



INVESTMENT
PROSPECTUS

NORTHERN CAPE

2021



economic development and tourism
Department of Economic
Development and Tourism
NORTHERN CAPE
REPUBLIC OF SOUTH AFRICA



INVESTMENT PROSPECTUS

NORTHERN CAPE

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FOREWORD

PAVING THE WAY TO INDUSTRIALISATION



Dr Zamani Saul,
Honourable
Premier of the
Northern Cape



THE NATIONAL DEVELOPMENT PLAN: VISION FOR 2030 (NDP) argues that the formulation of foreign policy should be informed by principles that both reflect and support national interests. This requires that global partnerships be developed that will secure markets, capital and technology.

The three main concerns emerging from the NDP are that South Africa needs to grow its economy, reduce poverty, and improve the quality of life for South Africans – the “better life for all” principles embodied in the preamble to the constitution. Chapter Seven of the NDP deals with South Africa’s “place in the world”. It says the country must honestly re-evaluate its regional and global positioning to ensure that foreign policy objectives help it achieve its constitutional vision of a better life for all.

The Northern Cape subscribes to all of the above-mentioned and reflects this in the Provincial Growth and Development Plan and vision to be a modern, growing and successful province. The catalyst for sustainable development in the Northern Cape is economic growth and development. This entails the breaking of the resource curse of the economy whereby the Northern Cape merely serves as the extraction point and the global periphery has the industrial benefits.

With the abundance of resources, energy and other critical investment infrastructure that is being created, the Northern Cape is showing clear clusters of value-addition and manufacturing. This is the precursor to industrialisation and becoming a modern and growing province. The nucleus of this investment is the resource base of the Northern Cape that is globally in demand not just in its raw format, but in consumer products as well.

This is not a road to be travelled alone though. The province requires partners and investors to realise access to markets, capital and technology. Investment partners that own global market share that demand best products and services can be assured of this in terms of the Northern Cape’s near organic standard of agri-produce, minerals and knowledge generation via the Square Kilometre array. In addition, all of these sectors and industries must be supported and this forms the next level of demand and supply to pave the industrialisation pathway. This will ensure that we are a modern, growing and successful province.

I therefore urge global market leaders to secure the best for your consumers and to expand your markets by creating a manufacturing and supplier base in the Northern Cape that serves the global market and has direct access to SADC.

Invest in the Northern Cape and collectively we will become global market leaders!



INTRODUCTORY REMARKS

INVESTING IN THE NORTHERN CAPE



Mr Abraham Vosloo,
Member of the Executive Council
for Finance, Economic
Development and Tourism



economic development and tourism
Department of Economic
Development and Tourism
NORTHERN CAPE
REPUBLIC OF SOUTH AFRICA

THE NORTHERN CAPE IS A PROVINCE that has tremendous investment opportunities. This prospectus presents a prime investment destination and I request you to consider the Northern Cape Province as your preferred investment partner.

Geographically the Northern Cape constitutes the largest province of the Republic of South Africa, which in contrast, has the smallest population. Roughly 1.1-million people reside in a land mass covering a fraction more than 30% of South Africa’s land surface. It borders on four other provinces, the Atlantic Ocean to the west and the countries of Namibia and Botswana to the north, making it an ideal gateway to West African and other international markets.

The province offers profitable investment opportunities in mineral and metal processing, agricultural production and - processing, fishing, mariculture, energy, tourism, renewable energy and the knowledge economy. Access to raw materials, affordable energy, and upgraded infrastructure are further compelling factors to attract investment.

The province has untold mineral riches, impressive landscapes and vistas which are attracting increasing numbers of tourists who want to experience the rugged outdoors or adventurous trips. Two great rivers and a sophisticated irrigation scheme supports high-value agriculture in crop production and livestock. The highest solar radiation levels in South Africa and incredibly clear skies suitable for astronomy combine to create a unique destination which is already attracting investment.

Billions of rands have recently been invested in the solar power and radio astronomy fields and we invite other potential investors to investigate what we have to offer. South Africa’s biggest current mining investment is under way at the Gamsberg Zinc project and iron ore and manganese continue to be exported in huge quantities. Between January 2011 and March 2016, the province received 486 foreign direct investment (FDI) projects.

Various infrastructure projects are underway to further boost investment prospects. The rail network is receiving upgrades, South Africa’s newest university has opened in Kimberley and a lot of work is going in to creating competitive Special Economic Zones.

The Northern Cape invites investors to join us on the journey to economic growth and prosperity.

Introduction to the **NORTHERN CAPE**

THE NORTHERN CAPE is unique as a trade and investment destination, its vast geographical extent and natural resources, complemented by human capacity and sound infrastructure, offering its partners a wide array of attractive trade and investment opportunities meeting global standards. The geographic location of Northern Cape provides easy access to SADC markets and export ports via sea and air. The entry points in terms of access to Namibia and Botswana, extending to Zambia, provide a unique competitive advantage. The mineral profile of the Northern Cape has contributed to the establishment of global trade centres such as London and New York through diamond resources and mining listings. In addition to being for many years the leading source of diamonds, the province is a key iron ore and manganese producer, which is complemented by lime, granite, semi-precious stones and other minerals. The mining sector continues to expand, and with it opportunities in mining supplies and mineral value addition. The South African government has prioritised the diversification of energy sources to supply the national grid, and the focus on renewable energy has stimulated the demand for solar, wind, hydro

and biomass energy sources. No province is better equipped in these fields than the Northern Cape, which has become the preferred investment destination for renewable energy companies. Growth in the energy sector has stimulated the manufacturing and agricultural sectors, which in turn has stimulated the development of infrastructure and services. Key projects include the Boegoebaai deep-sea port, Kathu Industrial Park, Upington Industrial Park and Vioolsdrif Dam. These projects are complemented by a well-developed settlement, transport and communication network. Huge opportunities also exist in value addition to the Northern Cape's agricultural and mineral resources. Human capital is key to the sustainable development of any region, and the Northern Cape boasts the newly established Sol Plaatje University and enjoys representation through technology stations of other universities including Unisa and the Vaal University of Technology. The province is also served by a well-established multi-campus Technical Education and Vocational Training College. Provincial and local government organs in the Northern Cape underpin all the potential of the province, and are dedicated to ensuring a sound, safe and well-governed investment destination.

CAPITAL CITY

KIMBERLEY is the largest city of the Northern Cape Province and is considered historically significant due to its diamond mining past.

LANGUAGES

THE MAIN LANGUAGES are **Afrikaans** 53.8%, **Tswana** 33.1%, **Xhosa** 5.3% and **English** 3.4%

NORTHERN CAPE PROVINCE KEY STATISTICS

ECONOMICS AT A GLANCE

TOTAL POPULATION

1.34 m

Total people

2.3%

of national population

GROSS DOMESTIC PRODUCT

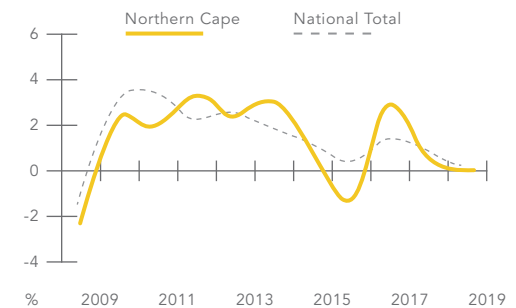
R102 bn

Current Price

2.0%

of National GDP

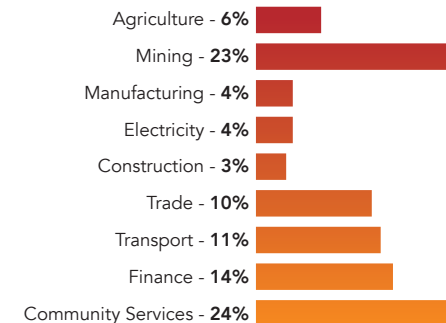
ECONOMIC GROWTH



ECONOMIC GROWTH ANNUAL % CHANGE

	2018-2019	10 YEAR AVG.
NORTHERN CAPE	0.0%	1.6%

SECTOR COMPOSITION



TOP 10 SECTORS GVA

Mining of metal ores	16.69 bn
Public administration & defence activities	8.99 bn
Finance and Insurance	7.20 bn
Land and Water transport	7.10 bn
Education	5.84 bn
Agriculture and hunting	5.40 bn
Other mining and quarrying (incl 22)	4.71 bn
Health and social work	4.49 bn
Retail trade and repairs of goods	4.18 bn
Wholesale and commission trade	3.33 bn
All other smaller sectors	23.87 bn

