

CITY DEEP

LOGISTICS OVERHAUL

Irma Venter | Contributing Editor

Blue IQ Investment Holdings CEO **Nomhle Canca** would like to see the City Deep logistics hub enter its implementation phase by the end of the year.

The aim of the project is to increase efficiency and decrease the cost of containerised cargo moving into and out of Gauteng.

City Deep, in Johannesburg, is the largest container depot in South Africa and the largest inland port in Africa.

“Sixty-seven per cent of all containers along the Durban–Johannesburg corridor go through City Deep; many of these are destined for countries outside South Africa,” explains Canca.

However, the depot is not operating nearly as efficiently as required.

“We appreciate that the frustration of the client base is mounting and that the hub’s failure to perform as required is constraining especially the Gauteng manufacturing industry. But crisis gives focus and we, as Blue IQ, as one of the implementation bodies, are attempting to move as swiftly as we can in transforming City Deep.”

Canca says the elements of the major revamp, estimated to run into hundreds of millions of rands, include improved information-technology infrastructure, new cranes and improved road access. She also emphasises the need for an influx of technical, operational and management skills.

The project has previously been delayed due to lack of intergovernmental cooperation; now more than ten government agencies involved, such as Spoornet, the Department of Transport and South African Port Operations, are all attempting to align their sometimes-diverging and continuously-evolving strategies.

As for another Blue IQ project, the Johannesburg International Airport Industrial Development Zone (IDZ), Canca says the company is in the process of compiling a business plan for the IDZ, with the input of the private sector.

Blue IQ will then proceed to acquire a permanent operating licence from the Department of Public Enterprises, which is the licensing agent for IDZs.

Canca says the IDZ will be developed in phases. It will be an estimated 281 ha, but “could be bigger”.

As for potential tenants, Canca says the profile of the IDZ, being earmarked as South Africa’s only inland IDZ, determines that it houses a different type of industry than the other proposed development zones (such as Coega) at the coast.



Picture by staff photographer Duane Dewes

NOMHLE CANCA
Seeking implementation of City Deep by year-end

“The IDZs located at South Africa’s ports are suitable for the heavy industrial sector. With the JIA IDZ being landlocked and situated next to an airport, it is suited ideally to light-industrial manufacturing and technology- and knowledge-based industries, especially companies with an export focus.”

Possible industries could include component manufacture for the avionics industry, cold-storage for fruit and vegetables and mineral beneficiation.

Blue IQ is currently in negotiations with various business sectors to determine what the needs would be for the many industries it hopes to attract, such as water demand, road infrastructure and electricity supply.

Canca emphasises that Blue IQ is “hard at work lobbying the national Treasury for tax incentives”. She says it is impossible for the IDZ and for South Africa to compete internationally with other IDZs without incentives.

“Ireland has a very successful inland IDZ, with an incentive tax base. Incentives cannot be debated if we want to compete.”

The Pretoria-based Automotive Supplier Park, which houses component and service suppliers to car manufacturers situated in Gauteng, is another of Blue IQ’s projects.

Canca says Blue IQ is working towards introducing a new shareholder to the Gauteng government-owned park, currently being expanded.

She notes that the shareholder will also be a government institution, such as the Industrial Development Corporation or the Development Bank of Southern Africa.

“This would make crowding in the private sector much easier.”

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BLUE IQ REVISITED

Blue IQ focuses on developing strategic infrastructure-investment projects for the Gauteng government. Its budget for this financial year is R260-million.

Its project portfolio includes the development of the Innovation Hub and the Wadeville–Alrode industrial corridor, the City Deep logistics hub, the Gauteng automotive cluster, the JIA IDZ, Newtown, Constitution Hill, Kliptown, Mary Fitzgerald Square and the Gauteng Film Agency.

The Gautrain, Cradle of Humankind and Dinokeng projects, once part of Blue IQ, have been relocated to portfolios within various government departments.