

# **UDZ R1 Billion Investment Celebration**

## **Speech for Councillor Ruby Mathang**

### **10 May 2006**

**On behalf of His Worship the Mayor, who was unfortunately called to an important meeting at short notice, a ‘Good Evening’ and ‘a warm welcome’ to all guests here this evening. Welcome to the celebration of over one point one BILLION rands worth of investment in terms of the Urban Development Zone tax incentive! To all the UDZ investors here today, the warmest welcome of all to you!**

- Let me emphasize that the City of Johannesburg is committed to aggressively promoting and facilitating the revitalizing of the Inner City.**
- I think the UDZ Launch conference hosted by Joburg in August last year significantly contributed to the attraction of over 60 investors and building owners, and generated significant media interest, thus our celebration tonight.**
- We hope we will continue to see the emergence of investment opportunities in the Joburg UDZ as South African and foreign direct investment flows into Joburg to help transform our city into a World Class African City by 2030.**
- But for the moment we are here to express our sincere appreciation to you, the UDZ pioneers and vanguard investors and developers, who have had the foresight to share our vision for the rejuvenation of Johannesburg’s Inner City. Congratulations and sincere thanks are extended to each one of you! Know that – as Joburg succeeds - you are part of setting a trend for the entire**

country to reinvest in our great city centres, noting that the same lessons can be shared with the rest of the continent.

- The UDZ incentive is a great recipe for a great Joburg that we are developing - the attainment of the one billion rand mark in UDZ investments is a clear vote of confidence in the future of Joburg.
- Our investors share our vision of making Joburg a World Class City by 2030. This vision is expressed in the current Draft Growth and Development Strategy that the City is busy consulting on.
- As we know, revitalizing the Inner City is a key City priority.
  
- The UDZ scheme creates an opportunity for entrepreneurs to share in the economic success by taking advantage of investment opportunities – thus delivering on our drive for a balanced and shared growth initiative.
- The city effectively increases investors profits with this more than generous tax incentive.
- The UDZ incentive gives us all an opportunity to create jobs, fight poverty and increase the prosperity of all.
- Since its introduction the UDZ incentive has been a great success:
  - Well over 300 queries have been received and more flood in daily
  - Over 60 investments are now in the pipeline
  - To date, 18 investments have been completed at a total value of about R1.1 billion
  
- There are ongoing big opportunities for investors to take advantage of this scheme, given the sheer size of the Inner City and its many property segments. Everyone has room to share in this good news.
- The economic boom shows no sign of abating, this is good news for investors, there is still room for more development .

- **The City economy continues to outperform the national growth rate, and the Inner City itself is the biggest employment centre in the country. Bear in mind that already, the Inner City offers over 200 000 jobs (more than most of the city's other nodes combined!) and that the UDZ incentive can only accelerate these positive forces.**
  
- **The UDZ incentive allows for a number of socio-economic benefits, such as allowing private sector investors to reap huge economic spin-offs from public policy decisions...**
  - **Such as ensuring that inner city decline is reversed...**
  - **Such as promoting job creation in construction and the services sectors within the broader value chain of the property sector...**
  - **Such as diversifying the economy of the inner city ...**
  - **Such as combining the skills of individual investors with the resources of institutional investors...**
  - **Such as kick-starting the process of increasing the inner city's share of the residential property market while catering for a diverse clientele, and lastly...**
  - **Providing BEE investors a once-in-life-time opportunity to get a slice of Africa's greatest city**
  
- **We appreciate the National Government's allocation of the UDZ status to the Inner City of Johannesburg, thus reinforcing our own efforts to revitalize the Inner City. But it is especially to YOU the investors that we direct a very heartfelt thank you and congratulations for putting your money where your mouth is and by investing your time and money in our Inner City!**