#JULY 2020
The effects of Covid-19 on the City

INNOVATION AND INTEGRATED APPROACH CAN SAVE Tshwane businesses during Covid-19

UPDATE ON SHORT TO Medium Term Projects

COVID-19, 2020 AND BEYOND. What the future looks like for the City

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This edition of the TEDA business review is published a few weeks after the end of the 2019-20 financial year in the local government sphere and the beginning of a new financial year which commenced on 01 July 2020. The year 2020 will go down as the most defining and tumultuous year in the world history owing to the Global Novel Corona Virus which by this time had infected over 14 million people worldwide and claimed over 610 000 lives. In South Africa over 360 000 had been infected and registered over 5 170 fatalities. However, it is clear that those countries that have approached this pandemic basing their interventions on science, care for lives and livelihoods of people have averted what could have been a catastrophe.

The most devastating impact was felt in the economy, with South African Reserve Bank and Treasury forecasting a 7% GDP decline in 2020, unemployment worsening to 30, 1% in the first quarter of 2020 from 29, 1% in the last quarter of 2019. Analysts predict that the picture is to be worse in the second quarter because of the hard lockdown measures taken during this period. Foreign Direct Investments to South Africa and Tshwane are expected to decline in 2020 and recovery only expected from 2022.

We should commend the government for acting swiftly to protect lives of South Africans and also taking a gradual approach to reopening the economy. Furthermore measures taken to assist businesses and workers through relief packages and loans will lessen the impact of Covid 19 on the economy.

TEDA for its part as an investment promotion agency had to adapt to these harsh new conditions and continue to offer services to its clients. To this end, we hosted various webinars focusing mainly on business continuity, supported tourism attractions with information and training on digital marketing and business recovery strategies. Furthermore, we share plans we will be implementing to retain businesses in the City of Tshwane and help those that seek to expand their operations in the City. We also feature progress registered on the Tshwane Auto Special Economic Zone and other on catalytic projects that will impact on growth of Tshwane.

It will be amiss if we don’t urge our readers to continue exercising extreme caution even under level 3 lockdown. There should be necessary measures put in place to protect ourselves and fellow citizens by adhering to guidelines of social distance, good hygiene and wearing masks.

I wish you well, and thank you.
## UPDATE ON SHORT TO MEDIUM TERM PROJECTS

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>DESCRIPTION</th>
<th>VALUE</th>
<th>TIMELINES</th>
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<tbody>
<tr>
<td>Amscor development Projects.</td>
<td>Development facilitation of 3 projects in Erasmuskloof and Gerotek.</td>
<td><strong>R3.8 billion</strong>&lt;br&gt;2 235 direct jobs will be created.&lt;br&gt;SMME and local supplier opportunities.</td>
<td>Construction to commence in Nov 2021.&lt;br&gt;Operation commence in April 2022.</td>
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<td>Tshwane Agro Processing Hub (Project Developed by TEDA).</td>
<td>The proposed hub is intended to promote economic activities in the far east of the City.</td>
<td><strong>R345 million</strong> investment.&lt;br&gt;To create 6 725 (direct 725 and indirect 6000).</td>
<td>Construction starts in October 2021.&lt;br&gt;Start operating by May 2023.</td>
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<td>Tshwane Clothing and Textile hub.</td>
<td>The proposed hub is regarded as a business integration hub with tentacles in various townships. It will incorporate value chain activities including various clothing fibres e.g hemp, cotton and flax.</td>
<td><strong>R1.4 billion</strong> investment Approx.&lt;br&gt;1 363 jobs permanent jobs and SMME opportunities and local suppliers.</td>
<td>Construction starting in Nov 2021.&lt;br&gt;Operation commence in June 2022.</td>
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<tr>
<td>Tshwane Auto SEZ development Project.</td>
<td>This is a project involving the three spheres of Government to establish a special economic zone in Silverton (Ford).</td>
<td><strong>R6.7 billion</strong> investment&lt;br&gt;8 546 direct jobs will be created.&lt;br&gt;SMME and local supplier opportunities.</td>
<td>Construction to be completed in October 2020.&lt;br&gt;Occupation in March 2021 (Suppliers to Ford).</td>
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Tshwane Freight Terminal and Logistic Hub

R1,2 billion
2,700 jobs to be created
Following an update from the Minister of Tourism on the COVID-19 alert level 3 risk-adjusted strategy tourism sector response measures and directions, the Tshwane Economic Development Agency (TEDA) has held its first webinar on 2 June 2020 with Tshwane tourism industry stakeholders to start mapping a way forward as the sector gradually opens.

