

# WORLD CLASS AFRICAN CITY



Mandela Bridge, Johannesburg © South African Tourism

# THE CONTINENT'S GATEWAY

BY KERRY DIMMER



Mayor Parks Tau talks about Johannesburg with more than a sense of pride. It is with awe that he explains how Johannesburg has grown to become the commercial and economic hub of South Africa.



"As the City of Johannesburg, we are cognizant of our unique position as the economic capital of South Africa and the heartland of trade and commercial activity on the African continent. The city contributes 17 percent to national GDP, and 47 percent to the economy of the province Gauteng, which clearly indicates why the city is the base for the headquarters of most local and multinational companies particularly in the finance sector.

"It is our world-class economic and social infrastructure - including the Johannesburg Securities and Bond Exchange, the largest stock exchange on the continent - that draws Africa's most advanced financial sector to its borders," says Tau. Not just the finance sector though because the city hosts every form of commercial activity and is perceived by foreign corporations as being a gateway city into the continent, particularly because its services work, and work effectively.

Tau explains that the global standard offerings from Johannesburg may appear to be those that would normally be taken for granted; yet in Africa where service infrastructure challenges remain, Johannesburg is up to world-class standards. "Our phones dial, the lights switch on, you can drink our water, and there are multi-lane freeways, skyscrapers, conference centres and golf courses. People on the street speak English, the mobile networks are stable, and our medical care, including hospitals and doctors, are internationally recognised.

"Yet Johannesburg is more than just its offerings. Its people make it one of the most vibrant metropolitan cities in the world," says Tau. "It has been the home to many important people in South Africa's history. Internationally acclaimed politicians, sportsmen and women, musicians, actors and business people have either lived or been born here, not least of which was our first

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**democratically elected President, Nelson Mandela, who even after his death still attracts visitors to our city to follow his life's journey."**

Despite being the smallest land municipality, at 1,650 km<sup>2</sup>, Johannesburg has the largest population compared to its neighbouring cities, Tshwane in the North and Ekurhuleni in the east. With a population of some 4.79 million people and an average of 1,975 per km<sup>2</sup>, Johannesburg still experiences a large number of in-migration people looking for economic opportunities.

"Johannesburg has an influx of up to 10,000 people per month," says Tau, "which is why our developmental programmes are geared towards responding to this reality. The jurisdiction made the decision to transform the inner city as far back as the early 2000's with many interventions that have since culminated into what we now refer to as the Inner City Roadmap."

The Inner City Roadmap is Johannesburg's main lead strategy document used to address challenges and align city development programmes and activities.

"We aspire for the centre to become a well-governed, transformed, safe, clean and sustainable inner city, and one that offers high quality services that support vibrant economic activities. It is a welcoming place for all residents, migrants, commuters, workers, traders, investors and tourists," says Tau.

"What we are effectively doing is accelerating the regeneration of the CBD, addressing challenges like service delivery breakdowns, tenant safety and security, and stimulating even more dynamic economic activity through the Inner City Property Scheme, which supports the growth of the many SMME companies that are involved in the construction, building and property sectors of the city."

Partnerships with stakeholders have

culminated in pockets of excellence, such as the Maboneng precinct, which embraces the work/play/live concept, but Tau confirms there are still a number of areas that require extensive interventions.

"The shape of the future city will consist of well-planned transport arteries that we call 'Corridors of Freedom'," says Tau.

"The Corridors of Freedom are linked interchanges where the focus is on mixed-use transport development so that visitors will no longer need to use private motorised transport. There will be dedicated cycling, bus and pedestrian specific lanes and we believe this will transform entrenched settlement patterns that have shunted the majority of residents to the city outskirts and away from economic opportunities and access to jobs and growth.

"Gone will be the days of being forced to rise at dawn to catch the train, bus or taxi to the place of work." Says Tau.



Corridors of Freedom © City of Johannesburg

**"The extensive roll-out of the Corridors of Freedom are transforming the spatial design and will stitch Johannesburg together in a cohesive and dynamic manner."**

Tau believes the current transport system is adequate, giving easy access to an airport, trains, buses and taxis that ensure the ease of travel in and around the city. **"However"**, says Tau, **"congestion remains an issue given that there is an increase in the already large percentage of private vehicles with a single passenger. The introduction of the Rea Vaya Bus Rapid Transport (BRT) system has begun to solve this problem with Rea Vaya now being extended throughout the city."**

This goes a long way in realising the new spatial plans that have been included in the Development Strategy 2040, which also includes a R110 billion investment in renewing ageing infrastructure over the next 10 years. This year work commenced on the restoration and reconstruction of critical freeways, roads and bridges, the latter of which required 814 having been evaluated at a cost of R15 billion.

