

REPORT TO: THE EXECUTIVE MAYOR AND MEMBERS OF THE MAYORAL COMMITTEE AND THE CORPORATE SERVICES PORTFOLIO COMMITTEE

LC 21535

1. ITEM NUMBER

2. SUBJECT

FEEDBACK ON THE INTERNATIONAL TRIP UNDERTAKEN FROM 15 TO 26 OCTOBER 2018 TO PARTICIPATE IN THE WORLD ENERGY CITIES PARTNERSHIP IN MALAYSIA AND THE BPESA OUTBOUND INVESTOR MISSION TO AUSTRALIA

ONDERWERP

TERUGVOERING OOR DIE INTERNASIONALE REIS VAN 15 TOT 26 OKTOBER 2018 OM DEEL TE NEEM AAN DIE VENNOOTSKAP VAN WêreldENERGIESTEDE IN MALEISIë EN DIE BPESA- UITWAARTSE BELEGGERSENDING NA AUSTRALIë

ISIHLOKO

INGXELO ENGOHAMBO OLUYA PHESHEYA OLUTHATYATHWE UKUSUSELA NGOWE-15 UKUYA NGOWAMA-26 KWEYEDWARHA 2018 OLUNGOKUTHATHA INXAXHEBA KUBUHLAKANI BEZIXEKO ZEHLABATHI EZINGAMANDLA OMBANE E-MALAYSIA KUNYE NEMISHINI ENGOTYALO-MALI LWANGAPHANDLE LWE-BPESA EYA E-AUSTRALIA

3. EVENT SUMMARY

EVENT DETAILS	
CONFERENCE/SEMINAR	WORLD ENERGY CITIES PARTNERSHIP; BPESA OUTBOUND INVESTOR MISSION TO AUSTRALIA
DATE	15 to 20 OCTOBER 2018; 21 to 26 OCTOBER 2018
VENUE	VARIOUS
CITY	Kuala Lumpur; Melbourne and Sydney
COUNTRY	MALAYSIA AND AUSTRALIA

Making progress possible. Together.

ATTENDEE DETAILS	
NAME AND SURNAME	DESIGNATION
MR L GREYLING	DIRECTOR, ENTERPRISE AND INVESTMENT
PROVIDE SUMMARY OF HOST ORGANISATION / CITY	
<p>World Energy Cities Partnership</p> <p>Established in 1995, the WECP is a non-profit organization whose member cities are globally recognized as international energy capitals. These member cities actively seek and develop opportunities to learn, exchange, and engage in activities which strengthen multilateral ties. The WECP is bound by a co-operative agreement signed by the Mayors of each city, who serve as board members, is directed by an elected President and Vice-President, and is supported by a Secretariat office, based in Houston, USA.</p> <p>Business Process Enabling South Africa (BPESA) Western Cape</p> <p>BPESA operates both as a specialist investment promotion agency for business process outsourcing (including contact centres) and as a national trade association and networking body for the industry.</p>	



4. OBJECTIVES

- To comply with the terms of our membership of the World Energy Cities Partnership (WECP) by attending at least one of their functions in a calendar year;
- To build and cement relationships with the other cities in WECP and position Cape Town as an energy capital, particularly as it relates to the emerging clean energy sector;
- To promote the newly designated Cleantech SEZ in Atlantis and attract investor interest;
- To promote Cape Town as a viable investment destination for Australian companies looking to outsource operations in the BPO sector; and
- To secure investment into the BPO sector from Australian companies and operators thereby creating jobs in Cape Town.

5. OUTCOMES

☐ - Partnership Agreement:

☐ - Membership Agreement

☐ - Grants Agreement

☐ - Memorandum of Understanding

☐ - Statement of Intent

☒ - Other

- Refined our strategic role in the WECP and the clean energy agenda we want to push in the partnership
- Formed valuable contacts and agreed on pursuing certain shared projects with some of the other cities in the WECP, particularly Perth who have agreed to work with us in securing a direct flight between Cape Town and Perth
- Obtained valuable insights from cities in the WECP that have been successful in building their own SEZ's in renewable energy
- Secured a commitment from an Australian BPO operator to set up an office in Cape Town in 2019 which will initially create 250 jobs and will be followed by further investment
- Cemented valuable ties between the different South African BPO operators and the City of Cape Town and secured a commitment to developing a joint strategy with industry comprising match funding to upscale our penetration of new markets like Australia
- Secured an industry funded inbound mission for Australian buyers to come to Cape Town in early 2019 with the anticipation of further investment into this sector
- The BPO outbound mission to Australia has generated significant interest in South Africa as an alternative BPO destination to that of the Philippines and India. This trip



also gave us valuable insight into what this market requires and how we can refine our message to Australian companies so as to build on the momentum of companies choosing Cape Town as an attractive BPO destination

6. ACTIONS REQUIRED

- 6.1 Follow up with Perth to investigate key areas of potential partnership, particularly in securing the Perth/Cape Town direct route and in the tech start-up space linked to their Western Tech conference. In addition, we will engage on some of their current projects such as lithium battery manufacturing and their testing of autonomous vehicles.
- 6.2 Follow up with Esbjerg in Denmark to get more information and possible collaboration around the development of their vertically integrated SEZ for offshore wind manufacturing
- 6.3 Drive a more aggressive renewable energy agenda within the WECF through using our role as the Chair of the Environment committee strategically
- 6.4 Engage with BPESA in finalising the arrangements and our participation as a city in the inbound delegation from Australia being arranged and funded by the industry players
- 6.5 Engage with the Australian industry operator to facilitate their establishment of a call centre employing at least 250 people
- 6.6 Convene along with BPESA and the different industry players in the BPO sector a strategy session to refine our major drive into new markets like Australia

7. IMPLICATIONS

- | | | | |
|-----|---|--|------------------------------|
| 7.1 | Constitutional and Policy Implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
| 7.2 | Environmental implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
| 7.3 | Financial Implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
| 7.4 | Legal Implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
| 7.5 | Staff Implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
| 7.6 | Risk Implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |



8. RECOMMENDATIONS

Recommended that:

The feedback report on the trip undertaken from 15 to 26 October 2018 to participate in the World Energy Cities Partnership in Malaysia and the BPeSA outbound investor mission to Australia be noted.

