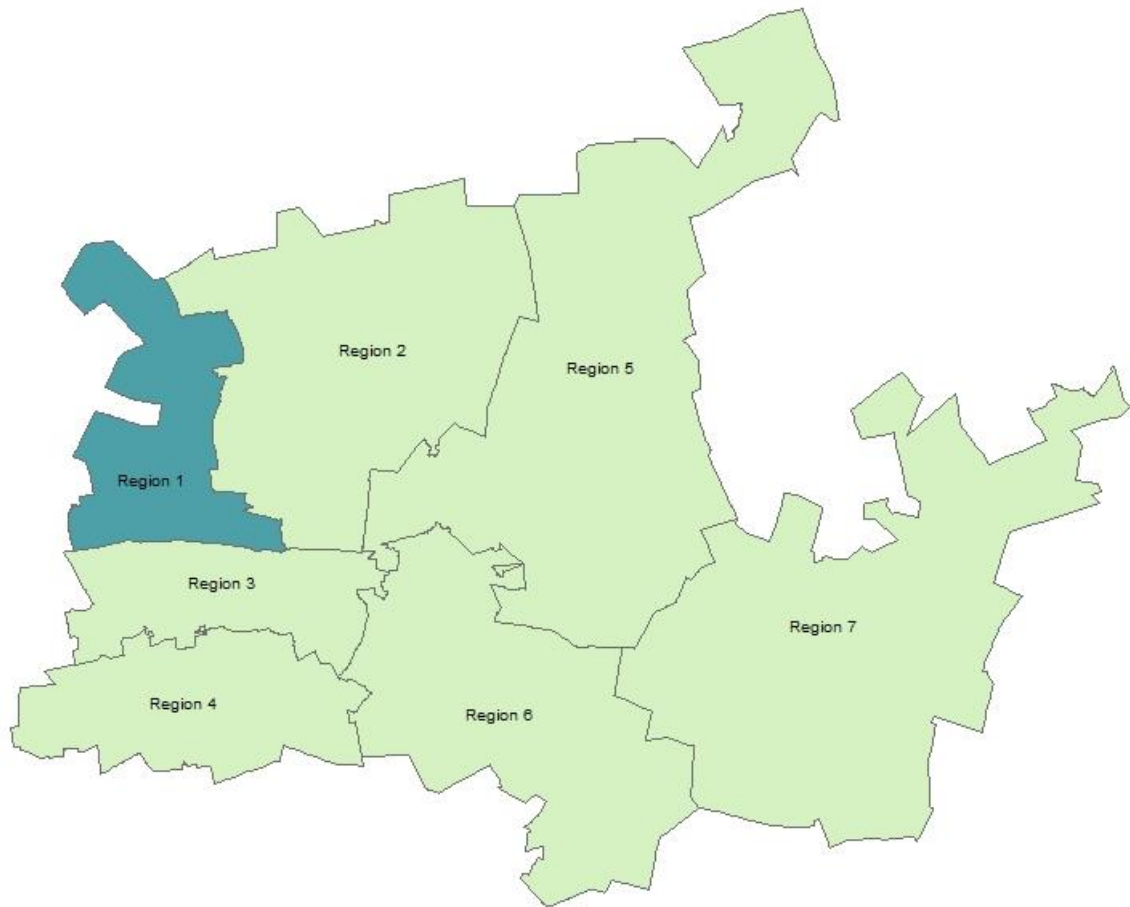


Figure 3: Regional per capita expenditure

Source: Global Insight

Region 1



Map 1: Position of Region 1 in Tshwane

Situated in the north-western part of the City, the region includes agricultural holdings, industrial zones (such as the auto cluster Rosslyn), and residential suburbs and townships. The many low-income settlements make this the most densely populated (1664 p/km^2) region in Tshwane at 28%, with the largest youth bulge and with the highest number of persons without an income. The region hosts the Zone of Choice – a strategic investment focus area and a catalyst for development of the northern areas of the City.

When comparing the location quotient of Tshwane to that of Region 1 it can be observed that the more prominent economic activities in the region are manufacturing, electricity, construction, transport and community services. In Region 1 the location quotients of electricity, manufacturing and community services exceeds that of the City of Tshwane average, indicating a concentration of these sectors in this region (see figure 33).

