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Foreword
By the CEO

This year marked a turning point in the growth trajectory of South Africa. By the end of 2017 South Africa was on the edge of a precipice with all indicators pointing to an uncertain future and dire economic straits. The projected economic growth was less than a percentage point, business and consumer confidence were at their lowest with a sub-investment grade from S&P and the possibility of another downgrade by Moody’s. Since the dawn of democracy, South African has never been in such a precarious position.

However, things have changed for the better as economic growth is projected to be 1.3% for 2017 and over 2% for 2018. Similarly, both business and consumer confidence have improved since November 2017 and it is now common knowledge that Moody’s has revised South Africa’s outlook from negative to stable, sitting at a notch above sub-investment grade with very good prospects of higher ratings on the horizon.

With this positive climate for business and investment in South Africa, cities like Tshwane stand to benefit from investment flows into the country. TEDA, a trade and investment promotion agency of the City of Tshwane, has positioned itself to take advantage of these developments. To this end, we have hosted several business delegations to look at opportunities offered by the City of Tshwane as an investment destination. We also undertook outbound trade missions in collaboration with the private sector in order to help Tshwane-based companies to access international markets.

We also cover developments within the automotive sector relating to an investment made by BMW in its Rosslyn training facility to prepare for the production of BMW X3 models. On Friday, 18 May the Executive Mayor of Tshwane, Cllr Solly Msimanga, and MMC Randall Williams joined representatives of the Rosslyn Hub project to launch this R3-billion catalytic project as part of the Tshwane Automotive City Project. TEDA has been part of the development facilitation work in this regard.

TEDA also welcomes the new Board members who have joined the organisation and gives you a glimpse into their wealth of experience.

Finally, we feature economic briefs provided by the Economic Intelligence Unit in the Office of the Executive Mayor which will give businesses insights on the economic landscape of Tshwane and enable them to make informed decisions regarding their investments and future plans.
Rosslyn, South Africa – BMW Group South Africa is taking training and development to the next level at its new R73 million Rosslyn Training Academy, which was launched in February. The state-of-the-art, 6 000 square meter facility is able to host a staggering 300 apprentices per year.

In 1978, exactly 40 years ago, BMW Group South Africa opened its first training centre at BMW Plant in Rosslyn. Development and empowerment of workers for the automotive and manufacturing sectors have been a focus ever since. Even during the pre-democracy era, the company was ahead of times in training learners irrespective of their ethnic background.

In those 40 years millions of training hours were provided to uplift the community. Close to 2 000 people were employed by BMW Plant Rosslyn, after successfully being trained at the Training Academy. Today, BMW Group South Africa is again a leader in ensuring that training is aligned with global trends and industry needs.

Tim Abbott, CEO of BMW Group South Africa and Sub-Saharan Africa, says: “Global automotive production stands on the brink of momentous change with an increased focus on digitalisation and electrification. The workforce of tomorrow needs to keep pace with these trends. At BMW Group South Africa we are investing in the skills of the future.”

The new facility prioritises technology and interactive learning. The facility focuses on both theoretical knowledge and practical application. A stimulating and interactive learning experience has been created through the innovative use of technology and digitalisation. Modern manufacturing skills such as robot programming, Advanced computer numerical control (CNC) simulation and training on electric vehicles have been included in the new academy.

An accredited Trade Test Centre has been incorporated into the building, allowing learners to achieve their trade qualification in-house. This functionality will also be extended to the public in the course of 2018.

Minister (Prof) Hlengiwe Mkhize (Department of Higher Education and Training) adds: “In June 2017, Cabinet approved the Human Resource Development Strategy Towards 2030. One of the strategy programmes talks to the skills that are produced based on the partnerships that can be encouraged within the country. The country can only achieve this if companies such as BMW continue to encourage work-integrated learning. Students from the TVET colleges will benefit immensely with such partnerships.”

Charissa Hector, responsible
for human resources at BMW SA, says: “Over the years, our training facility has certainly supplied a high percentage of the skilled workforce in the motor industry, including the extended value chain of suppliers and dealerships. We are also proud of the career growth trajectory of learners who have been absorbed into our own workforce, including the recent appointment of a training academy graduate as the first black female production manager in our assembly plant.”