AANBEVELINGS

Aanbeveel dat:

Daar kennis geneem word van die terugvoeringsverslag oor die reis van 15 tot 26 Oktober 2018 om deel te neem aan die Vennootskap van Wêreldenergiestede in Maleisië en die BPeSA- uitwaartse beleggersending na Australië.

IZINDULULO

Kundululwe ukuba:

Makuqwalaswelwe ingxelo engohambo oluthatyathwe ukususela ngowe-15 ukuya ngowama-26 Kweyedwarha 2018. Olungokuthatha inxaxheba kubuhlakani Bezixeko Zehlabathi Ezingamandla Ombane e-Malaysia kunye nemishini engotyalo-mali lwangaphandle lwe-BPeSA eya e-Australia.

9. GENERAL DISCUSSION

9.1 Context

This trip combined two elements, namely that of playing an active role in our membership of the WECP and in assisting in securing investment from Australia into the fast growing BPO sector in Cape Town. As the timing seemed to coincide it made sense to combine these two trips even though they had two very disparate objectives. On both counts, however, it is felt that these objectives were met and that they proved worthwhile for the broader economic development objectives of the City of Cape Town.

9.2 Programme

The programme for both events was pretty full and comprised various activities. For the WECP it firstly comprised an event on the 16th October where member cities engaged in a best practice sharing session on a number of topics related to energy. At this event Cape Town presented on our ***“Special Economic Zone: attracting renewable energy manufacturing companies.”***

On the second day namely the 17th October, there was a high level opening of the event followed by a number of presentations related to clean energy transitions. This event was also being held in conjunction with the IGEM, which is the International Greentech and Eco Products Exhibition and Conference Malaysia, which proved to be a valuable partnership as we were allowed to engage on issues that were particularly relevant to Cape Town’s green economy focus.

The 3rd day was more oil and gas focused with a visit to the Petronas towers and engagements on issues to do with the oil and gas sector in member cities. That evening there was also an officers committee meeting in which myself as the chair of the environment committee was able to put forward a strong agenda for the organization to embrace the new clean energy transition and bring on board new members who could add to this agenda. The point was received well and there seems to be a commitment to furthering this agenda. The following day I raised this point again in the Board of Director's Meeting which took place on the morning of the 19th of October. It was at this meeting where it was confirmed that the next meeting of the WECP AGM will be in Aberdeen on the 6-9th September 2019.

The Outbound Investor Mission to Australia commenced on the 22nd October with a morning meeting of all the South African business delegates representing different BPO companies. This was followed by an afternoon structured engagement with companies representing contact centre operations who could be convinced to invest in South Africa. It was particularly useful having Scott Wilson, the previous CEO of iSelect, an Australian company that had set up a contact centre in South Africa and had made a huge success of it, sing the praises of South Africa as a BPO destination. The following day we had a full day of the Contact Conference where we had an exhibition stand and were able to increase the awareness of South Africa and Cape Town as a BPO destination. This was followed in the evening by an industry cocktail party where a number of prominent potential clients were invited. The following day we had a further presence at the conference before flying to Sydney that afternoon. On the 25th October we had a series of engagements in Sydney, starting with a group of industry analysts and consultants who took our message on board and would be using it to influence potential buyers. This engagement also helped us to refine our message so that we can produce collateral that is specifically targeted to the Australian market. In the afternoon we then had an engagement with a number of potential buyers from a diverse range of industries who all indicated a specific level of interest in considering South Africa and Cape Town as a destination.

Overall the South African industry delegation and BPeSA who organized the trip felt that it served a really important purpose of building awareness in the minds of Australian companies that South Africa is a serious BPO destination that can compete with the likes of India and the Philippines. Although some investment was secured on this trip which will lead to the creation of at least 250 jobs in Cape Town, what was more important was getting to know this market and precisely how we can follow up with targeted interventions that can really produce the momentum towards South Africa and Cape Town as a BPO destination of choice for Australia.

FOR FURTHER DETAILS, CONTACT:

DATE	12 November 2018		
NAME	Lance Greyling	CONTACT NUMBER	021 400 1217
E-MAIL ADDRESS	Lance.greyling@capetown.gov.za		
DIRECTORATE	Corporate Services	FILE REF NO	
SIGNATURE :			

COMMENT:



EXECUTIVE SERVICES	DIRECTOR:	CORPORATE
NAME	CRAIG KESSON	
DATE	15/11/18	

* Report is for CM
for officials.

COMMENT:



MANAGER: INTERNATIONAL RELATIONS DR. DENVER VAN SCHALKWYK	
DATE	27/11/2018

ACTIONS NOTED

Patricia Davis

☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

☐ NON-COMPLIANT

LEGAL COMPLIANCE

COMMENT:

NAME Patricia Davis

For information. *PD*.

TEL (021) 400-1549

DATE 29-11-2018

Lungelo Mbandazayo

CITY MANAGER

LUNGELO MBANDAZAYO

☒ SUPPORTED FOR ONWARD SUBMISSION TO MAYCO ☒ RELEVANT SECTION 79 OR 80 COMMITTEE ☒

☐ NOT SUPPORTED

☐ REFERRED BACK

COMMENT:

DATE 2018-11-29