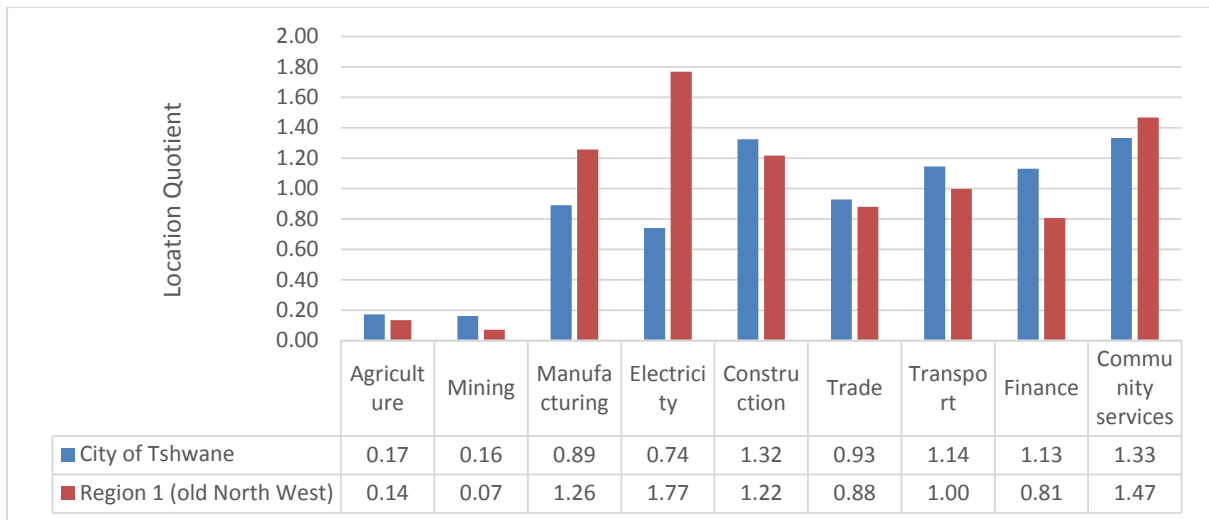
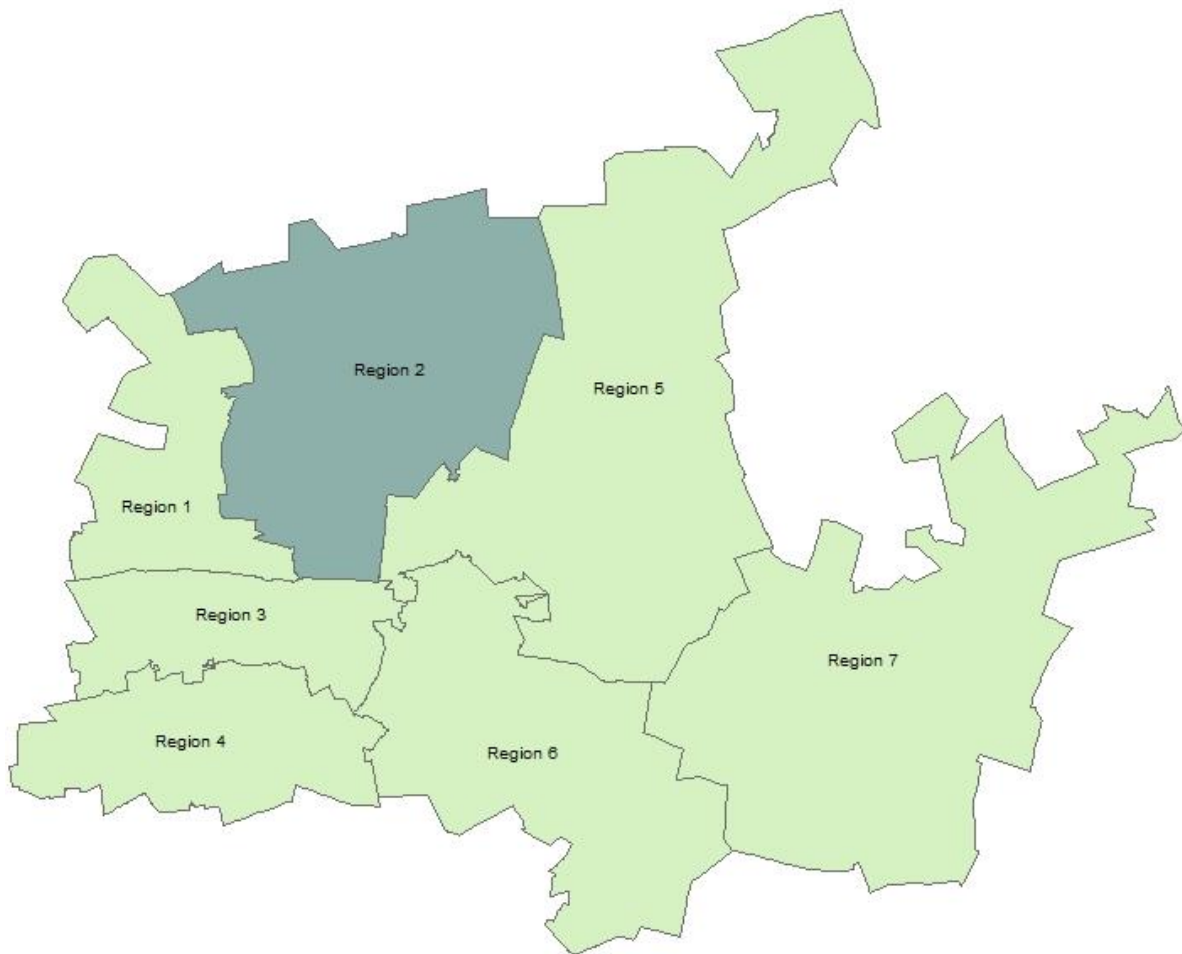


Figure 4: Location quotients of Region 1

Source: Global Insight

Region 2



Map 2: Position of Region 2 in Tshwane

Characterised by low-density (348 p/km²) urban settlements and limited economic activities, although host to the small Babelegi Industrial Park, the region is known for its tourist attractions. It houses 12% of Tshwane's population and requires significant infrastructure upgrading. Seen as a catalyst for such upgrades and investment, the region is host to the Rainbow Junction development, a mixed use economic node located 6 km north of the CBD. The City is looking to crowd in public and private sector investment by leading investment in socio-economic infrastructure in the Hammanskraal business district. In Region 2 there is a significant concentration of manufacturing, which is the highest concentration across all regions (see figure 40), followed by electricity, construction and the transport activity as seen in figure 34. There is a slight concentration of mining and agriculture activities in the region in comparison with the City's location quotient.

