

A clever strategy for marketing investment opportunities

In its bid to encourage investors into the region, Msunduzi has branded itself as the “city of choice” – playing on its strength as a region where economic opportunities are promising and the quality of life is top notch.

The ethos behind the branding of Msunduzi as an investor destination is remarkably simple. The city has recognised the attributes that make for a great investor region and worked backwards.

“The branding of Msunduzi as a city of choice comes out of the municipality’s vision,” says acting strategic manager for economic development and growth, David Gengan. “It is a summary of all the things we want to be and of all our policies. It shows that we are a place where people can do business, raise a family and enjoy a high standard of living.”

And there is no doubt that this branding has stuck. According to Gengan, the city has come a long way

in bringing the perceptions of potential investors – international and domestic – to the view of Msunduzi as a promising economy in which to do business.

The tremendous economic development shown in Msunduzi of late indicates that it really is a city of choice

“The branding terminology we are using was coined by the city’s previous mayor and it has been effective. Lately we have found that if you ask people across the



country about the city of choice, it elicits a response. They think Msunduzi, which is certainly something positive.”

As much as the Msunduzi brand is connected to the city’s vision, it is also closely associated with the competitive advantages of the region as an investor destination. And these advantages are considerable.

Foremost is the city’s location. It is situated just 45 minutes from Durban, the busiest port in Africa, and is astride the country’s busiest development corridor, the N3 highway. It is also the central location for a number of inland towns and settlements in KwaZulu-Natal, and has a strong services sector because of this.

Msunduzi’s status as the capital city of the province is another critical advantage, especially for businesses that need to do business with government. Capital city status also allows for many parastatals and government workers in Msunduzi – a further driver of its strong services sector.

The fact that the city is a colourful, picturesque and modern settlement bodes further for its advantages in other industries, namely the property and retail sectors. For years, Pietermaritzburg has been known affectionately as “Sleepy Hollow” – based upon its situation in a broad basin surrounded by a range of thickly forested hills – an attribute that keeps property buyers interested and paying tourists flocking in.

Generally speaking, the city is seen as an attractive place to live. Crime is lower than the bigger metro cities and traffic, although on the increase, is not a major problem. Schools in the area are among the best in the country and the city’s university campuses, part of the University of KwaZulu-Natal is a world class institution. It means that the city promises a standard of living that is arguably less stressful than the lifestyle offered in other cities, but where there is still a growing economy and a wealth of opportunities.

“The city views quality of life as a critical aspect of attracting investment,” says Gengan. “Although we do offer economic incentives for investors, other cities offer them as well. That is why it is important for us to stress our competitive advantage. This is that Msunduzi is an excellent place in which to live.”

Gengan’s statement is evident in the reputation Msunduzi has developed as a hosting city. The city boasts a proud sporting legacy and is internationally

“Quality of life is seen as a critical aspect of marketing the city as an excellent investment destination”

– David Gengan

renowned as the home of the Comrades Marathon, the Duzi Canoe Marathon and the Midmar Mile, the world’s largest open swimming race. These events, in conjunction with attractions such as the Royal Agricultural Show, Art in the Park and Cars in the Park, show that, across South Africa, Msunduzi is seen as a city that knows how to have fun.

The tremendous economic development shown in the city of late is another indicator of its potential opportunities. Economic growth was maintained at a consistent 8% in the earlier years of this decade, and even though this rate has leveraged out somewhat, growth continues at a brisk 5%. Over and above this, the Business Confidence Index for the city for the second quarter of 2006 was an astounding 83. This is a clear sign that businesses are positive and confident about the current and future state of business in Msunduzi.

Says Gengan: “Recognising that our role is not in creating jobs, but rather in inducing an environment that encourages job creation, the level of investor confidence shown speaks well of the city’s future. As more of the city’s competitive edges are capitalised on, the trend is sure to continue. Even more opportunities are lurking on the horizon, and this will be for the benefit of everyone.”

continued on page 58



An area where Msunduzi will seek to grow its national presence is in the manufacture of automotive components and the assembly of motor vehicles. Already the city is host to approximately 15 motor-component producers, and there is even a truck brand that is assembled entirely in the city.

The future objective will be to encourage more automotive manufacturers to set up shop. A possible positioning may even be in the higher end of the market, in components that require different levels of expertise, such as electronics.

Other more generalised manufacturing industries will also be encouraged. There is a need to diversify the Msunduzi economy away from the predominant sector, namely the services sector, and manufacturing is seen as the key in leading this expansion.

Away from marketing, efforts to encourage a greater participation of manufacturing industries will continue to be based on the allocation of business incentives to new investors.

Msunduzi guarantees a 100% rebate on rates on buildings in the first year, and thereafter promises a decrease of 33%. Small factories also get their garbage removed free for the first five years, while large factories are similarly incentivised. In addition to this, businesses receive a 20% discount on standard electricity tariffs for five years and are not charged on basic service connection. Water connections are free and the rebates on effluent treatment are negotiable.

Recipients of city marketing initiatives include the automotive, tourism, furniture and aluminium sectors

“These incentives and others, in conjunction with our marketing efforts, have gone a long way in creating a string of developments. One needs only to look at the changing city landscape to see how economic development initiatives are making an impact.”

Major recent developments include a new shopping complex, the Liberty Midlands Mall, and a golf estate, the Victoria Country Club Golf Estate. The city also now has a major entertainment centre at the Golden Horse Casino and Hotel, and a Motor City has been an established – a zone of all the established motor dealerships.

Ultimately, says Gengan, it will be important that new developments and investments contribute to the surrounding region, and not only just to the city. “There is a lot of business interaction between Msunduzi and surrounding midlands towns, not to mention Durban, and a district city region is developing between Pietermaritzburg and Durban. It is arguable that these nodes are becoming more integrated and we have got to realise the contribution we will make in bringing the region closer together economically.” •



Golden Horse Casino