NORTHERN CAPE PROVINCE KEY STATISTICS

FOREIGN DIRECT INVESTMENT (FDI)

ALL FDI INTO NORTHERN CAPE / JANUARY 2008 TO SEPTEMBER 2019

INVESTING COMPANY	SOURCE COUNTRY	CAPITAL INVESTMENT	SECTOR
Enel Green Power	Italy	3.2 bn	Renewable energy
BlueRock Diamonds	United Kingdom	17 m	Minerals
Vedanta Zinc International	United Kingdom	11.5 bn	Metals
Vedanta Zinc International	United Kingdom	9.3 bn	Coal, oil & gas
Abengoa	Spain	2.6 bn	Renewable energy
Lekela Power	Ireland	2.6 bn	Renewable energy
Longyuan SA	China	2.6 bn	Renewable energy
Enel Green Power	Italy	2.6 bn	Renewable energy
Interallloys	United Kingdom	719 m	Metals
Enel Green Power	Italy	2.6 bn	Renewable energy
ACWA Power International	Saudi Arabia	17.2 bn	Renewable energy
Engie (GDF SUEZ) (Gaz de France)	France	2.6 bn	Renewable energy
Sonnex Solar	Netherlands	2.6 bn	Renewable energy
Sesa Sterlite	United Kingdom	9.0 bn	Metals
Enel Green Power	Italy	2.6 bn	Renewable energy
Sunpower	France	2.8 bn	Renewable energy
Mainstream Renewable Power	Ireland	2.6 bn	Renewable energy
Acciona	Spain	2.6 bn	Renewable energy
ACWA Power International	Saudi Arabia	4.4 bn	Renewable energy
Scatec Solar	Norway	2.8 bn	Renewable energy
Globeleq Generation	United Kingdom	2.6 bn	Renewable energy
Gestamp Group	Spain	2.3 bn	Renewable energy
Building Energy	Italy	2.6 bn	Renewable energy
Powerway Renewable Energy	China	100 m	Metals
Abengoa	Spain	2.5 bn	Renewable energy
Abengoa	Spain	12.8 bn	Renewable energy
Anglo American	United Kingdom	14.3 bn	Metals
Scatec Solar	Norway	3.7 bn	Renewable energy
SolarReserve	United States	4.3 bn	Renewable energy
David Brown Group	United Kingdom	71 m	Industrial equipment
Building Energy	Italy	2.6 bn	Renewable energy
Diana Group (Groupe Diana)	France	486 m	Chemicals
Building Energy	Italy	2.6 bn	Renewable energy
Jupiter Mines	Australia	2.6 bn	Minerals
Rockwell Diamonds	Canada	93 m	Minerals
BHP Billiton	Australia	532 m	Metals
BHP Billiton	Australia	273 m	Metals

Source: FDI Intelligence, from the Financial Times Ltd 2019 - All Capex figures shown in the table are in ZAR - South Africa Rand millions

ACCESS TO INTERNATIONAL MARKETS

South Africa has signed multiple free-trade and bilateral agreements: see www.thedti.gov.za for more information.

SOUTHERN AFRICAN CUSTOMS UNION (SACU): Customs Union (South Africa, Botswana, Lesotho, Namibia, Swaziland)

SOUTH AFRICAN DEVELOPMENT COMMUNITY (SADC): Free Trade Agreement (Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mauritius, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe)

SACU-EUROPEAN FREE TRADE ASSOCIATION (EFTA) AGREEMENT: Provisionally applied Free Trade Agreement (All SACU countries and individual EFTA members)

SACU-SOUTHERN COMMON MARKET (MERCOSUR): Preferential Trade Agreement (SACU; Brazil, Argentina, Paraguay, Uruguay)

AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA): Preferential Trade Agreement (USA; 39 Sub-Saharan African countries, (incl SA)

TRIPARTITE FREE TRADE AGREEMENT: Free Trade Agreement (member states of SADC, East African Community and Common Markets for Eastern and Southern Africa)

ECONOMIC PARTNERSHIP AGREEMENT BETWEEN SADC EPA STATES, THE EUROPEAN UNION AND MEMBER STATES: Economic Partnership Agreement (South Africa, Botswana, Namibia, Swaziland, Lesotho, Mozambique – SADC EPA; and the EU)

GENERALISED SYSTEM OF PREFERENCES (GSP): Unilateral preferences under the World Trade Organization (South Africa; EU, Norway, Switzerland, Russia, Turkey, USA, Canada, Japan)

FRIENDLY COOPERATION AGREEMENT BETWEEN HUNAN PROVINCE OF THE PEOPLE'S REPUBLIC OF CHINA AND THE NORTHERN CAPE: A Friendly Cooperation Agreement was signed in September 2015 to promote substantial exchanges and cooperation in the field of commerce and trade, agriculture, culture and tourism

TWINNING AGREEMENT BETWEEN KHARAS REGIONAL COUNCIL OF NAMIBIA AND THE NORTHERN CAPE: Signed in September 1999 to lay the foundation for cooperation and economic development. Focus areas are: Environment, Tourism and Conservation; Agriculture and Water Affairs; Mining; Fisheries and Aquaculture; Basic Education, Youth, Sport, Arts and Culture; Tertiary Education; Safety and Security

A PLETHORA OF OPPORTUNITIES



OUR VALUE OFFERING IN BRIEF TO THE KEEN INVESTOR

Acknowledging the ideals of Vision 2030, the National Development Plan (NDP), and the provincial leadership vision of realising modernised cities and a growing economy that serves the people of the Northern Cape this investment booklet serves to invite you, the keen investor, to take up a plethora of opportunities in our province.

Our Provincial Growth and Development Strategy (PGDS) supports the idea of a truly industrialised economy deeply entrenched in the principles and philosophy of the 4th Industrial Revolution. Empirical evidence presented in the form of provincial statistics indicates that a number of multi-national companies have already invested in the province in sectors such as renewable energy, minerals, metals and chemicals.

With other sectors such as agro-processing, aviation, petro-chemical and health remaining untapped, this is an opportunity for any investor to channel an investment where extra care is taken not only to ensure that normal costs associated with doing business in an otherwise rural setting are remarkably reduced, but an investor is offered world-class infrastructure. The structural enablement of investments are key cost drivers and this is addressed via the industrial corridor and nodes approach. These efforts are made not only to entice the investor, but also to enable investors and existing businesses to grow the economy and create local employment and opportunities while being globally competitive.

True to the proposition of the resource-based view, our province has the necessary resources that can accommodate investors, being globally competitive, to grow market share and create upstream and downstream opportunities. Our Provincial Growth and Development Plan (PGDP) is premised on the competitive advantage we have over other provinces, given the resource richness of the province. In order to achieve and maintain this competitiveness we offer opportunities to you, the keen investor, along our industrial development corridor.

This corridor, pictured below, enables the developer to stretch his investments along our economic nodes, Industrial Parks and Special Economic Zones based on the depth of his pockets and investment appetite. The opportunities in the province also extend beyond the Northern Cape N14 corridor and we urge you to contact us and our dedicated Investment One Stop Shop!