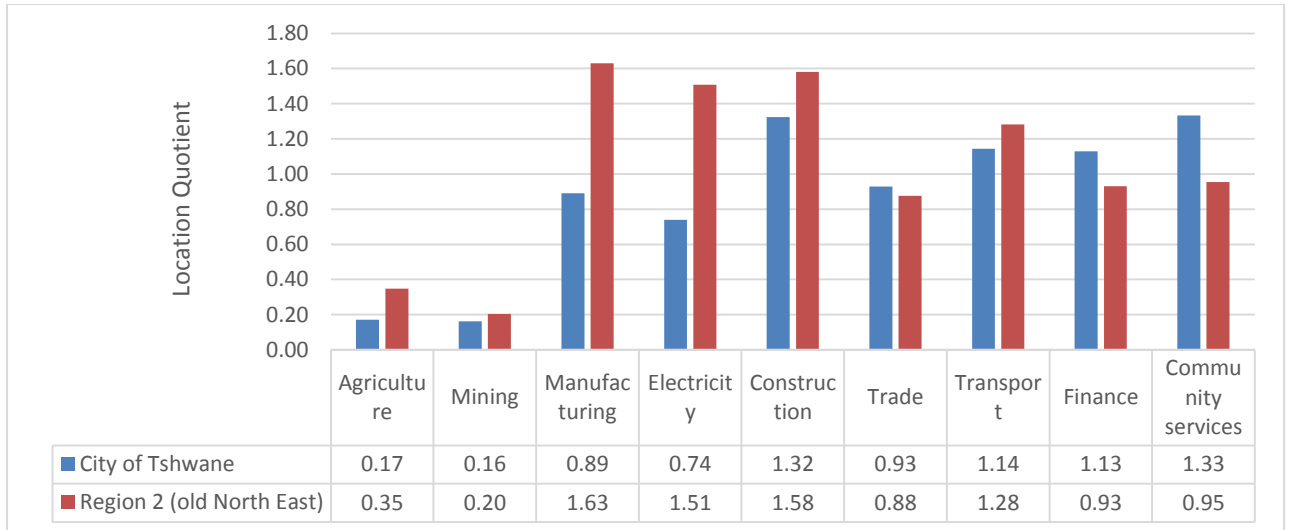
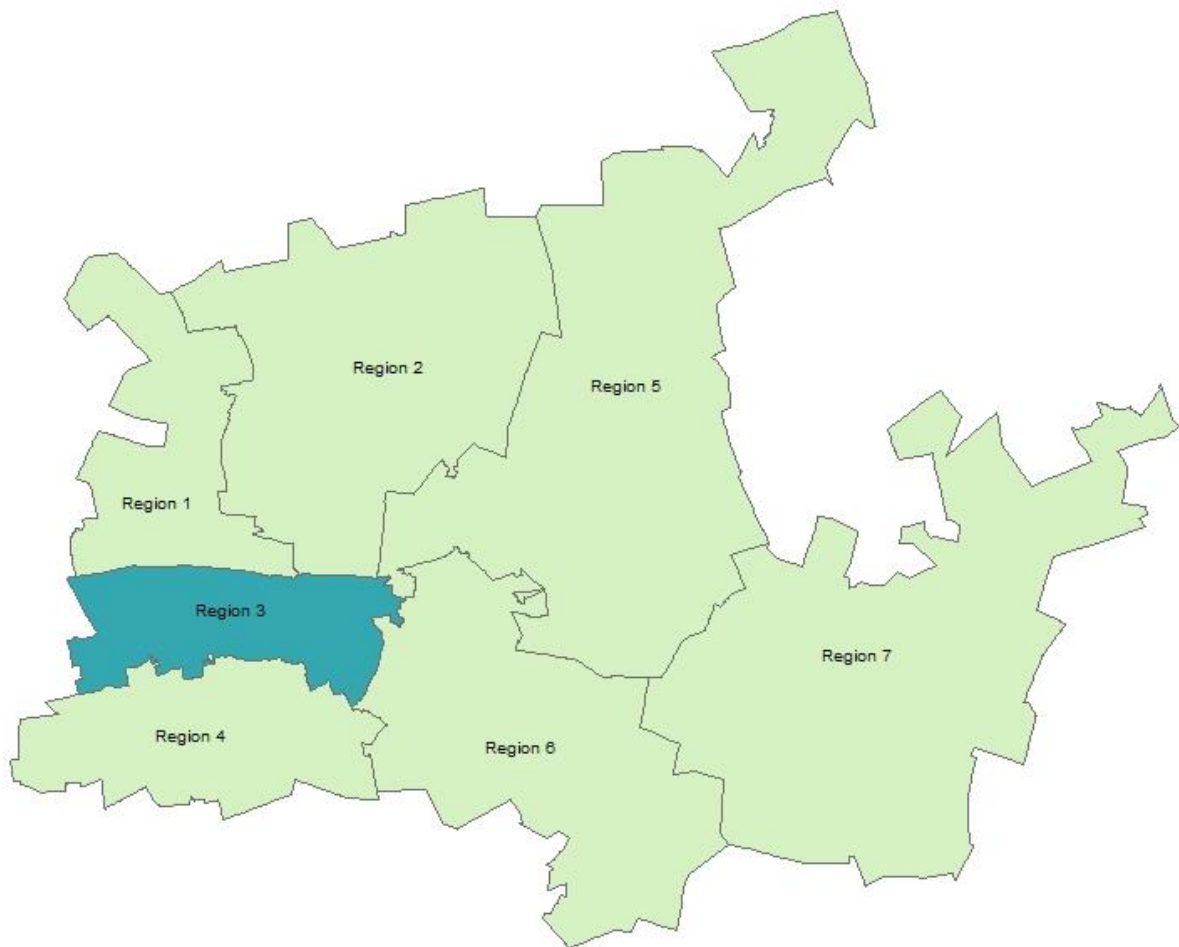


Figure 5: Location quotients of Region 2

Source: Global Insight

Region 3



Map 3: Position of Region 3 in Tshwane

This region includes the Tshwane central business district (CBD), as well as Brooklyn and Hatfield. It consists of the inner capital core, the administrative heartland of government, institutions of higher learning, as well as research and knowledge centres. It accommodates two of the current three Gautrain stations in Tshwane and the first phase of the Tshwane Rapid Transit (TRT) system, thus making it an interchange for various public transport modes. The region contributes the most in terms of regional GVA and is home to the second largest number of persons employed in the formal sector. Modernising and revitalising the inner capital core forms an integral part of the City's vision of remaking of the capital city.