Tourism has been recognised as the industry hardest hit by the pandemic, with global and national companies and airlines shutting down while tourists' movements are restricted across the world. The impact, however, has not been felt by big business alone, but also by thousands of small businesses and tourism workers, all deriving their livelihoods from this sector.

It is for this reason that TEDA, as the new custodian of destination marketing for Tshwane, has initiated a digital series of webinars to support the local tourism industry as tourism businesses work their way to recovery.

As Chief Executive Officer, Solly Mogaladi, explains “The challenges faced by the tourism industry are unprecedented, necessitating an innovative and robust recovery plan that all stakeholders can engage in and support in unison. The focus of the Tshwane tourism webinars is on local solutions, skills transfer and information sharing.”

Yesterday’s webinar titled Tshwane: A Post-COVID Tourism Future was hosted by TEDA’S Chief Marketing Officer, Mandla Ndlovu and was attended by tourism associations, local business owners and tourism practitioners, achieved these objectives, boding well for the industry as it works together to pioneer a progressive, but practical plan.

The webinar addressed practical solutions that need to be implemented by the industry in response to the risks posed by COVID-19 to both travelers and sector employees. It was success-
ful in articulating a unified vision for the local industry’s compliance with government regulations in response to the coronavirus pandemic, as expressed by inspired speakers and guests. All agreed that in securing a future for Tshwane under the current circumstances, unity, adaptability and standardised compliance among the industry members are crucial.

As Ndlovu echoed, even if businesses are allowed by government to open, they should only do so once sufficiently ready. Staff training and policy reviews need to be prioritised and some businesses may even consider repurposing measures during the crisis. Furthermore, attracting travelers will require building and maintaining trust across the board through health and safety protocols. Using digital platforms to reach prospective travelers will provide clear and simple communication throughout, as well as service levels offering value for money experience.

As part of navigating the road to recovery, speakers Nico Rowan, Vice-chairperson of the Tshwane Tourism Association, Solani Mthethwa, General Manager of Dinokeng Tourism Association, Susan Marais, Director of The Ultimate Pretoria Bucketlist and Beulah Mosupye, Managing Director of Hauweng Business Services, gave their valuable input on staff training, small business resilience, and visitor expectations.

Tshifhiwa Tshivhengwa, Chief Executive Officer of the Tourism Business Council of South Africa (TBCSA), introduced the Tourism Industry Standard Protocols for COVID-19 operations. The comprehensive protocols prepared by the TBCSA aligned with the World Health Organisation, National Institute for Communicable Diseases and the Department of Health, were welcomed by the local industry.

Practical standard guidelines are set out for the operation of all types of tourism businesses and facilities during the pandemic to enable safe operation as COVID-19 restrictions are eased. All owners, directors and managers of related businesses are urged to sign a pledge to adhering to these industry protocols. The TBCSA and sector leaders, including TEDA, will provide support and guidance to smaller establishments in the implementation of these protocols.

In response to the cancellation of global and national tourism exhibitions, roadshow platforms and the increasing focus on digital platforms, TEDA will be hosting more webinars on topics such as mastering digital marketing and revealing Tshwane’s hidden gems. The latter will showcase select Tshwane attractions, SMME-owned and township tourism products, giving digital exposure to these businesses during the lockdown period.
INNOVATION AND INTEGRATED APPROACH CAN SAVE TSHWANE BUSINESSES DURING Covid-19.

The Tshwane Economic Development Agency (TEDA) has pivoted its focus in 2020 towards helping local businesses to sustain themselves in various industries during the prevailing uncertain Covid-19 environment.
TEDA is supporting and guiding businesses in the City of Tshwane that are struggling to access funds from government. TEDA has decided to act promptly and quickly to assist businesses to access support from government relief funds and how to practically respond to challenges posed by the lockdown. The negative impact of the coronavirus pandemic in various industries will be felt for a long time.

TEDA has no option but to contribute meaningfully to sustain local businesses. We believe that through innovation and an integrated approach we can help save Tshwane businesses. A lot of investment has been made into our city and its industries, creating thousands of much needed jobs. We will continue to focus on supporting businesses to sustain themselves and hopefully survive.