**Northern Cape
Industrial
Development
Corridor**

SPECIAL ECONOMIC ZONES AND INDUSTRIAL PARKS

THE NORTHERN CAPE is promoting industrial development via incentives linked to infrastructural development at specific sites.

This is in line with national policy in which various kinds of Special Economic Zones (SEZs) form a major component of industrial development policy. South Africa has several existing zones such as the Industrial Development Zones (IDZs) in the Eastern Cape and a Free Trade Port (FTP) in KwaZulu-Natal. The Northern Cape is offering the Namakwa Special Economic Zone (NSEZ), the Kathu Industrial Park (KIP) and the Upington Industrial Park (UIP).

Key goals behind the establishment of SEZs and IPs are:

- to encourage industries to develop in clusters, leading to economies of scale, skills-sharing and easier access by suppliers
- to create industrial infrastructure to promote investment
- to promote cooperation between the public and private sectors
- to use the zones as a launching pad for other plans to further development.

Apart from attracting foreign direct investment (FDI) and boosting employment, SEZs can also play a role in helping to add new sectors or subsectors to an economy.

Special Economic Zones are created in terms of the Special Economic Zones Act of 2014 (Act 16 of 2014). The act defines an SEZ as “geographically designated areas of the country that are set aside for specifically targeted economic activities, and supported through special arrangements and systems that are often different from those that apply to the rest of the country”. Lower corporate tax rates and duty-free imports are among the advantages for investors.

An economic development corridor along the N14 highway intends to strategically link Port Nolloth (Boegoebaai), the Namakwa Special Economic Zone, the Upington Industrial Park and the Kathu Industrial Park to unlock the development potential of the region and prepare it for investments.

Each of the three designated zones has a specific focus. The Kathu Industrial Park (KIP) is located at the heart of a major mining area and thus the first tenants will likely be companies servicing the mining sector. Similar links with the fast-growing renewable energy sector will be explored and a business incubator will encourage diversification.

The Upington Industrial Park (UIP) is close to Upington International Airport and is well served by access roads. All types of industry and manufacturing can be accommodated: targeted sectors include renewable energy (solar component manufacturing), aviation (maintenance, repair and overhaul), automotive (vehicle testing), agro-processing (citrus and grapes) and logistics.

The Namakwa SEZ (NSEZ) centres on the existence of the recently opened Gamsberg Zinc Mine and the proposed building of a smelter by Vedanta Zinc International.

SECTORAL CLUSTERS AND KEY INFRASTRUCTURE

GAMAGARA CORRIDOR:

Mining contributes 23.4% to the Northern Cape economy and makes up nearly 7% of SA's total mining value with significant deposits of iron ore, manganese, zinc, copper, lead, titanium, pig iron, zircon and gypsum. The availability of natural resources, labour and infrastructure (including the Sishen-Saldanha railway line), make Sishen the country's most important iron-ore mine, where operations include extraction and four beneficiation plants.

DE AAR RENEWABLE ENERGY:

More than R200bn has been committed by the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) to renewable energy projects across South Africa (target: 13 225MW to the national grid by 2025); 60% of the projects are in the Northern Cape. The biggest solar farm in SA to date was launched in March 2016 at De Aar.

SQUARE KILOMETRE ARRAY:

Unimaginable amounts of data will be collected in this transformative radio telescope project in the Karoo, with an image-resolution quality to exceed that of the Hubble Space Telescope by a factor of 50. Made up of thousands of antennae throughout Australia and Africa, and centred on the area around Carnarvon in the Northern Cape, the scheme has wide-ranging implications for the province.

There are 17 countries on the project, with the headquarters in Manchester, England. In Africa, a total of eight countries will host SKA antennae, including Kenya, Mozambique, Namibia and Zambia.

The 64-dish MeerKAT telescope, situated in Sutherland, will form part of the SKA, and the MeerLICHT telescope, part of the MeerKAT project, is a multinational project (South Africa, the Netherlands, the UK) involving scientists from six institutions and forming part of a broader National Department of Science and Technology multi-wavelength astronomy (MWA) strategy.

VAALHARTS IRRIGATION SCHEME:

In the north, the irrigated Vaalharts district covers 43 000ha and is home to a variety of food producers and processors, such as Olives South Africa, which has 200 000 trees and produces a variety of oils for local and foreign markets. In the east, OVK oversees Gariep Organic Meat Processors in Hopetown. Kimberley has a number of food-processing facilities catering for the urban population.

MINERAL BENEFICIATION:

Kimberley is the site of diamond beneficiation projects boosted by the signing of MOUs with Turkey and India for diamond cutting and polishing, and jewellery manufacturing at the Kimberley International Diamond and Jewellery Academy (KIDJA).

METAL MANUFACTURING:

The mining sector is strongly represented in the John Taolo Gaetsewe District Municipality, in which the towns of Kuruman, Kathu and Hotazel are situated.

AGRI-PROCESSING:

Wine, grapes and raisins, animal hides and abattoirs are among the processing operations along the Orange River in the ZF Mgcawu District Municipality. Other main towns are Groblershoop, Kakamas and Upington, with dates, olives, citrus and rooibos tea providing excellent growth potential.

COASTLINE:

Notwithstanding growth in the abalone, fishing and lobster industries, economic potential lies in the 313km coastline, encouraged by the national Oceans Economy programme, with Port Nolloth, Boegoebaai and Hondeklip Bay harbours targeted for development. The latter has already received investment in the aquaculture sector. The province has been allocated an increased quota for landing fish (primarily hake) which makes Port Nolloth attractive for investment in fish processing and abalone ranching.

TOURISM:

The Northern Cape boasts unparalleled spring flower displays, six national parks and five provincial reserves including the Kgalagadi Transfrontier Park (with Botswana) encompassing 3.7m hectares. Hunting is a lucrative subsector, contributing to the economic development of rural communities. The Diamond Fields region contains the Big Hole and portions of the famed Battlefields Route. General opportunities for investors in the sector include nature and game reserves, adventure tourism, upgrading of accommodation facilities, theme parks, and improvement of air transport networks. Specific projects in the pipeline include:

STEAM ON TRACKS: Revival of the steam-train tourism industry of the province to deliver a tourism mix of diamond and mining history with other attractions as part of an integrated tourism package.ge

SKA SCIENCE EXPLORATORIUM: The establishment of a multi-purpose facility including a Science Visitor Centre, SKA Information Centre, conferencing facilities and accommodation.

SCIENCE TOURISM: Development of special interest tourism including exploration and adventure tourism with a scientific dimension, cultural tourism based on scientific knowledge, eco-volunteering and scientific research tourism.

BLOODHOUND LAND SPEED RECORD, HAKSKEENPAN: Tourism and other spin-off opportunities emanating from the international initiative to set a new world land speed record.

UPINGTON INTERNATIONAL AIRPORT:

Upington International Airport's 4.9km runway allows it to land the largest aircraft. Airports Company South Africa (ACSA) is a partner in the application to run the Upington IP and has allocated 55ha for the creation of an aviation park to store and maintain aircraft, and a further 30ha for commercial development. The planned storage facility could also support a variety of related sectors such as modification and demolition, parts manufacturing and warehousing, and ground support equipment (GSE) repair.

MEETINGS, CONFERENCES AND EVENTS

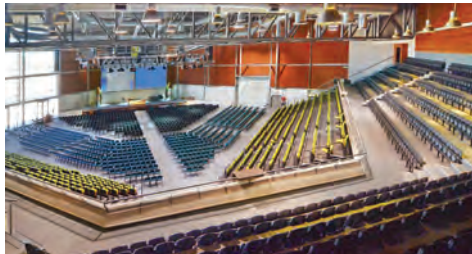
THE MITTAH SEPEREPERE INTERNATIONAL CONVENTION CENTRE

LOCATION: 2-4 WEST CIRCULAR ROAD, BIG HOLE PRECINCT, KIMBERLEY

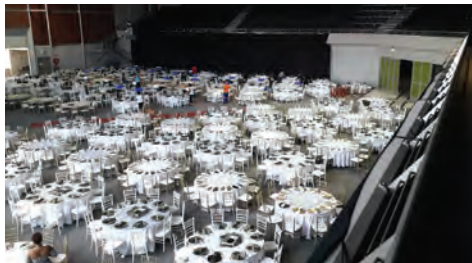
The Mittah Seperepere International Convention Centre (MSICC) is one of the newest convention centres in South Africa and was officially opened in 2012. It was designed and built as a multi-functional centre that can host high-profile conventions, meetings, exhibitions, launches, sporting events and shows.