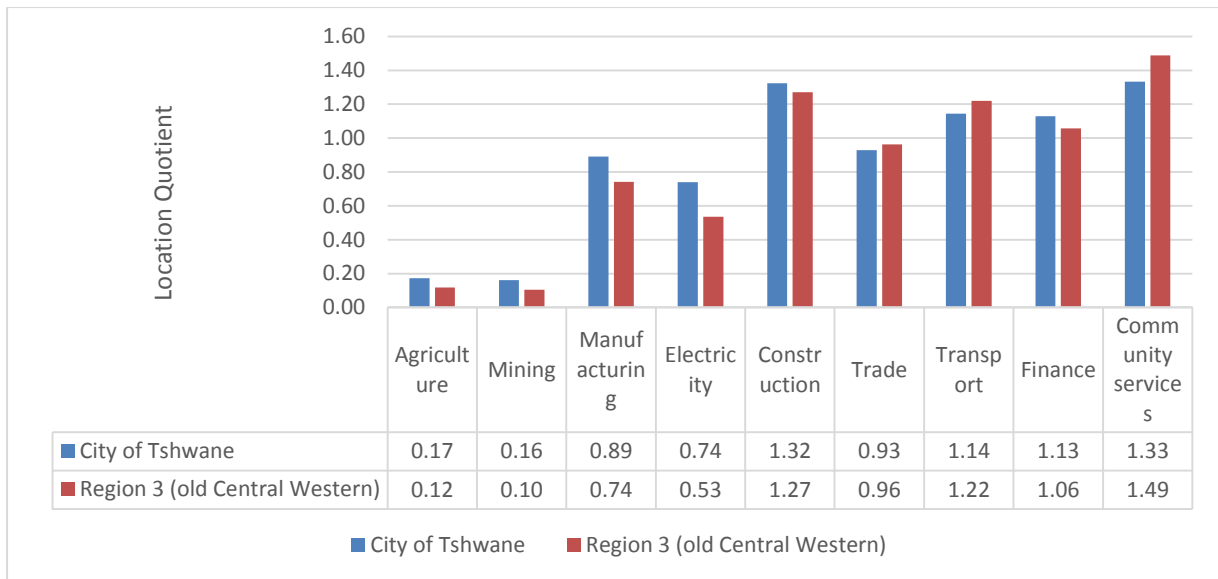


Figure 6: Location quotients of Region 3

Source: Global Insight

The region has a significant concentration of community services and a marginally higher trade sector than Tshwane's average, which holds with expectations as this region includes the CBD where financial, business and government services are situated.

Region 4



Map 4: Position of Region 4 in Tshwane

As one of the more affluent areas with the highest household income among Tshwane's regions, Region 4 borders on the City of Johannesburg, Ekurhuleni and Mogale City. The region is an important corridor linking Midrand (Johannesburg) to the Centurion business district. It hosts the Aerosat and Centurion Aviation Village (CAV), and is dominated by activities in the finance and business services, government services, manufacturing and trade sectors, as well as smart industries and business tourism. Given its demographics, the region has attracted office and retail developments in the past few years. A key project for developing the region further is the African Gateway project.

The economic concentration in the region is trade and finance (see figure 36). In this region the mining sector is marginally higher than in Tshwane due to the Lyttelton dolomite-mine situated on Botha Avenue just north of the N1.

