

Blue IQ

BLUE IQ is a multi-billion rand initiative of the Gauteng provincial government to invest in economic infrastructure

development in identified mega-projects in the areas of tourism, technology, transport and high value-added manufacturing. The majority of projects are located in Johannesburg, the capital of the province and home of the provincial government.

"It is estimated that about R100-billion worth of investment could be generated within the next 10 years with over 100 000 jobs created," says Predeep Maharaj, CEO of Blue IQ. He adds that these goals will be achieved "over a 15-25 year horizon".

The province allocated a further R700-million to Blue IQ in the 2002/03 budget announced early in June. Blue IQ says that "in excess of R2-billion has already been allocated by the Gauteng provincial government towards this initiative, based on a well-researched trade and industrial strategy.

Says Maharaj: "The province has limited resources and we need to be very focused." Investment, he says, is expected to rise to R7-billion with the inclusion of the Gautrain Rapid Rail link between Pretoria and Johannesburg.

Blue IQ works in partnership with national, provincial and local government departments, institutions and private organisations on each of the mega-projects. In working closely with the Gauteng Economic Development Agency (GEDA), the province's official economic, investment and trade promotion agency, potential investors have access to both macro- and micro-level information on Gauteng and Blue IQ.

Strategy

The strategy takes a three-pronged approach to developing Gauteng into the smart province of South Africa:

Create a high value-added manufacturing sector

Shift Gauteng's manufacturing sector away from traditional heavy industry and low value-added production to focus more on sophisticated, high value-added production and the development of similar production activities in other sectors of the economy.

Enable Gauteng to be the smart province of South Africa

Create an environment in which smart industries can thrive - information technology, telecommunications equipment, research and development, biomedical industries.

Develop Gauteng's service sector

Develop Gauteng's finance and business service sector by focusing on financial services and technology, auxiliary business services, corporate head office location and business tourism.

Blue IQ has a highly skilled, professional, strategic taskforce mandated to:

Develop world-class infrastructure that provides comparative and competitive advantages to Gauteng's investors
Implement marketing and investment strategies to attract foreign and local investors in targeted sectors

Reduce bureaucratic delays for investors and suppliers
Encourage skills training and resource building.

Sectors

Spearheaded by Blue IQ, mega-projects have been identified that have the potential to make a significant impact on the economy. The taskforce is accountable to government for delivering specific results on these projects by 2004.

Technology

Telecommunications is recording a growth rate of 45% a year in South Africa, the African role model for technological sophistication and advancement. Considering the size of the market, the number of operators is low, ownership is concentrated and there is much opportunity to both diversify ownership and encourage new entrants.

The creation of The Innovation Hub will attract "smart" industries to Gauteng.

Transport

South Africa's seven commercial ports, moving 500 million tons of cargo annually, are the strategic transshipment hub for traffic between Europe, Asia, the Americas and Africa. Well-developed road and rail links provide the platform for efficient transportation deep into sub-Saharan Africa. Gauteng is perfectly positioned for access to the 14 countries in the Southern African Development Community (SADC).

High

value-added

manufacturing

Through continuous upgrading and innovation, Gauteng's manufacturing base is moving towards sophisticated products such as electrical and non-electrical machinery and appliances, as well as transport equipment. By aggressively pursuing market penetration in high value-added exports in emerging markets, this sector's gross annual output is projected to grow beyond R50 billion.

Tourism

The tourism industry in South Africa is a vast and largely untapped market. The substantial increase in international travellers in the past five years underscores the potential for further growth. Gauteng is the preferred point of entry for most business and leisure travellers, and Johannesburg has been rated the least expensive global destination by an international travel publication. Gauteng has enormous potential to further develop its cultural, heritage and eco-tourism offerings, capitalising on its natural resources to offer tourists a unique experience.