The city itself is also being greened-up, with comprehensive public open space management, conservation and upgrades, and a new parks development programme. The Johannesburg City Parks and Zoo for example, have a budget of

R15.1 million to upgrade green spaces along the existing Corridors of Freedom, mainly the Perth-Empire Roads Corridor, the Louis Botha Avenue Corridor and Turffontein Corridor. Green gyms are being built in the parks of those areas to enhance existing ones in other parks in the city, all in an effort to deliver a world-class outdoor recreational experience in public spaces.

Perceived, and in some cases not unwarranted, concern about safety and security is also being addressed with a comprehensive plan called the Joburg 10 Plus, providing visible, ward-based policing.

**"We are optimistic that crime will no longer be a frustration,"** says Tau, **"especially given that last year Johannesburg did not feature in the list of the 50 most-violent cities in the world, a report that was issued by the Mexico Citizens Council for Public Security and Criminal Justice."**

Review of the bylaws and tariff policies to incentivise and promote water conservation and demand management initiatives by Johannesburg citizens, as well as active participation by the private sector and the community are seen to be critical in making delivery of all projects successful.

The community of Johannesburg, as Tau describes it, is a **"melting pot of cultures, a hybrid society always searching for new ideas; alive with all the possibilities of freedom."** The city brings together a mix of both formal and informal trading environments, the latter of which is being nurtured through a framework that engages stakeholders so they can be effectively integrated into the economic, spatial and social development goals of the city. This is largely in collaboration with the informal traders representatives to ensure collective decisions are made that also encompass Business Acts and the Constitution of the country.

**"Johannesburg may be very cosmopolitan, attracting as it is, people from all over the globe but it is more than a world-class African city, it is a caring one,"** concludes Tau. •

## What makes Johannesburg an Africity?

### Care

#### **It takes care of its people:**

through housing initiatives; successful healthcare programmes; social and human development interventions; expanded social packages for indigent communities and the vulnerable; and urban agriculture programmes to ensure food security so that no one should go hungry.

### Growth

It is a city that works to reverse a legacy of social engineering anchored on exclusion and apartheid by creating Corridors of Freedom, designed to undo the process of urban sprawl; and in the provision of high-density housing along well-planned transport arteries.

### Safety

Provides a safe environment through pro-active initiatives, including the use of advanced technology to enhance initiatives that address crime, grime and lawlessness.

### Bonds

Leads the country in the issuance of municipal bonds and using the funds generated therefore to improve the quality of infrastructure and service delivery to residents. Johannesburg pioneered municipal 'green bonds' in South Africa to comprehensively respond to climate change and sustainable management of resources.

### Solution driven

Rolls out innovative solutions in the provision of alternative energy, public transport and high-speed broadband. Its Bus Rapid Transport system is a fast-growing and expanding network.

### Blue and Green economies

Unlocking economic opportunities for its communities, especially the youth, which propels the city into a valuable world-class city.

### Host

It is a sought-after host of various global, continental and national gatherings.





JOHANNESBURG HOSTS THE 7<sup>TH</sup> AFRICITIES

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A sound banking and financial system, a sophisticated financial market and home to Africa's largest stock exchange.

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# A BUSINESS ATTRACTION

BY KERRY DIMMER

To understand the broader impact that the City of Johannesburg has on the sub-Saharan region of Africa you need only look at the business statistics provided by the city's Chamber of Commerce and Industry.

Such statistics reveal that Johannesburg is the largest and wealthiest city in South Africa with a total economy that accounts for some 16% of the country's Gross Domestic Product (GDP) and 42.1% of the Gauteng province, of which it is the provincial capital.

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These figures can be largely attributed to the 70% of South Africa's largest corporations, and international conglomerates, that undertake business from Johannesburg as a headquarter base. At the fingertips of the Chamber's President, Ernest Mahlaule, are also statistics that reveal there are an estimated 4.79 million people residing in the city with population growth set at a consistent 3.2% per annum, more than double that of the national 1.3%.

Mahlaule tells us that many people don't realize that the province is as big as the eighth largest country in Africa, Kenya, and is also one of the 40 largest metropolitan areas in the world. The projections look good too. “By the end of this year,

the urban portion of the province, which comprises Johannesburg and its neighbouring cities Ekurhuleni in the East and Tshwane in the north, will be a polycentric urban region with a projected population of some 14.6 million people,” says Mahlaule.