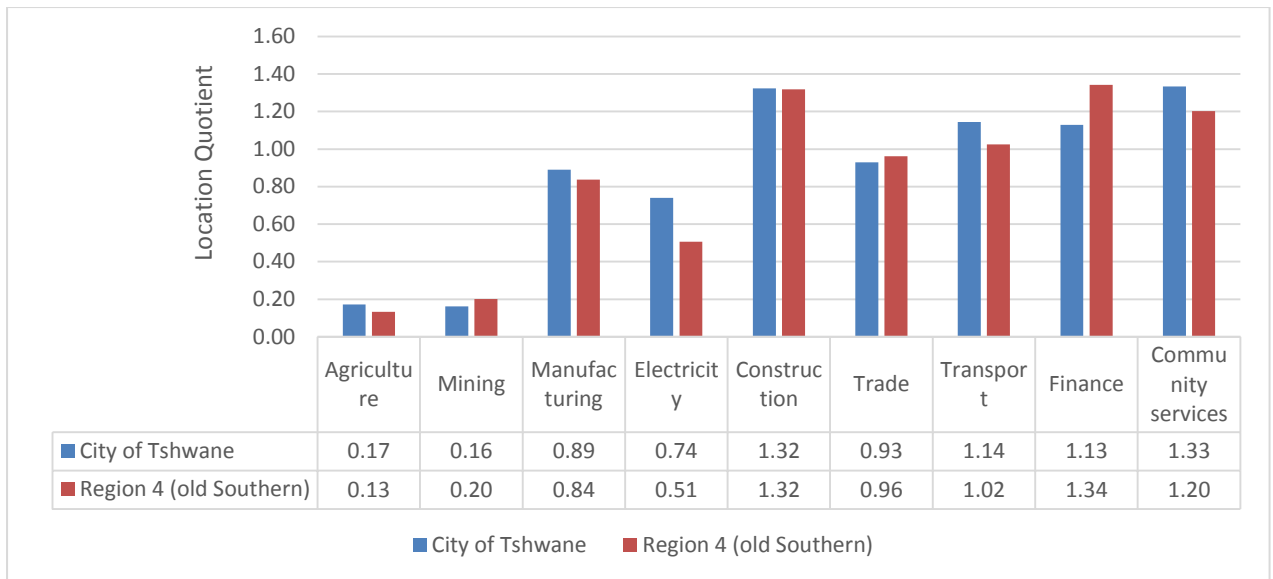
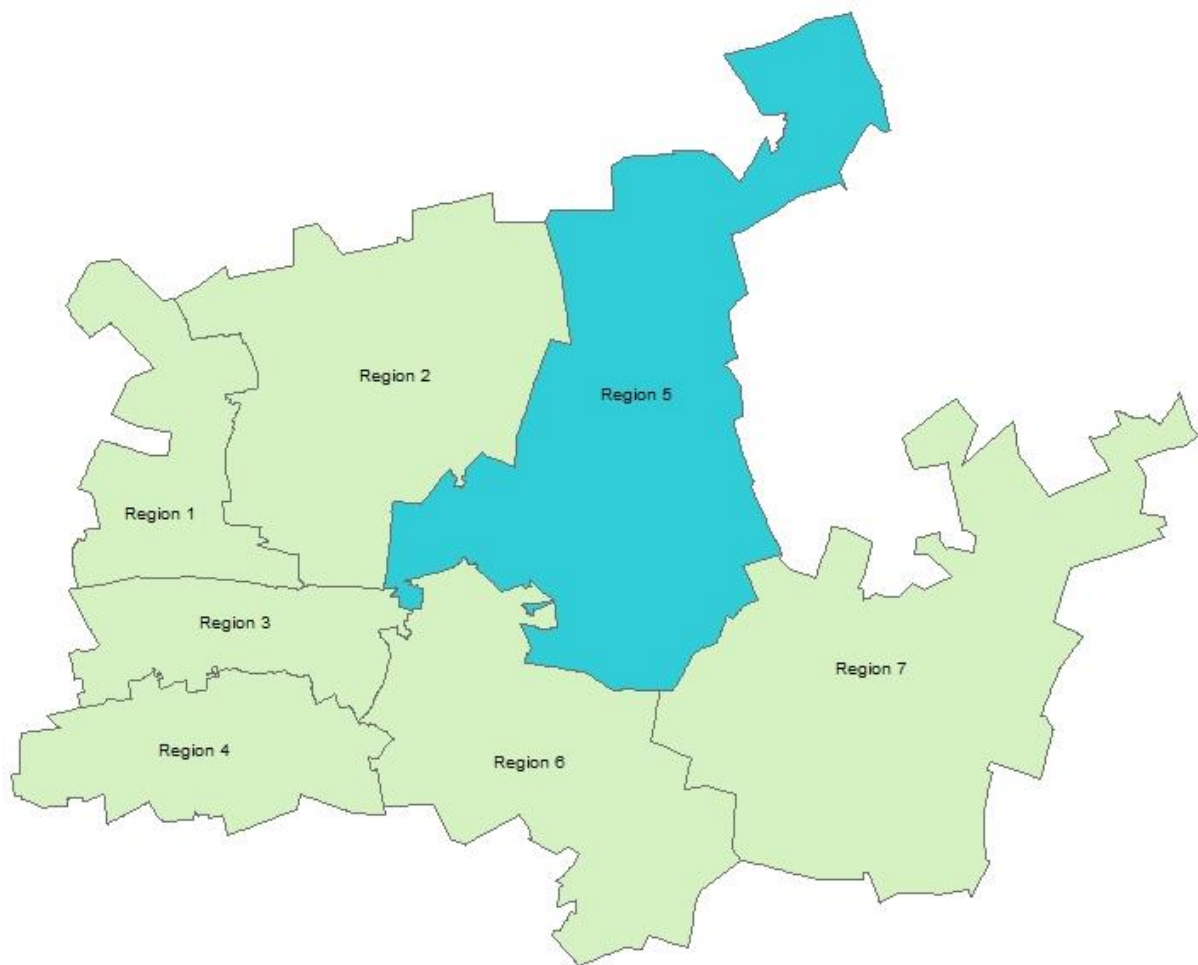


Figure 7: Location quotients of Region 4

Source: Global Insight

Region 5



Map 5: Position of Region 5 in Tshwane

With only 3% of Tshwane's population (60 p/km²), yet the largest geographical area, this region is rural and characterised by agriculture, mining (Cullinan) and tourism. It has the least number of formally employed persons, contributes the least to regional GVA, and requires infrastructure upgrades and new investments in basic service infrastructure, such as water and sanitation. The region's development focus will be on Cullinan, Refilwe and Rayton, with the City of Tshwane investing in infrastructure upgrades to support future economic activity of the region.