The training academy will continue to provide skills development for existing BMW Group South Africa employees and managers. This includes training on the advanced technologies that will be used in the production of the new BMW X3, which will kick off within a couple of months.

In addition, the following programmes will be offered for external applicants:

Learnerships:
- Mechatronics
- Autotronics

Trades:
- Millwright
- Electrician
- Fitter
- Fitter and turner
- Motor mechanic
- Spray painter
- Panel beater

**BMW Group South Africa intensifies its investments in the country.**

After 40 years of skills development and contributing to the upliftment of South Africans, recent investments by the company are a clear indication of the continued confidence in the country. This includes:

- R6bn for production of the new BMW X3 at the BMW Plant Rosslyn.
- An additional R160 million to enhance production line speed and raise maximum production capacity by 10% to 76,000 units.
- R400 million for the expansion of the company’s Midrand Campus and a new distribution centre.
- 100% increase in the number of jobs in the Information Technology function from 400 to around 800.
- Continued investment by the dealer network in new and revamped showrooms.

Abbott concludes: “We will continue to prioritise activities and investments that secure a bright future for the company, our staff, the extended value chain and communities.”
SA Government remains committed to intra-African investment in the African continent

The South African government through Trade Invest Africa (TIA), an initiative of the Department of Trade and Industry, remains committed to the agenda of intra-African investment. This was said by the Head of TIA, Ms Lerato Mataboge. She was speaking during the networking session where the dti, in partnership with the South African Electrotechnical Export Council (SAEEC) and Tshwane Economic Development Agency, hosted a high-level delegation from several African countries to participate in the annual Africa Energy Indaba Conference that was set to take place at the Sandton Convention Centre, from 20 to 21 February 2018.

Mataboge assured delegates of South Africa’s support and commitment to the realisation of high-level intra-African trade and investment. She mentioned engagements between government, private sector and the business fraternity as imperative to the realisation of Africa trading with itself. According to her, working together as African countries is a key to addressing energy deficiencies.

“While opening up conversations to address the energy deficiency, the continent need not miss out on the digital industrial revolution. This is a new wave that we need to apply our minds to while coming up with solutions,” said Mataboge.

According to Mataboge, bringing such a delegation from the continent presents an opportunity for showcasing South African energy infrastructure capabilities that can be tapped into, to benefit the energy infrastructure roll-out in those countries. She added that represents an opportunity for concrete investment partnerships to be forged among Africans.

The CEO of the South African Electrotechnical Export Council (SAEEC), Ms. Chibone Evans expressed satisfaction on the arrival of the high delegation from Kenya, Mozambique, Nigeria, South Sudan and Zambia in the country. She stated that it was paramount for government and private sector from all these countries to be in the same room and have honest discussions and share information. “The session today is not about South Africa trading with the rest of the continent, rather about Africa trading with itself.”

“Site visits are important for showcasing capabilities for this reason, delegates will also have an opportunity to visit some of the leading South African manufacturers and suppliers of energy-related products that will showcase their capabilities and capacities in the energy sector. This will assist them in knowing where to source energy-related products and services for their own projects on the continent,” stated Evans.
Evans emphasised that Africa is capable of developing its own energy infrastructure.

The CEO of the Tshwane Economic Development Agency (TEDA), Mr Solly Mogaladi, expressed his gratitude about TEDA being given a chance to host the networking session, and used the opportunity to inform delegates about strides the City of Tshwane is making to revive its two electricity power stations, namely the Pretoria West and the Rooiwal Power Stations, and about a number of renewable energy projects spearheaded by the Office of the Executive Mayor of Tshwane.

The overall objective of the mission is to support and facilitate intra-African trade and investments, in order to address the continent’s energy requirements. Delegates will also participate in a focused and strategic meetings programme that compliments the Indaba agenda and fits the profile and requirements of each delegate.

The Africa Energy Indaba Conference is a signature event on the African business calendar, focussing primarily on convening relevant and strategic international and local stakeholders to discuss and explore solutions for Africa’s energy challenges. The solutions emerge from a combination of discussion and debating platforms, provided by the Indaba to participating African governments and companies.
Nissan has had its best twelve months of sales in South Africa since the year 2000.