What is attracting business, investors, visitors and residents to Johannesburg continues to be the same as it always has been in the 129 year history of the city. The economic opportunities and supporting infrastructure. Transport, for example, has always been a priority, and now telecoms and other technology is included in the priorities.

“The hosting of exceptional quality institutions, global competitiveness surveys and the promotion of good socio-economic infrastructure have all culminated in the considerable capital investment that the city has made,” says Mahlaule. “That figure has risen to R7.3 billion, up from R4.2 billion the previous year. The R3.4 billion surplus has enabled the city to further increase the capital investment to a respectable

R10.4 billion for the 2014/2015 period.”

This is good news for the sector's that currently contribute to Johannesburg's economic output with finance being the largest at 31.8%, followed by Community Services (23.8%), Trade (14.8%), Manufacturing (13%), Transport (8.9%), Construction (3.9%), Electricity (1.8%), Mining (1.7%) and Agriculture (0.2%).

The predictions mentioned earlier also emphasize that new labour absorptive sectors are encouraged; these include high-value manufacturing, tourism, and the film industry to mention a few, which will become key drivers of future economic growth.

For investors in Johannesburg, Mahlaule advises that the city has adopted 10 attractive priority programmes that are important to consider for alignment with any investment strategy. “Obviously financial stability and resilience, but agriculture and food security, sustainable human settlement, and SMME and Entrepreneurial support are important. There are also investment attraction, retention and expansion programmes,



Ernest Mahlaule

the green economy and Safer Cities projects. Important programmes also include Engaged Active Citizenry, resource sustainability, and Smart City, the latter of which through, inter-alia, the rollout of broadband technology and other ICT capabilities.

ICT is featuring high on a list of infrastructure initiatives, not least of which includes the enhancement of transportation through the Gautrain development corridor. "Advanced ICT infrastructure elevates rapid transport mobility, expansion and growth," says Mahlaule. "We also cannot ignore the City's new ICT strategy that is aimed at supporting the city's growth into a well-performing, sustainable and globally competitive 21st century metropolis."

"Johannesburg is steadily achieving its 'Smart City' status with the rollout of broadband technology and capabilities and is currently upgrading its SAP system, which uses the best-in-class programme management methodologies.

Knowing how crucial ICT infrastructure

is to business, Johannesburg has been upgrading the implementation of the best data centre technologies available to ensure efficiencies, and the Intelligent Operating Centre (IOC) is currently in the construction phase. "Going forward this tool will prove useful in proactively preventing crime given its ability to pinpoint hotspots and thereby motivate for proactive prevention.

"An intervention programme has also been motivated to increase access to the internet and include Wi-Fi hotspots on public transport and at strategic locations," confirms Mahlaule.

The Johannesburg Chamber of Commerce and Industry is highly respected and not surprising given it is just four years younger than the city itself. Its 100 year plus history has formulated its mission to remain the voice of business in the region, speaking with honesty, without fear but with authority. "We provide our 2,500 plus members with meaningful business intelligence, opportunities for growth and links to local and international partners, suppliers and markets," says Mahlaule.

The Chamber ethos therefore attracts a variety of company memberships, from large multinationals to SMME's and includes the likes of Standard Bank, a stalwart with a 125 year membership with the Chamber. CompTIA, Vodacom, Sun International, Redefine Properties, Pinnacle Holdings, Tirisan Technologies, Mahlatsi Tumelo Cost Consultants, Belgotex Flooring and Toyota Tsusho Africa, Katlego Global Logistics, all a prime example of the caliber of business operators that endorse the Chamber.

Yet Johannesburg almost needs no endorsement. It was the most visited city on the continent in 2013/14, and in hosting conferences like Buy Sell Invest and Visit (BSIV) which address the strategic issues that will enhance service delivery in terms of socio-economic infrastructure and the attraction of investment into the city, highlight its value.

"A critical component in attracting further Johannesburg city investment is its ability to reflect an administratively sustainable city, with strong financial controls and operational governance structures in place," Mahlaule explains. "The city has also achieved an unqualified audit opinion, as was the case in the previous year."

There will always be challenges Mahlaule says; yet these appear to fade in the wake of Johannesburg's attraction for business ventures. "The promotion of a well-structured regulatory environment, a sound banking and financial system, a sophisticated financial market and home to Africa's largest stock exchange, are just a few of the city's highlights."

"Further, Johannesburg is recognized for its low cost of living and is the least expensive African city out of the 214 reviewed across five continents. But more is that the city cares," says Mahlaule. "It cares about the migrants that flock to Johannesburg for work, play or to live. It cares about its infrastructure, the requirements of its tenants and how it is going to maintain that care for another 100 years plus." •