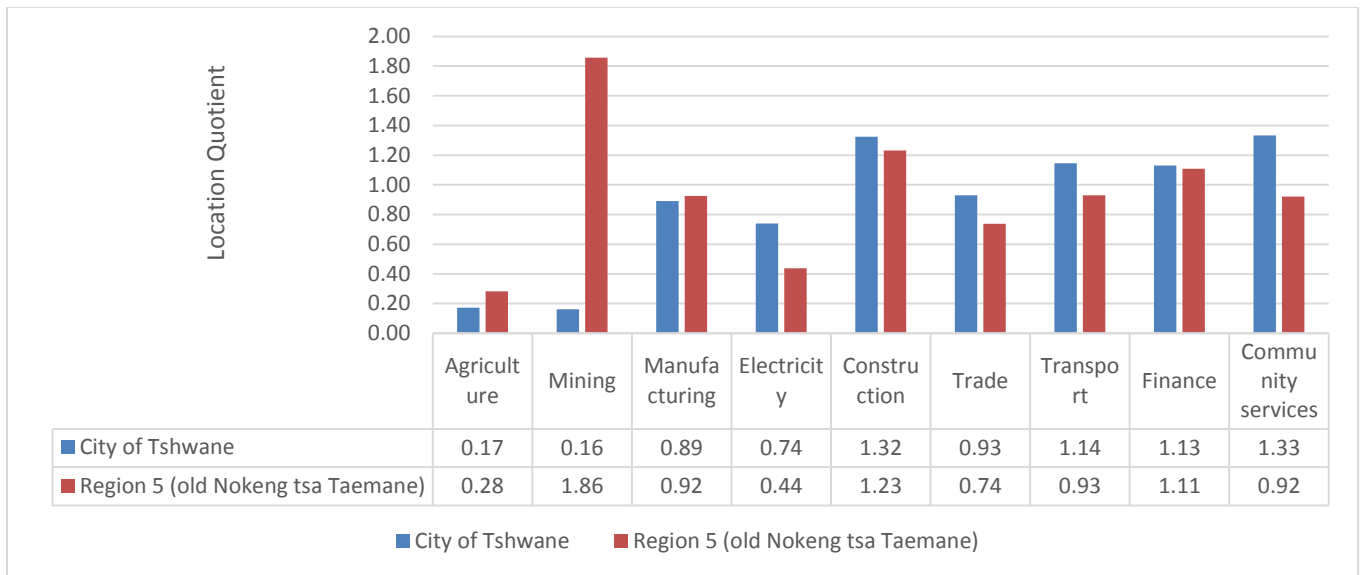
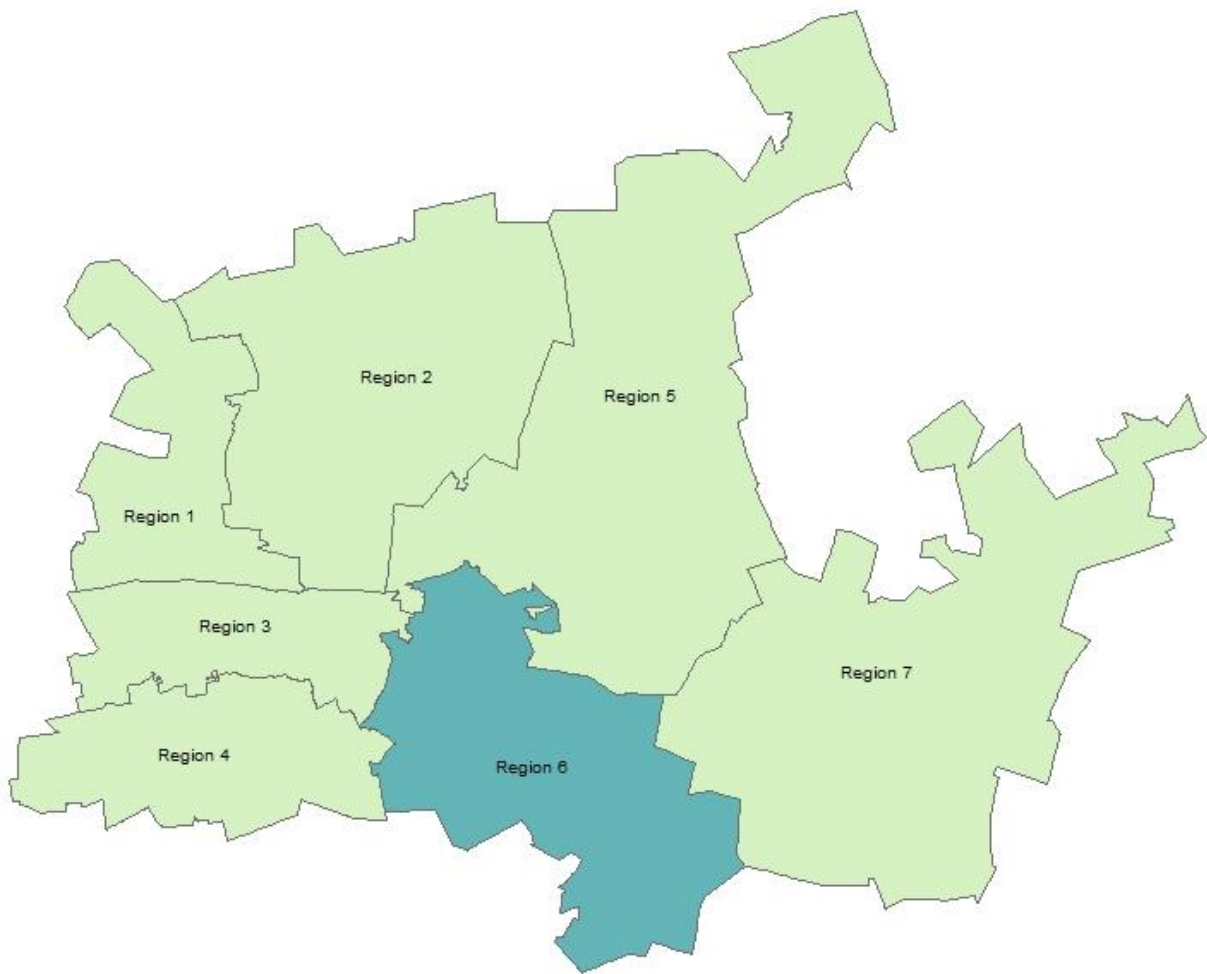


Figure 8: Location quotients of Region 5

Source: Global Insight

The presence of the Petra Cullinan Diamond Mine, established in 1903 and one of the oldest diamond mines in South Africa, is one of the world's most celebrated diamond mines. It earned its place in history with the discovery of the Cullinan Diamond in 1905, which to date is the largest rough diamond ever found. The success of the mine did not stop there, since then the mine has "...produced just under 800 stones of greater than 100 carats, over 130 stones weighing more than 200 carats and more than a quarter of all the world's diamonds of greater than 400 carats. It is also the world's only significant source of truly rare and highly valuable blue diamonds" (Petra Diamonds, 2014). It provides this region with a mining quotient of 1,86, which is significantly higher than the Tshwane quotient (see figure 37). There is also a slightly higher manufacturing and agriculture quotient than the Tshwane quotient indicating a marginal concentration of manufacturing and agriculture in the region.