The MSICC is situated in central South Africa in the city of Kimberley, opposite the world-renowned Big Hole. This location makes it perfect for events in South Africa and all the SADC countries surrounding South Africa. The MSICC has no match where it concerns events in central South Africa and boasts all the high-tech equipment necessary to host successful events.

ABOUT THE MSICC



The main auditorium, with cinema-style seating, can seat up to 2 500 people. When the hall is arranged in banqueting style, it can accommodate up to 1 000 guests.



The centre also has four break-away rooms that can accommodate a total of 500 people, an industrial kitchen that can cater for 3 000 people and ample parking.



The foyer can accommodate 400 people for a variety of events and functions. A boardroom can cater for meetings of 25 people.



The amphitheatre space outside the centre can hold up to 2 000 participants for events or concerts. Marquee tents can be erected on the large outdoor space.



NEW BUSINESS MODEL FOR MSICC

The Northern Cape Development Agency (NCEDA) is currently exploring different business model possibilities to enable the MSICC to function at maximum capacity. Included in the list of possible options is the creation of public-private partnerships.

The MSICC was originally established as an economic generator for the tourism sector in Kimberley and the Northern Cape. To date, it has fulfilled this role, but through experience and time it has become clear that the inclusion of a private partner will enable the centre to become an even bigger enabler of growth in the city and the province.

ATTRACTIONS NEAR THE MSICC

The City of Kimberley is steeped in the history of diamonds and all the intricacies surrounding that amazing story.

Visitors can join ghost tours at night, visiting famous historical buildings in anticipation of encountering a ghost or visit the rock-painting sites of the first people of South Africa. This is also the city which was besieged during the Anglo-Boer War when Cecil John Rhodes was a resident.

Kimberley offers every type of accommodation and a host of activities including wellness spas, two shopping malls, educational workshops (interior décor, cooking) and diamond shopping.

Close to Kimberley there are several private nature reserves where you will find all the arid flora and fauna that have made the area so well-known with nature lovers. There are further offerings of photographic visits and unique hunting experiences –specialist tour guides will share their knowledge and make your visit to central South Africa a memorable one.

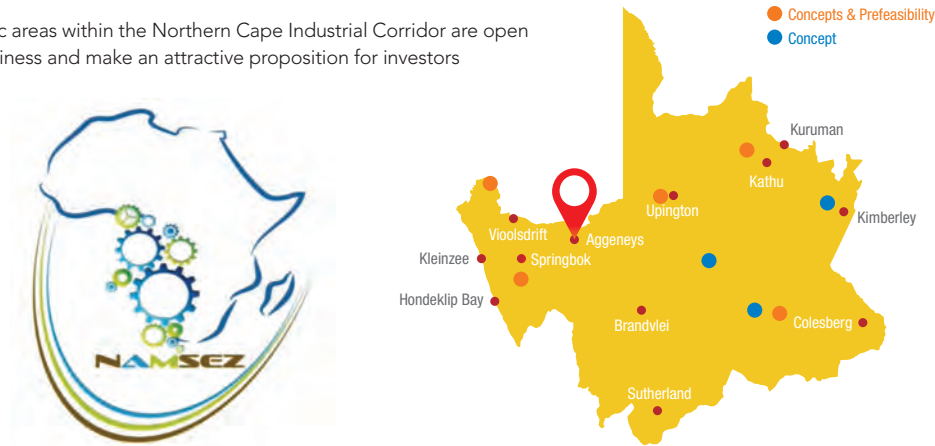


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INVESTMENT OPPORTUNITIES

NAMAKWA SPECIAL ECONOMIC ZONE

Specific areas within the Northern Cape Industrial Corridor are open for business and make an attractive proposition for investors



NAMAKWA SPECIAL ECONOMIC ZONE (NSEZ)

The proposed Namakwa SEZ is located in the small mining town of Aggeneys. Aggeneys is in the Khai-Ma Local Municipality within the Namakwa District Municipality of the Northern Cape Province. Aggeneys is 66km from Pofadder (headquarters of the local municipality) and 110km from Springbok, where the office of the district municipality is located.

The value proposition of the Namakwa SEZ is based on the existence of the Gamsberg Zinc Mine and the proposed building of a smelter by Vedanta Zinc International. These would be the anchor tenants of the SEZ. It is proposed that a smelter be built to treat zinc concentrate produced at Gamsberg. The zinc concentrate produced at the existing concentrator plant will be treated in the smelter using the conventional roast-leach-electrowinning (R-L-E) process.

The full process would involve the treatment of 680 000/tpa of zinc concentrate to produce 300 000/tpa of high-grade zinc ingots for export.

As a by-product 450 000/tpa of 98.5% pure sulphuric acid will be produced for both export and consumption within South Africa.

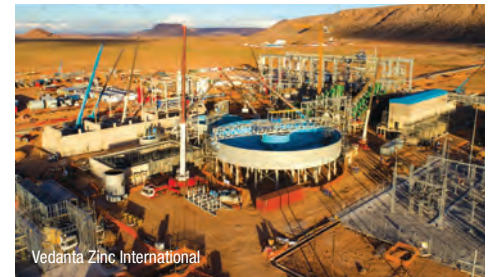


Non-ferrous metals such as zinc have characteristics that make them immensely useful in a wide range of downstream applications. Resistance to corrosion and their non-magnetic qualities are among the reasons for the wide range of uses to which they can be put.

Various wastes and by-products will be generated by the smelter that could be useful to investors. Waste includes iron cake stabilized (dry), Jarofix; effluent treatment plant cake (dry); evaporation pond salts (dry); and cellhouse sludge (dry).

By-products include manganese cake (dry); Cu-Cd cement (dry); Co-Ni cement (dry); and sulphuric acid (wet). Investors in this category include businesses in the follow sectors: sulphuric acid (including pharmaceutical, automotive batteries and paper bleaching); fertilisers; explosives; paints.

Another category of potential investors in the SEZ are those providing ancillary services.



RESPONSIBLE INSTITUTION:

Northern Cape Department of Economic Development and Tourism

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INVESTMENT OPPORTUNITIES

UPINGTON INDUSTRIAL PARK

Upington is the second-biggest town in the Northern Cape, 130km from the Namibian border post and about 350 km from the border post of Botswana, with good access roads such as the N10 and the N14. It is 500km from Boegoe Bay's Port Nolloth, earmarked for the integrated planning of South Africa's Oceans Economy under the Operation Phakisa programme.



Upington Industrial Park is situated next to Upington International Airport and therefore offers the potential investor the luxury and efficiency of various modes of transport. Through the industrial park programme investors can enjoy a number of benefits, ranging from a controlled access point to the incentivised provision of infrastructure and relaxed municipal tariffs. Upington Industrial Park forms part of the Northern Cape Industrial Corridor.

The project is a key enabler for the Northern Cape Shared Value Initiative and has various points of integration with the regional (our corridor) and national strategic planning. UIP is positioned as a High Impact Project for the Northern Cape and form part of the national government's Strategic Infrastructure Projects (SIP-5 programme).

The project supports the ideals of the industrialised society and offers the following benefits to the keen investor:

BUSINESS INCUBATOR: Harnessing the necessary skills required by the investor industry's specific needs and training of SMMEs for future expansion.