Investment

Opportunities

All 11 Blue IQ projects offer numerous opportunities for private investment. Gauteng Finance and Economic Affairs MEC Jabu Moleketi, in the foreword to the Blue IQ annual report for 2001, said: "Interested investors have already been invited to participate in individual projects through an open tendering process. An excellent example is the Gautrain investor conference in held in September 2001, which sparked considerable interest in the target market.

"Similarly, government demonstrated its commitment to public-private partnerships and its determination to attract private sector investors through an inaugural Blue IQ Means Business Week in October 2001, which aimed at exploring common areas of interest with the private sector."

Moleketi said that Blue IQ is intensifying its campaign to raise awareness of the opportunities available to private sector interests through its projects. Provincial delegations led by the Premier and other senior government officials have canvassed foreign businesses in Malaysia, Singapore, Germany, France, the United Kingdom and the USA.

"In seeking to attract private sector business partners for its projects, Blue IQ is especially aware of the need to recruit empowerment business entities for participation. Blue IQ recognises that the success of the programme as a whole and of the

individual projects will to a large extent be determined by the level of commitment to small and medium enterprises managed and controlled by formerly disadvantaged South Africans."

For full details of all investment opportunities, contact the project manager for each project. See <http://www.blueiq.co.za>

Blue IQ Projects

Although there are a total of 11 Blue IQ projects across the province, the following are the ones based in Johannesburg.

Kliptown

Kliptown is located in Soweto between the residential areas of Eldorado Park, Pimville, Dlamini and Klipspruit West. Kliptown is historically important as the place where the Congress of the People was held in 1955.

This meeting adopted the Freedom Charter on which the present South African constitution is based. Blue IQ is contributing R299-million to this project to develop Kliptown into a major national heritage site and a tourist destination. Developments include the upgrade of roads and transport systems, construction of Freedom Square, cleaning of the Klipspruit River, improvement of the environment, construction of offices and shops, as well as housing.

Constitution

Hill

Constitution Hill is located at the site of the Old Fort in Hillbrow, overlooking Braamfontein in Johannesburg. Blue IQ is contributing a total of R375-million to develop this area into an attractive tourist destination for people who live in or visit Johannesburg. Developments for this site, where political prisoners such as Nelson Mandela and Mahatma Gandhi were once imprisoned, include the construction of South Africa's first Constitutional Court, offices for constitutional commissions, hotels, libraries, restaurants and sports fields. Investment opportunities include:

Cultural tourism initiatives

Museums, heritage sites, archives and libraries

Recreational grounds

Commercial and housing developments

Hotels, restaurants and retail space.

Significant opportunities also exist for donor funding of heritage programmes.

Newtown

Newtown is the centre of arts, music, crafts and culture in Johannesburg. Blue IQ is spending R300-million to improve this area to make it attractive, accessible and safe for visitors and people who live and work in the area. The improvements include the building of houses, the Nelson Mandela Bridge and construction of roads connecting Newtown to the highway, making it easier for both motorists and pedestrians to reach the area. Newton is becoming a preferred place for tourists to visit.

Gautrain

Rapid

Rail

Link

Gauteng's public transport system will significantly improve with the introduction of the Gautrain Rapid Rail Link, covering 79km with more than eight stations between Pretoria and Johannesburg International Airport. Project benefits include job creation, reduced pollution and fewer traffic jams on major roads between Pretoria and Johannesburg. The successful bidders, Bombela Consortium & Gauliwe Consortium, who pre-qualified for the Gautrain Rapid Rail Link, were announced by Premier Mbhazima Shilowa on 2 May 2002. This project will be funded both by government through Blue IQ and by the private sector. Investment opportunities include:

International financing partners, using build-operate-transfer and other public-private partnerships models

Construction work

Station developments

Technology applications

Feeder and distribution systems, and integrated fare collection systems

Rolling stock, track and stations

Signalling and control systems, as well as telecommunications

Commercial property developments in and around stations.

Johannesburg

International

Airport

IDZ

Johannesburg International Airport is the busiest airport in Southern Africa, which makes the surrounding area an ideal location