TEDA’s investment pipeline has a total of 35 projects with a total investment value of R27 billion which are from various sectors that include automotive, energy, ICT, agro-processing and property development. With committed investments of R2.1 billion and counting, TEDA has surpassed its 2019/20 target of R1.8 billion. These achievements just further cement the importance of TEDA’s role in the local economy.

This success builds on consistent clean audits for the past three years and excellent delivery on its mandate of investment attraction, development facilitation, export promotion and development.

The Agency has been a key part of coordinated efforts in the City of Tshwane to address business continuity and the way forward. The Capital City of South Africa is the home of investment in several economic sectors, such as automotive, agro-processing, mining, aerospace and defense, green economy, ICT and tourism.

Tshwane’s rich heritage and cultural diversity attracts tourists from different corners of the world. But the lockdown has meant that the City’s tourism and related sectors have been at a standstill. One practical step that TEDA has taken is to host virtual seminars in the hospitality industry and trying to guide them on how to survive COVID-19 pandemic. TEDA has participated in several webinars, including those focused on post Covid-19 tourism future and a virtual conference on events innovation.

The global investment climate has worsened due to the Covid-19 pandemic. Now more than ever before, it is crucial for South Africa to establish ‘new ways’ of doing things, including innovative means to invest in our own local businesses to ensure that our economy can survive.
MZANSI RAIL TECH PROVIDES RELIEF TO SCHOOLS

Mzansi Rail Technologies, a developer for the Tshwane Freight and Logistic Hub Project which is in Pyramid South, north of Tshwane, extended a helping hand to schools located near the site of the project by donating 200 food parcels.

The CEO of Mzansi Rail, Mr Harry Mohloare intimated that the company felt it is important to assist children coming from mainly poor agricultural background near Pyramid South. “These are children whose parents work in the nearby farms and live under very difficult conditions which have now been exacerbated by the Corona Virus pandemic.

We are targeting the three farm schools and distributing almost 200 food parcels” said Mohloare, addressing management and staff of the Kodumela Primary School in June.

The Tshwane Freight and Logistic Hub is a R1.2 billion project, an inter-modal freight and logistic hub initiative. The project is expected to create 2700 jobs during construction and approximately 300 permanent jobs and yield positive spinoffs for SMMEs in the City. Construction is scheduled to commence in November 2021 and operations will start in November 2022.
T he Tshwane Economic Development Agency in Partnership with Capital City Business Chamber hosted a webinar on business continuity on 18 June 2020, to discuss matters that affect the Tshwane Investment Community post Covid 19 lockdown. The webinar featured other partners including Standard Bank and Salary Smart SA. This innovative way of keeping in touch with business was imposed by the Global Novel Corona Virus.

In his address the CEO of TEDA, Mr Solly Mogaladi intimated that 2020 will see a decline in economic growth and foreign direct investments owing to the lockdown and Covid 19. “Business Retention and Expansion will receive increased focus from TEDA, similar to manufacturing, ICT including Business Process Outsourcing and logistics. TEDA’s business retention and expansion programme will focus on all regions, but pay special attention to region 1, 3 and 4 since data indicates most economic activity and past investment in these areas” said Mogaladi. The programme will be launched in July 2020.

Mr Fanie du Plessis, CEO of CCBC shared a vision for the CitiOnline (digital) platform that the chamber has initiated. He highlighted that the platform will create a knowledge bank of all businesses operating within the Capital City per industry, sub industry and region. It will promote business to business interactions as part of the #Tshwane First, create new export clusters by facilitating opportunities for collaboration between role players, develop and grow small enterprises through supply chain integration.

Ms. Simone Cooper from Standard Bank, who presented on “Practical Way Forward” and reminded participants that the impact of Covid-19 is here to stay. She highlighted that businesses that will weather the storm are those who will adhere the following guidelines:

- Focus on Governance – tax compliance and up to date with registrations;
- Prioritise Cash flow;
- Understanding their industry and relevant regulations/implications;
- Understanding trends in their industry and pivot business accordingly;
- Digital presence – not only presence but ability to order online and fulfilling customers’ needs;
- Understanding the market and future investment spend;
- Making staff feel safe;
- Ensuring clients feel safe.