SUPPLIER EFFECTIVENESS AND EFFICIENCY: Ensuring improved local capacity, capability, foot print and service levels.

Opportunities exist for investors in Upington Industrial Park in the following sectors:

RENEWABLE ENERGY: Components manufacturing. The majority of solar investors in South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) are located in the Northern Cape. There is an increasing demand for photovoltaic (PV) and concentrated solar power (CSP) in South Africa and Sub-Saharan Africa.



Helioscsp



Toyota

The focus on the renewable energy sector is part of an international trend with many countries setting ambitious targets to be met in coming decades. Renewable energy deployment is one of the goals targeted in the 2030 Sustainable Development Goals (SDGs) by the United Nations (UN). Keen investors are invited to take up space in the UIP for generation, components manufacturing and any other energy-related activity.

AVIATION: Maintenance, repair and overhaul facility (MRO) and storage for aircraft. Airports Company of South Africa (ACSA) is looking for investors to locate to prime land, to be involved in the maintenance, repair and overhaul of aircrafts. Storage of these aircrafts is another option given the unique climatic conditions offered by Upington.

AUTOMOTIVE: Vehicle testing and long-term evaluation. Vehicle manufacturers are attracted to high temperatures, rough tracks and good roads. Upington International Airport specialises in providing a service to charter flights for the automotive industry.

With the four biggest original equipment manufacturers (OEMs) testing their exploits every year in Upington for four months, it makes for a sound business proposition to invest in the Park and take opportunities in the automotive sector. Automotive testing is a common phenomenon in Upington with patrons extensively utilising Upington International Airport to charter cargo to Upington for car-testing and for spare parts. Attracted by extremely hot temperature conditions, rough tracks and decent road conditions, OEMs test their cars extensively.

AGRO-PROCESSING: The ZF Mgcawu District in which Upington is situated is well known for producing export-quality grapes, citrus, dried fruit such as raisins and other fruits.

Given some of the most extreme weather conditions to be found anywhere in Sub-Saharan Africa, this sector is ready for investors who want to take advantage of the best grapes and dates in the world. An established market in Europe and other parts around the globe has already been established and interested investors are assured of the best produce that will realise a speedy return on their investments.

LOGISTICS: Upington's relationship to the SADC countries and with several modes of transport meeting in the town, make it an ideal logistics hub.

INVESTMENT SECURITY: An investment in Upington will ensure a foothold into SADC and the rest of Africa – enabled with infrastructure, support services and several modes of transport.

RESPONSIBLE INSTITUTION:

Northern Cape Department of Economic Development and Tourism

Address: Metlife Towers, Corner Stead and Knight Street, Kimberley 8300

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Email: rwarie@ncpg.gov.za or warieriaan@gmail.com

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Mr Hendrik Louw, Acting CEO

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

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Email: hlouw@nceda.co.za

INVESTMENT OPPORTUNITIES

KATHU INDUSTRIAL PARK

PROJECT LOCATION:

District: Gamagara Local Municipality

City/town: Kathu

Physical address: Farm Sekgame, 461 Kuruman Road

GPS coordinates: S27° 42' 52.5" E23° 02' 33.8"

INVESTMENT VALUE:

Total Project Cost: R1.5-billion

(pending Phase 2-3 business model and timing)

Phase 1 estimate: R530m



PROJECT NAME AND BACKGROUND:

Kathu Industrial Park: The Sishen Iron Ore Company (Pty) Ltd (SIOC) and the Industrial Development Corporation (IDC) have funded various studies to assess the feasibility of developing an industrial park to stimulate sustainable long-term economic development for the Northern Cape region. The envisaged development will attract a variety of tenants delivering industrial goods and services within a synergistic environment supported by centralised services and complemented by a business incubation and training complex. With the mining industry being the largest real economic sector in the Northern Cape economy (based on contribution to GDP), the town of Kathu – located in the Gamagara Local Municipality (GLM) – is the preferred location due to its central proximity to the Postmasburg-Hotazel iron-ore/manganese belt and various established and pending REIPPPP projects. It is envisaged that the Kathu Industrial Park (KIP) serve as a catalyst for accelerated growth of other economic sectors. The bankability study has not only confirmed extensive interest from businesses with a vested interest in the Northern Cape region (ie potential tenants), but has also confirmed the support of various key stakeholders as well as the commitment of investors and financiers. This development, located on the R380, is easily accessible from the N14 – a major service route between Johannesburg, the West Coast of South Africa and Botswana – and the Kathu airport. The study process has included an assessment of infrastructural requirements and has confirmed integration with GLM planning. The project is considered a key enabler for localised manufacturing initiatives anticipated via the Northern Cape Shared Value Initiative and Impact Catalyst.



TARGETED SECTORS:

The KIP targets all economic sectors requiring serviced industrial space in the region, but with the major portion of the initial tenant makeup (study phase uptake) primarily serving the established mining sector, by virtue of the KIP's central proximity to the Postmasburg-Hotazel iron-ore/manganese belt. The KIP is also well positioned to serve the emerging REIPP sector in the region. In addition to the ongoing development of business opportunities within the tenant supply chains, it will be the role of the KIP business incubator to expand coverage of the KIP into other sectors. Study phase tenant engagement and commitment to the project has covered all possible prospective tenants, regardless of size or level of development. The KIP development caters for every kind of tenant facilities, from large customised facilities through to smaller economically efficient mini-factories.

DESCRIPTION OF THE PROJECT:

The KIP development comprises the following:

- Central Hub: This will comprise various facilities and the associated infrastructure network supporting KIP management structures. The scope of facilities is envisaged to include: central administration offices, conferencing facilities, an auditorium, a security office, a restaurant and other social facilities. These are to be located in a hub within the park, ie a centrally located single-level building, with visitors parking and appropriate landscaping
- A Business Incubation Centre and Training Centre
- Customised warehouses and industrial buildings and (standard specification) mini-factories
- Security fencing and lighting
- Additional infrastructure envisaged for the functionality of the KIP includes: internal roads (tarred and paved), storm-water systems and an internal water reticulation system

PROJECT FINANCED BY:

Phase 1 (R530m): R410m debt and equity commitment provisionally secured from private sector (mining stakeholders) and public sector (IDC). Engagement is ongoing with Northern Cape Provincial Government and Department of Trade, Industry and Competition (dtic) to resolve funding shortfall and crowd out IDC equity investment.

Phase 2-3: Current indication is that tenant uptake surplus to Phase 1 will support a further phase of at least R500m but with this position likely to increase substantially once project is launched and also subject to the nature of further demand (ie rental vs ownership options).

PROJECT STATUS:

Bankability Study, Project Development Plan, Environmental Permitting, Land Re-zoning and various scope re-alignment and market studies completed. Investor Engagement Phase substantively completed (including investor term sheets and KIP formational agreements), with provisional commitment secured from IDC, Kumba, SIOC-CDT, Assmang and South32, but with a funding shortfall of R120m still to be resolved prior to concluding KIP Formation and undertaking Phase 1 design development.

PARTNERSHIPS:

- Private Sector • Industrial Development Corporation • Provincial government • Local government

MAIN PROJECT CONTACTS:

Contact person: Mr Michael Goodson

Designation: Project Lead

Email: michael.goodson@angloamerican.com

Contact person: Mr Mehmood Ahmed

Designation: KIP Director

Tel: 053 807 1050 | **Mobile:** 078 801 4081

Email: mehmooda@idc.co.za

INVESTMENT OPPORTUNITIES

BOEGOEBAAI PORT, RAIL & INFRASTRUCTURE PROJECT

PROJECT POSITIONING:

Boegoebaai is approximately 60km north of Port Nolloth and 20km south of the border between Namibia and South Africa in the Richtersveld Local Municipality area.

The primary opportunity of the site is the short distance between the coastline and relatively deep water. The location places it relatively close in proximity to rich mining and agriculture sectors compared to other existing ports.