Region 6



Map 6: Position of Region 6 in Tshwane

As a popular area for retail and businesses, this eastern region is the second largest region by population, the fastest growing region in 2012, and is one of the more affluent areas, with the most number of formally employed persons in Tshwane. It has the second highest average household income, and its south-eastern region has the highest per capita income in Tshwane. Road development in the region has been lagging land development. Retail, office, commercial, warehousing, wholesale and industrial as well as strategic land use facilities are located in the region. With a concentration of research and development institutions this region is also known as the knowledge belt. Developments around Mamelodi in particular make this region a critical node for future development. Further developments that the City is expected to drive are that of the Mamelodi business district and township tourism. The region has a higher concentration of construction, transport and finance employment that the Tshwane average (see figure 38).

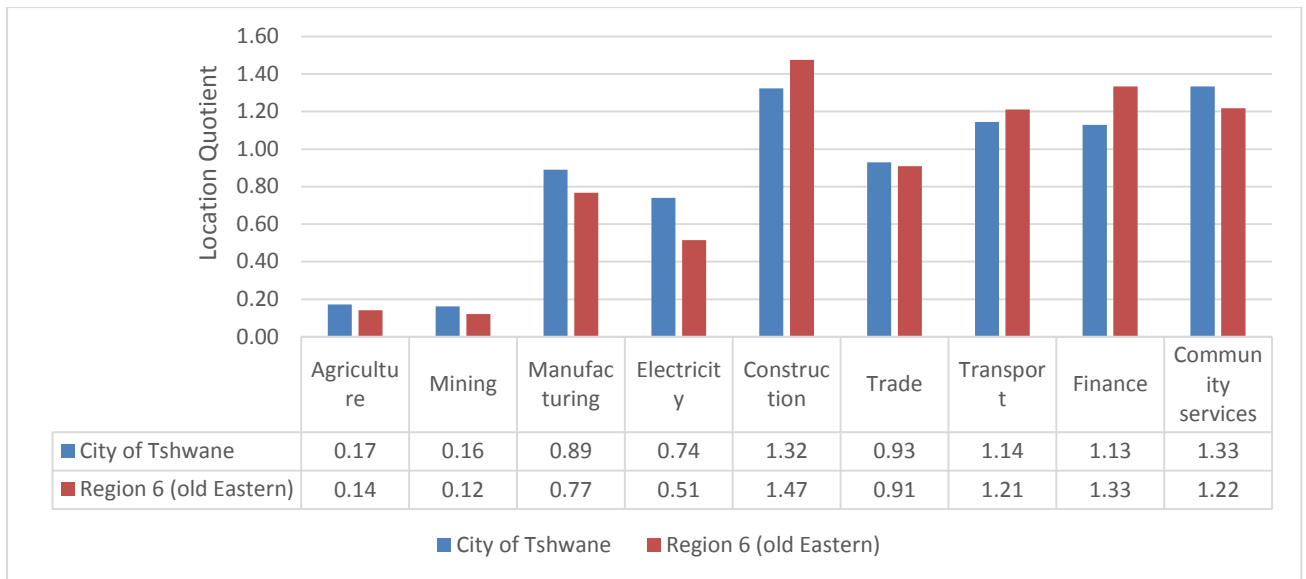


Figure 9: Location quotients of Region 6

Region 7



Map 7: Position of Region 7 in Tshwane

Although agriculture makes an insignificant contribution to the region's output and to Tshwane's GDP, Region 7 has some of the best farming land in Gauteng. This is further supported by the significantly high location quotient for agriculture in Region 7. The regional economy is based on manufacturing, services, finance and trade. Tourism is a small but growing sector. As the second smallest region by

population (71 p/km²), yet the second largest by geographical land area, the region is largely rural. It is strategically positioned, forming part of the Maputo Corridor. The City will continue to invest in light industries in Ekandustria and Bronkhorstspuit, looking to support manufacturing, small business as well as agro-processed products for the export market.