The Japanese manufacturer hit a 10% market share in the fiscal year 2017, with passenger vehicle sales growing by 44% versus the previous year. In bakkies, Nissan took a share of 19.5%, up by nearly a fifth. Datsun sales rose to 1.3%, the brand’s highest market share in South Africa since 1981. In sub-Saharan Africa sales also grew, rising to 13.9%.

The sales success came on the back of product launches, including the Patrol, X-Trail and Micra Active. Nissan also focused on customer service, winning 8 awards during the year.

“Nissan is now poised to build on our success with further growth in Africa,” said Mike Whitfield, Managing Director of Nissan South Africa. “We have invested almost R1 billion to increase the efficiency of our plant at Rosslyn by increasing automation without reducing jobs, and in training and skills development for our people.”

Nissan has developed its supplier base with initiatives to encourage young black entrepreneurs to become suppliers. The company continues to produce a high number of engineers at Rosslyn through its graduate development programme and has been supporting South African employees to become master trainers by sending them to Nissan manufacturing plants across the world.

To drive future growth, Nissan will focus on further developing its dealership network in South Africa with an improved customer experience and enhanced facilities. The company will continue to work to increase its share of the passenger vehicle market, while maintaining its strong position in bakkies.

Nissan was the first manufacturer to introduce an electric vehicle to South Africa, with the Nissan LEAF launched locally in 2013. Globally more than 300 000 units of the LEAF have been sold, more than any other electric vehicle.

“The global automotive industry is going through revolutionary technological change, with electric vehicles, autonomous driving and connectivity,” said Mike Whitfield. “South Africa has the potential to lead Africa in embracing this change, and the automotive industry here and the economy stand to benefit. To do that we need to ensure that the infrastructure and support and in place in South Africa to help build demand for these products.”

Rosslyn is Nissan’s manufacturing hub for the rest of the continent where demand is growing rapidly. Africa’s middle class is forecast to grow from 137 million people in 2009 to 341 million by 2030. Nissan was the first mover to assemble cars in Nigeria, supplied from South Africa, and is now exploring new manufacturing opportunities in the continent.

“Africa has huge potential but not every country can have a plant and manufacturing hubs need to be developed,” said Mike Whitfield. “The automotive industry has been a driver of economic growth around the world for a century, and Africa will be next. What is needed now is a conducive environment, including the further development of free trade areas for the continent to flourish.”
Economic overview of Tshwane

Figure 1: Economic overview – GVA and GVA growth

Tshwane is the second-biggest in Gauteng in terms of gross value add by region, with a gross value added of R246 billion (constant prices) in 2015. Tshwane contributed 25% to the provincial economy and 9% of South Africa’s economic output in 2015. Furthermore, the economic output of Tshwane has expanded at an annual average of 4% per annum over the last five years, outstripping the national GDP growth average over the 2011 – 2015 period. Overall, Tshwane’s average annual growth has been performing above Ekurhuleni and Johannesburg over the 2011 – 2014 period. However, as indicated in Figure 1, Johannesburg managed to surpass Tshwane by as much as 1.9 percentage points in 2015.

Source: IHS Global Insight, Regional eXplorer 1029 (2.5w), 2015

Tshwane has a diversified economy, emerging as a vibrant economy with significant contributors to its economic make-up, comprising community services, finance, transport and trade. Tshwane has a large government sector (community services), reflecting the presence of national and provincial departments and parastatals. As indicated in Figure 2, the sector recorded a 33% contribution to Tshwane’s gross value add (GVA) in 2015. Other major contributors to Tshwane’s 2015 GVA are the finance sector (25%), transport (12%), trade (12%) and manufacturing (9%).

Report issued by the Economic Intelligence Unit: Office of the Executive Mayor.
The City of Tshwane appoints a new board for TEDA

The City of Tshwane appointed new board members for the Tshwane Economic Development Agency after an extensive recruitment process. The board is comprised members boasting diverse experience that ranges from corporate governance, law, construction, finance, auditing, investment promotions and trade. Brief profiles of the Board members are provided below:

Nils Flaatten
Chairperson of the TEDA Board

Nils is experienced in strategy formulation, business development, the government sector and public affairs. He has exceptional knowledge of financial products as well as the funding requirements of corporates and start-up companies. He boasts vast experience as a public speaker, including engagements with both the financial and political media. He holds a Bachelor’s Degree in Politics.