It is to be noted that the envisaged Boegoebaai deep water port will be a Greenfields development. The project is the first development of this magnitude to be undertaken by the Province in the last 26 years.

NUMBER OF JOBS TO BE CREATED:

- The estimated direct construction job creation is 2971
- Estimated direct operational jobs is 400
- Indirect and induced jobs are a further 13 819

INVESTMENT VALUE:

- Capital cost: R13.8-billion
- Project IRR: 13,3%
- Project NPV: R4.406 billion
- Economic IRR: 48,4%
- Economic NPV: R44 billion
- Economic Benefit Cost Ratio: 2.46

PROJECT NAME AND BACKGROUND:

Boegoebaai Port and Rail Infrastructure Project.

The Northern Cape Province has the volumes of commodities to warrant a deep-sea commercial port, specifically as a result of mining and agricultural activities. All commodities are currently transported via road or rail for exports through ports in other provinces, effectively making the Northern Cape economically landlocked, even though it has access to 338km of Atlantic coastline. Despite a 70% gross domestic product (GDP) growth in the transport sector between 2010 and 2016, save for Port Nolloth, the Northern Cape did not experience the GDP growth as a result of seaport activities. The Boegoebaai site has all the advantages for the potential development of a deep-sea port, namely:

- The 20-metre contour is 250m offshore
- It is a greenfield site owned by the people of the Richtersveld through the Community Property Association (CPA)



TARGETED SECTORS:

The port will have the Dry Bulk Terminal for exports; Liquid Bulk Terminal to handle various bulk liquid products and the Multi-Purpose Container Terminal.

DESCRIPTION OF THE PROJECT:

Deep-water port development comprising two berths: one dry bulk export berth and one break bulk berth, supported by a 550km railway line, bulk services and associated social infrastructure.

PROJECT FINANCED BY:

The project is being developed in terms of the PPP Project Cycle in terms of the Treasury Regulation 16 of the Public Finance Management Act, 1999. The development of a Northern Cape Provincial SEZ Establishment Framework will be used for a Special Economic Zone as an economic growth and development instrument to attract new local and foreign investment. This project will be structured as a PPP, primarily to transfer risk and to source investment. Optimal risk allocation creates value. By granting a long-term concession, market, investment, and operational risks can be transferred to a terminal that can absorb part of the commercial risk. A PPP for a deep-water port of the nature being contemplated at Boegoebaai would typically operate within a concession framework. This means that the private party/concessionaire is granted permission by the appropriate public procuring entity to design, build, finance, insure, operate and maintain the port and collect revenues from it, for a fixed period of time after which the port will be handed back to the public entity.

PROJECT STATUS:

Business case and feasibility studies reports have been completed and a conditional approval from National Treasury -Treasury Approval 1 (TA1) has been obtained with the request to proceed with TA2 A in a form of Request for Qualification (RfQ) process. The following outlines the project's deliverables to be completed:

- Transactional Advisory for TA2 and TA3
- Legal Imperatives
- Market Sounding
- Technical
- Financial and Capital Raising
- Environmental
- Project Management Office (PMO)

PROJECT CONTACTS:

Government Department:

Department of Transport, Safety and Liaison

Contact person: Mr. MP Dichaba

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INVESTMENT OPPORTUNITIES

NAMAKWA IRRIGATION DEVELOPMENT PROJECT

PROJECT LOCATION:

District: Namakwa District, 11 localities

NUMBER OF JOBS TO BE CREATED:

The impact on employment due to the proposed development is estimated at 3 447 on a direct level, which will include 133 skilled and 1 772 semi-skilled positions. Most of this direct employment will be at the place of production. With the indirect and induced levels added, the impact on employment increases to more than 3 945 for the entire economy

INVESTMENT VALUE:

The investment value of the 11 localities is around R1.7-billion.



PROJECT NAME AND BACKGROUND:

Namakwa Irrigation Development Project: Pressure has been placed upon various government departments since 2000 to look at areas of highest agricultural potential for improved agricultural production. This began with the Sector Plan on Agriculture in 2001 when three core strategies were identified under a joint sectoral vision of a United and Prosperous Agricultural Sector. The three core strategies were: Equitable Access and Participation, Global Competitiveness and Profitability and Sustainable Resource Management

These core strategies sought to:

- Enhance equitable access to and participation in agricultural opportunities; to deracialise land and enterprise ownership; and to unlock the full entrepreneurial potential in the sector
- Enhance profitability through sustained global competitiveness in the agricultural sector's input supply, primary production, agri-processing and agri-tourism industries
- Enhance farmers' capacities to use resources in a sustainable manner and to ensure the wise use and management of natural resources

This was later followed up by the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) in 2004 which sought to increase growth in order to halve poverty and unemployment by 2014. Part of AsgiSA was to ramp up public sector infrastructure investment in the form of bulk water and water distribution as well as energy infrastructure. AsgiSA further required government to look at measures to realise the value of dead assets. These assets were mainly sitting in the hands of black farmers but without commercial value. Government was required to improve its planning and zoning capacities, hence the provincial focus on Agricultural Hubs. These hubs were essentially zoning of high-potential areas in the Northern Cape. Through other support initiatives such as the Orange River Farmer Settlement and Development Programme, 4 000ha Water Rights Programme and the Land and Agrarian Reform Programme, the conceptualisation and realisation of the business concept that is the Namakwa Irrigation Development was born.

TARGETED SECTORS:

Agriculture and agro-processing.

DESCRIPTION OF THE PROJECT:

The scope of this project will be to develop approximately 3 200ha of high-potential arable land in the Namakwa District. This arable land is located in 11 distinct areas. Each of these have been described, planned and costed individually. Onseepkans has been identified as the pilot to this larger project and the bulk water system is being constructed. Of the identified land, 2 000ha has existing water licences. A further 1 200ha will have to be secured. The basket of products to be produced varies from cash crops such as lucerne and grains, but the bulk of the development is aimed at high-value crops with export potential in order to secure significant growth on the required investment.

This development (11 projects) will generate R521-million per annum in value of production when in full production. This will have an economic impact on various levels of the economy. It will lead to an increase in the Gross Domestic Product (GDP) of the Namakwa District. Additional value will be added through inputs such as machinery and equipment, chemicals, packing material, fuel, electricity, water, etc. This development would add an additional R200-million to the Namakwa economy on a direct level. Adding the indirect and induced levels, the impact on GDP exceeds R272-million per annum for the entire economy.

PROJECT FINANCED BY:

The project so far has been funded by government through conditional grant funding but it is expected that strategic and equity partners will be invited to participate. The anchor project of the Namakwa Irrigation Development is in Onseepkans and over R120-million is being spent by government on the bulk water and water distribution networks to irrigate plots and new developments. A further R30-million has been spent in the development and maintenance of vineyards to produce export raisins.

PROJECT STATUS:

The anchor project is currently being developed and working with other stakeholders such as the IDC and Raisin SA, bankable business plans are being compiled for each locality except Onseepkans which already has a business plan.

PARTNERSHIPS:

- Department of Agriculture, Land Reform and Rural Development (National)
- Department of Agriculture, Land Reform and Rural Development (Provincial)
- IDC
- Khai-Ma Local Municipality

RESPONSIBLE INSTITUTION:

Northern Cape Department of Agriculture

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INVESTMENT OPPORTUNITIES

DE AAR LOGISTICS HUB

PROJECT LOCATION:

District: Pixley Ka Seme District
City/Town: De Aar

NUMBER OF JOBS TO BE CREATED:

Create 2,475 job opportunities
(temporary and full-time jobs)

INVESTMENT VALUE:

Total value of the project: R600-million.



PROJECT NAME AND BACKGROUND:

De Aar Logistics Hub: The Project entails construction of an inland intermodal system comprising: Container Terminal, Vehicle parking Terminal, Warehouse/Cold room Terminal.