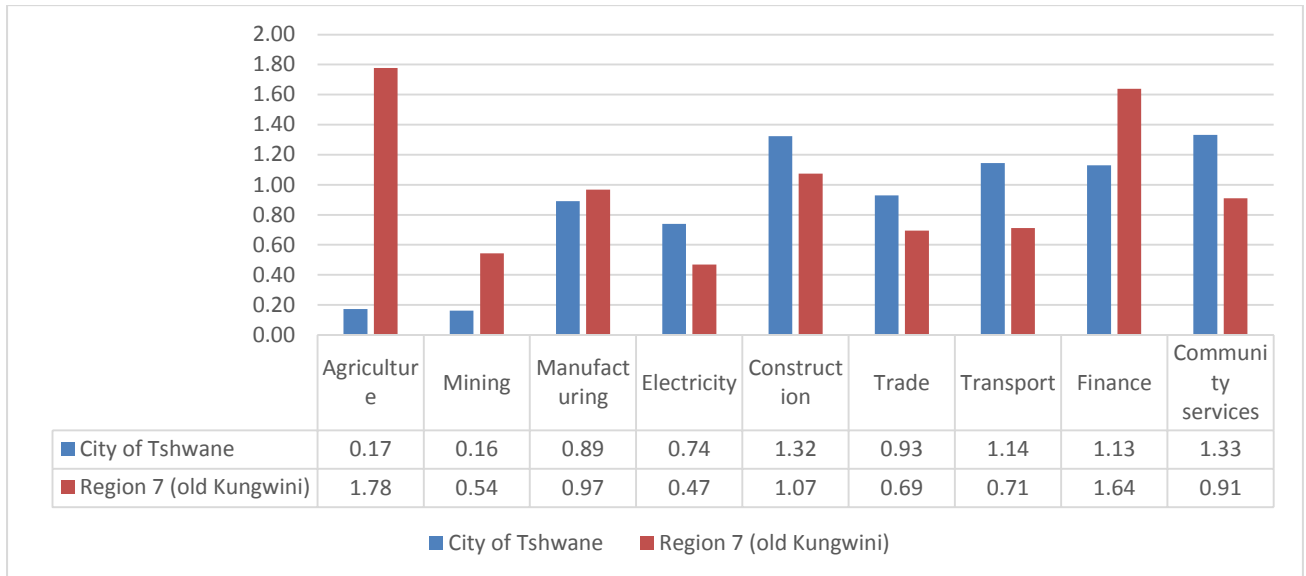


Figure 10: Location quotients of Region 7

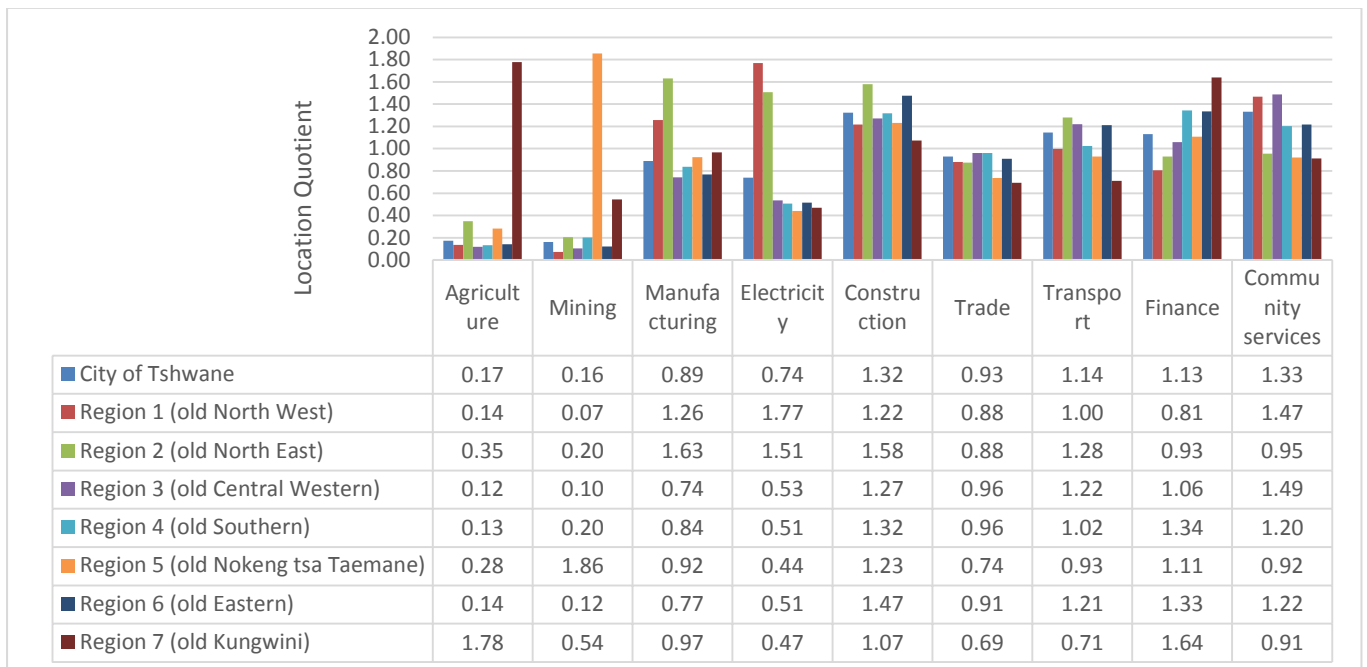


Figure 11: Location quotients across all regions

Looking at the industry location quotients broken down across regions it is observed that the highest agriculture and finance concentration is found in Region 7, followed by Region 2. The highest concentration of mining employment is found in Region 5 and Region 7. Region 2 and Region 1 have the highest manufacturing and electricity location quotients, while Region 2 also has the highest

construction and transport location quotients. Region 4 and Region 3 have the highest trade concentration followed by Region 6. Region 3 and Region 1 are the biggest employers in the services sector, followed by Region 6 (see figure 40).

Figure 12: Tshwane by region

	GVA-R, 2012 (2005 constant prices, '000s)			GVA-R share), 2012	GVA-R growth, 2012 (%)	Population by Region	Regional Population (% share)	Regional household (% share)	Average annual household income	Persons employed in formal sector
Region 1	R 21 671 697	12%	2,0%	819 294	28%	25%	R 136 245	133 508		
Region 2	R 10 586 961	6%	3,4%	345 362	12%	10%	R 193 098	62 804		
Region 3	R 73 661 776	42%	2,8%	610 719	20%	21%	R 217 068	467 978		
Region 4	R 32 161 650	18%	3,2%	372 631	13%	14%	R 352 764	190 604		
Region 5	R 2 505 127	1%	1,0%	91 636	3%	3%	R 186 822	14 608		
Region 6	R 31 740 180	18%	3,7%	603 410	21%	22%	R 272 894	210 104		
Region 7	R 2 735 819	2%	-5,2%	118 049	4%	3%	R 221 163	24 223		
	R 175 063			2 961 100				1 103 829		
TOTAL	210	100%	2,78%		100%	100%	-			

Source: Vision 2055, City of Tshwane, Global Insight

Figure 13: Regional geography of the City of Tshwane



Source: City of Tshwane

Figure 14: Priority investment centres and economic growth centres