Nils has had regular engagements with global business leaders, elected politicians and C-level executives. He has served on boards of several organisations, including Sable Accelerator, Africa Utility Week and Clean Power Africa. He is also an entrepreneur who founded Blue Viking Advisory Services and is a former CEO of Atlantic Film Studios.

Faizal Docrat

Faizal Docrat holds a Master’s Degree in Business Administration. He is also a certified Information System Auditor, Information Security Manager, certified in the governance of enterprise information technology. He is an associate of the Institute of Risk Management South Africa.

Faizal boasts extensive experience in corporate governance and has served on various boards including at Collaborative Stakeholder Movement (CSM), Audit Committee member for CEB (Council for the Built Environment), SASSETA (Chairman), Department of Energy (SA), South African Institute of Professional Accountants, Audit Committee member of KwaZulu-Natal Provincial Treasury, AGRISeta, Institute of Risk Management of South Africa (IRMSA) and IRMSA Legal and Compliance Sub-Committee.

Among his many roles in professional bodies, he also served as a Vice President of the ISACA South African Chapter and as board member (2006-2012).

Mpho Bodibe

Mpho Bodibe is a qualified Chartered Accountant and holds an Honours Degree in Accounting. She boasts extensive experience in finance, strategy formulation, leadership development programmes implementation and enterprise development. She has worked across logistics, financial services and the petrochemical and global energy sectors.

Mpho is also a Managing Director of MOPSY Strategic Advisors, which is a 100% black woman-owned, independent, niche consultancy providing B-BBEE strategy and process design solutions to mid-and large-sized corporate entities. She served as an associate at Mckinsey and Company.

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Andries has vast experience in commercial law having provided advisory services in competition law, prospecting and mining, company law and contract management. He has also played a pivotal role in training other judicial officers.

Andries holds a B-Proc in Commercial Law Practice and was appointed as Commissioner for Small Claims Court by the Department of Justice and Constitutional Development.

Sihle is a successful entrepreneur who has worked extensively on the African continent, especially in East and West Africa. He holds an Honours Degree in Politics, Sociology and Law. He is the former Group CEO of Tricom Group.

He still serves as a board member of Lemcon-Likusasa and boasts vast experience as marketer, strategist and international businessman. Sipho also serves as a board member of Billfort Global Pty Ltd, a company he founded, and Triccord West Africa and East Africa.

Nadira Singh is a specialist consultant in corporate governance, risk, assurance and forensics in both the public and private sector. She has served on various audit committees, such as those of the Department of Provincial and Local Government, Johannesburg Tourism Company, Compensation Commission and State Theatre. She was Chairperson of the Metro Trading Company Audit Committee, as well as a specialist member of the Services Appeal Board of the Gauteng Provincial Government.

She is the former chairperson of the Audit and Risk Committee of the Joburg Market and Remuneration Committee.

She has held several senior executive positions in the finance field, has been a partner at an international audit firm and is the founding member of the audit firm Singh Pather Incorporated. She is a qualified Chartered Accountant and has a Certificate in Forensic Accounting and Fraud Examination (cum laude) and served at the CCSA (Committee for the Coordination of Statistical Activities).

Tumelo has experience in sales and marketing, payroll, human resources, public management and public finance management. She holds a BCompt Degree in Financial Accounting and Auditing, and a Post-Graduate Diploma in Applied Accounting and Business Management. Tumelo is also an entrepreneur in the construction sector.
Rosslyn Hub, a R3-billion, mixed use development that will enable Tshwane to become the automotive capital of Africa, was launched at the African Construction and Totally Concrete Expo on Wednesday, 16 May 2018 at the Gallagher Convention Centre in Johannesburg.

The development of Rosslyn Hub is a crucial step towards the creation of the Tshwane Auto City (TAC) a vision shared by government and the automotive industry to transform the area into the leading automotive investment destination in Africa. This auto city is a R50-billion project that will be funded by private sector investment and could be a blueprint of how to develop Africa’s future smart cities in a sustainable way.

According to Brendan Falkson, Director of Rosslyn Hub, it is envisioned that Rosslyn, which is already home to four automotive plants BMW, Nissan, Iveco and Tata along with an array of automotive suppliers, will emulate well-established automotive cities like those in Spain, China, Germany and Japan. This will create a second “CBD” in the north-west of Tshwane on the doorstep of GaRankuwa and Soshangue, anchored by a labour-intensive automotive manufacturing core that will enable workers to walk to work and redress the poor land decisions of the past.