The province has focused its priorities (in alignment with the National Development Plan – Vision 2030) and identified priorities to enhance the quality of life of the community. There are inefficiencies in the transport sector which restrict economic growth and job creation because over 80% of freight in South Africa is moved via road. The result of this is poor road conditions which have an impact on product quality, product losses and substantial expenditure towards vehicle maintenance and related costs. The result is increased operational expenditure for miners and farmers.

The Northern Cape is a major exporter of table grapes, fruit and meat and is responsible for much of the cattle, sheep and goat farming in the country. Long distances and poor access to markets and storage facilities are limiting profitability for farmers. Small-scale and emerging farmers are excluded from exporting due to the lack of critical mass and other dynamics such as access to markets and financial resources. The mining sector has expressed similar concerns. Approximately 60% of the commodities from large producers is already moved from Hotazel by rail through the province via De Aar or Bloemfontein to Port Elizabeth.

Various other commodities are moved via rail through the town of De Aar, of which the most notable are cement from domestic market, coal and lime, and containers holding general cargo and automotive components.

Train drivers and locomotives are changed in De Aar which supports the concept of De Aar becoming a consolidation point for freight to ensure migration from road to rail due to its location and connectivity.

The De Aar Logistics Hub serves as the first step for the long-term solution sought by the Northern Cape Department of Transport, Safety and Liaison (NCDTSL) to optimise the freight strategy and logistic functions of the province.

The Key Priorities which could be addressed through these projects are:

- Expanding infrastructure
- Economic development
- Creating jobs and therefore contributing positively to the livelihoods of the people of the province
- Transforming the spatial reality
- Improving education and training
- Addressing the social ills of the province.

TARGETED SECTORS:

Logistics.

DESCRIPTION OF THE PROJECT:

Container logistics hub for freight comprising:

- Container terminal – consolidation of freight
- Agricultural warehouse
- Storage facilities
- Vehicle storage yard.

Potential commodity mix:

The Northern Cape has many commodities that can be traded and transported via the De Aar Logistics Hub which could serve as a catalyst for local and regional economic development (see table below).

COMMODITY	VOLUMES
Iron Ore	50 to 60mtpa predominantly for the export market
Manganese	18mtpa for the local and export markets
Auto Manufacturers	15 000 units per annum
Agriculture	2mtpa (exports and local markets)
School Nutrition	45 000 tons (provincial market)
Upington Cargo Hub	Tonnages to be confirmed and to serve the export market
Namibian trade	Tonnages to be confirmed
Transit Strategic Marterial Supply Hub	Tonnages to be confirmed for provincial market only

PROJECT FINANCED BY:

Public-Private Partnership (PPP), Equity partners/investors. The proposed funding structure entails a cash equity injection of 15% and the balance being funded through senior and sub-ordinated loans.

PROJECT STATUS:

Initial Government Announcement, Project Investigation and start of Project Feasibility / Business Case completed.

PARTNERSHIPS:

- Provincial government (DTSL)
- District and local municipalities
- Consultants.

RESPONSIBLE INSTITUTION:

Northern Cape Department of Transport, Safety and Liaison

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INVESTMENT OPPORTUNITIES

TSANTSABANE FUEL DEPOT (KALAHARI FUEL DEPOT)

PROJECT LOCATION:

District: ZF Mgcawu District Municipality

City/Town: Postmasburg

Physical address: ERF 1, Beeshoek Road, Postmasburg.

NUMBER OF JOBS TO BE CREATED:

The total number of jobs to be created (direct and indirect/construction) is 925.

INVESTMENT VALUE:

The total value of the investment is R400-million.



PROJECT NAME AND BACKGROUND:

Tsantsabane Fuel Depot was conceived by the management of Mabour Ink Enterprise, a Kuruman/Mapoteng village-based 100% black female-owned oil company. They decided to pursue their vision of establishing the first Northern Cape-based oil major supported by its own oil terminal/fuel depot/tank farm and in the process transform the economy for the benefit of the Northern Cape. The concept of establishing the Tsantsabane Fuel Depot emerged from this passion and vision. Work on the project officially commenced in 2016, with engagements taking place between the sponsors, the Tsantsabane Local Municipality, Transnet and the mines in the region. VGI Consulting Engineers have developed a conceptual design accompanied by an engineering study, which will form the basis of the bankable feasibility study.



TARGETED SECTORS:

Downstream oil and gas. Mining. Logistics. Infrastructure.

DESCRIPTION OF THE PROJECT:

The facility will handle the storage and distribution of 40 000 000 litres of petrol (ULP), diesel, transmission oil and lubricants. The project has additionally been allocated the Transnet New Multi-Purpose Product Pipeline (NMPP) approval, which will enable the transportation of fuel stock through the various points in the New Multi-Purpose Product Pipeline (NMPP). This approval further emphasises the strategic fit of the project to the country's logistics infrastructure plans. Transnet's intention is the integration of the project into the Saldanha - Sishen rail corridor for enhancing the economic viability of the corridor.

PROJECT FINANCED BY:

An initial amount of R15-million is required to ensure the bankability of the project in order to enhance the project for participation by the IDC and the DBSA. The IDC has already issued a written expression of interest to finance the project once the initial tasks have been fulfilled by the project sponsors. The R400-million will further be financed by the IDC, the DBSA and a private equity partner brought by Mabour Ink Enterprise through a combination of debt, equity and mezzanine instruments. Through the support of the Northern Cape Department of Economic Development, an investment of over R400-million will be unlocked and drawn to the Northern Cape Province.

PROJECT STATUS:

Mabour Ink Enterprise needs R15-million for the bankability of the project. The project is still in Preparation and Engineering Feasibility Phase. Project preparation is the process of analysing and developing a project idea into a final project ready for implementation. The product of this process is presented in the form of a Project Document. Project Preparation consists of all the work necessary to ensure that a proposed project is feasible and appropriate and that it can be successfully implemented. Mabour Ink Enterprise needs R15-million for the bankability of the project.

PARTNERSHIPS:

Department of Economic Development and Tourism Northern Cape is the custodian of the project. Mabour Ink Enterprise are in talks with private equity investors, and EPC for the development of the project up to Operational phase. Tsantsabane Local Municipality is the land owner, and authority responsible for zoning, approval of town planning scheme, and the inclusion of the Project in the 2021 IDP of the municipality, and other records of decision (RoD). Transnet SOC is the precinct owner and conveyance partner. We envisage key development partners as the subsidiaries of the Central Energy Fund (CEF) - Strategic Fuel Fund (SFF) and Petro SA, the Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA), and foreign direct investment (FDI).

RESPONSIBLE INSTITUTION:

Mabour Ink Enterprise

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INVESTMENT OPPORTUNITIES

METALS INDUSTRIAL CLUSTER

PROJECT LOCATION:

District: John Taolo Gaetsewe Municipality

City/Town: Kuruman

Physical address: N14, approximately south-east of Kuruman, near the Country Club turnoff.

NUMBER OF JOBS TO BE CREATED:

The total number of jobs to be created (direct and indirect/construction phase) is 27 000.

INVESTMENT VALUE:

The total value of the project is R591-million.



PROJECT NAME AND BACKGROUND:

Northern Cape Metals Industrial Cluster (NCMIC or Cluster) is an initiative of the Northern Cape Department of Economic Development and Tourism. It commenced with a feasibility study and is now in its implementation phase.

TARGETED SECTORS:

- Metals manufacturing
- Agriculture
- Mining
- Construction



DESCRIPTION OF THE PROJECT:

The NCMIC project is anchored around steel manufacturing while allowing for other related industries to be located in the Cluster. The Cluster has been incorporated as a non-profit company, operating under the leadership of an Executive Committee. The NCMIC was initiated as part of the drive by the Northern Cape Department of Economic Development and Tourism to promote metals manufacturing and related industries in the province. The Cluster is just short of 60 football fields in size, and is located along the N14, approximately south-east of Kuruman. The NCMIC falls within the jurisdiction of the Ga-Segonyana Local Municipality and within the greater John Taolo Gaetsewe District Municipality in the Northern Cape Province.