So how do you build a new city by unlocking private sector investment? Through collaboration and a common shared vision. In this case the shared vision is building Africa’s first auto city, whilst the collaboration is achieved by involving all stakeholders right from the beginning. In 2012, the Automotive Investment Development Centre, or AIDC a wholly-owned government subsidiary, was tasked with project managing the Tshwane Auto City. Through this process, the AIDC brought the major role players in the auto industry, private sector developers and landowners together with the key city, provincial and parastatal players, in order to draw up a Spatial Development Framework and then a master plan, to show how this vision could be achieved. The TAC project is spearheaded by the AIDC in collaboration with the City of Tshwane and the Tshwane Economic Development Agency.

Through this process, developers of Rosslyn Hub worked with the AIDC in order to align their development with the vision of the Tshwane Auto City. “Although the redesign and town-planning changes seemed painful at the time, we could see the long-term benefits for ourselves and the region, of the Tshwane Auto City’s impact,” says Falkson “The support and assistance we have received from both the City of Tshwane and the Gauteng government has enabled us to redesign our layout to address six of the key components required for the auto city. The most important of these is to provide a logistics node, vehicle distribution centre and main access road for the new Transnet-approved logistics hub.”

The master plan was able to identify the key access road that is required to be built by government to unlock the project. This road will enable the logistics hub required for the auto industry to be linked to the N4 highway and Transnet’s freight line a key component in achieving export efficiencies. At the same time the northern portion of the road will link the plus minus 500 000 people in the greater GaRankuwa and Soshangue with work opportunities and transport nodes within Rosslyn and the auto city. For the first time, entry level workers will be able to live within walking distance of work. The money and time saved on transport can be directly invested in assets like homes, whilst increasing the time available for family time and quality of life.
By bringing more people into Rosslyn, this road will also trigger a R3-billion, private sector investment in Rosslyn Hub, which in turn will act as a catalyst for the R50-billion Tshwane Auto City.

Rosslyn Hub will include:

- 1 200 houses and 250 rental apartments
- A crèche, primary and high school
- A university with student housing
- Two shopping centres, a value centre and filling station
- A logistics park and vehicle distribution centre, with access to a world-class rail logistics hub
- A truck-staging area and truck stop
- Motor showrooms and a motor retail area
- A hospital and clinic
- A hotel and conference centre
- An outdoor automotive pavilion

All this within a secure, pedestrian-friendly environment.

The Rosslyn Hub team and the Automotive Industry Development Centre (AIDC) presented their vision at the African Smart Cities Summit on 16 May at a presentation and discussion titled “Public private collaboration in action”. This will be followed by the official launch of the development at 17:00 and a networking reception, where the project will be showcased to an audience of media members and representatives from the Gauteng Provincial Government and City of Tshwane.

The official on-site launch took place in Rosslyn on Friday 18 May 2018.
TEDA and SEEDLAB organise a seminar on Industry 4.0

The Fourth Industrial Revolution is changing the manufacturing landscape through machine learning, machine-to-machine communication and smart logistics. To this end, TEDA and SEEDLAB organised a seminar to tackle this subject on 8 March in Centurion, which was attended by local businesses, representatives of the business chambers, experts and policymakers.

The aim of the seminar was to help businesses to remain relevant in this globally competitive environment, embracing the fourth industrial revolution to harness the power and potential of emerging technologies. Some of the topics discussed are the following:

- Successful implementation of innovative business strategies
- Insights on the capabilities of key Industry 4.0 technologies
- Real-life examples and case studies of manufacturing industry disrupters
Also in attendance was the Member of the Mayoral Committee responsible for Economic Development and Spatial Planning, Cllr Randall Williams who urged business to increase its manufacturing capacities and invest in skills development. He reminded business that Germany, when it was faced with a choice between focusing on manufacturing and the then growing services industry, Germany chose the former and strengthened its position as a leading manufacturing-based economy. He said this strategic choice by Germany has ensured economic growth for that economy and jobs for its people. He also cited some of the exciting developments in the Tshwane Aerospace sector which competes with the best in the world, as a shining example and strengthening South Africa’s position as a country with a great potential for growth.