The Cluster will be fully established through a development of four phases. Phase 1 is currently under development. The Cluster allows for the inclusion of Small and Medium Enterprises (SMEs) and Small, Medium and Micro Enterprises (SMMEs) with an increasing number of larger enterprises over time. The NCMIC will ensure that synergies are created among the Cluster participants, which will ultimately benefit the surrounding communities through increased job opportunities.

Incentives on offer to Cluster Member Firms (Cluster Members) include shared infrastructure, facilities and services, as well as access to funding. Shared infrastructure will include a common boundary fence, security checkpoint, utility connection points and road infrastructure within the Cluster. Cluster Members will have access to shared manufacturing and warehousing facilities (eg machining and design facilities, and a shared warehouse) as well as to supporting facilities (eg onsite canteen, banking agencies and a recreational centre). Cluster Members will also have access to shared services (eg wireless network, and marketing and linkages).

The Cluster will include an Incubation Centre for SMME development, and this will be supplemented by a Skills Development Centre.

Apart from the industrial activities in the Cluster, other business-related opportunities are planned for SMMEs and local businesses such as security services, gardening services, a restaurant/coffee shop, conference facilities, opportunities during the construction phase, courier and postal services, waste management and recycling, etc. There are currently six entities which have been approved to establish operations in the NCMIC.

PROJECT FINANCED BY:

The main project funders are the private sector and government. The municipality will provide various incentives as part of project support. Public-sector funding includes funding from the dti, the DSBA, and SEDA.

PROJECT STATUS:

Project Feasibility and Business Case completed. It is now at the Establishment Phase.

PARTNERSHIPS:

The Northern Cape Department of Economic Development and Tourism is the principal owner of the NCMIC project. Ga-Segonyana Local Municipality is integrally involved in the project. Other stakeholders include the dti, SEDA and private-sector member firms.

RESPONSIBLE INSTITUTION:

Northern Cape Department of Economic Development & Tourism

Contact person: Mr Yanda Gqabaza, Senior Manager: Sector Development

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Email: gqabaza@gmail.com

INVESTMENT OPPORTUNITIES

MRO FACILITY

PROJECT LOCATION:

District: ZF Mgcawu District Municipality

City/town: Upington

Physical address: 24 Schroeder Street, Upington, 8801

GPS coordinates: 28°25'51.96"S; 21°14'04.71"E

NUMBER OF JOBS TO BE CREATED:

A total of 400 jobs will be created through this project.

INVESTMENT VALUE:

The total value required for the project is R800-million.

TARGETED SECTORS:

Aeronautics.



PROJECT NAME AND BACKGROUND:

The investor identified a need to develop an MRO in South Africa and the viable location for it is Upington due to its arid climate, long airport runway (5km) and other factors. The establishment of an Industrial Park in Upington is also a critical factor leading to the success of this project as it offers lucrative incentives and other enabling factors.

DESCRIPTION OF THE PROJECT:

The investor intends to develop an aviation park to accommodate maintenance, repairs and overhaul of aircraft and R&D. These activities will also include airline storage, dismantling, scrapping, painting and internal refurbishment.

PROJECT FINANCED BY:

The project will be financed by the private sector with the government providing enabling infrastructure.

PROJECT STATUS:

The Business Case and Feasibility Studies have been completed.

PARTNERSHIPS:

- Private sector
- Provincial government
- Local government
- Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA)

RESPONSIBLE INSTITUTION:

Upington Industrial Park

Contact person: Ms Babalwa Mbobo, Sector Specialist

Tel: 087 086 0356 | **Mobile:** 078 179 7611

Email: bmbobo@nceda.co.za

Department of Trade and Industry

Contact person: Mr T Klassen | **Tel:** 012 394 1482

Dawid Kruiper Local Municipality

Contact person: Mr E Ntoba

Tel: 054 338 5000

Email: entoba@dkm.gov.za

Airport Company of South Africa

Contact person: Ms Louhn Kuhn

Tel: 021 937 1200 | **Mobile:** 082 448 1937

Email: Louhn.Kuhn@airports.co.za

ALGAE PRODUCTION



PROJECT LOCATION:

District: ZF Mgcawu District

City/town: Upington

Physical address: 4 Schroeder Street, Upington

GPS coordinates: 28°25'51.96"S; 21°14'04.71"E

NUMBER OF JOBS TO BE CREATED:

The total number of jobs to be created (direct and indirect/construction) is 173.

INVESTMENT VALUE:

R82-million.

TARGETED SECTORS:

Agriculture. Agro-processing.



PROJECT NAME AND BACKGROUND:

B-carotene production. The investor intends to demonstrate the viability of producing B-carotene from algal biomass. The open-pond system will be used in the production process. A strong international demand for this product exists.

DESCRIPTION OF THE PROJECT:

Microalgae-based production systems are considered a high priority growing industry and commercial production facilities have been established in many countries around the world. The centre is situated in Upington and is the second largest of only three algal production facilities in South Africa. The aim is to provide expertise, services to innovators and entrepreneurs to address bottlenecks in the commercialisation of microalgae-based production of high-value products.

PROJECT FINANCED BY:

Private equity partners and investors with infrastructure provided by government agencies.

PROJECT STATUS:

Business Case and Feasibility Study complete.

PARTNERSHIPS:

Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA), Upington Industrial Park, equity partners and investors

RESPONSIBLE INSTITUTION:

Upington Industrial Park

Project champion/promoter: Ms Babalwa Mbobo, Sector Specialist

Tel: 087 086 0356 | **Mobile:** 078 179 7611 | **Email:** bmbobo@nceda.co.za

Northern Cape Economic Development Agency

Contact person: Dr M Ramorena

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INVESTMENT OPPORTUNITIES

PRIESKA COPPER ZINC MINE PROJECT

PROJECT LOCATION:

District: Pixley Ka Seme District Municipality

City/town: Copperton, ± 60km southwest of Prieska

Physical address: Prieska Copper Zinc Mine, Copperton, Northern Cape

GPS coordinates: 22 17' 50" E; 29 57' 20" S

NUMBER OF JOBS TO BE CREATED:

During construction, a peak-site labour force including contractors will be an estimated 1 200. During steady-state operations the total average workforce including contractors will be 840 to 880 people. Up to 8 400 indirect jobs are expected to be created.

INVESTMENT VALUE:

The total capital cost to construct the mine is estimated to be R4.1-billion, which includes a 10% contingency. Peak funding required is R4.5-billion. The bank feasibility study (BFS-20) determined that the first phase of mining, the Foundation Phase, should generate R12.8-billion of post-tax, cash-flow.

PROJECT NAME AND BACKGROUND:

The Prieska Copper Zinc Mine Project. The Prieska Deposit was profitably mined for 20 years, between 1971 and 1991, when the Prieska Copper Mine operated. Based on the BFS-20, Orion believes there exists an attractive business case to continue the extraction of copper, zinc, gold and silver from the extensions of the Prieska Deposit.

The mine was previously owned and operated by Prieska Copper Mine Limited, a subsidiary of Anglo-Transvaal Consolidated Investment Company Limited (Anglovaal). The decision to close the mine was influenced by a combination of the uncertain economic and political environment in South Africa in the mid-1980s and the technical considerations which relate to the mining of the flattened deposit and no longer present a major challenge as modern mechanised mining methods, employed globally, present a ready solution to the historical challenges.

Despite the Project site being in a remote part of South Africa, with no nearby large human settlements, it is well-serviced by infrastructure that was established for the previous mining operation. Existing infrastructure includes a water pipeline from the Orange River, tarred roads, national grid power supply, a 1.7km-long air strip and adjacent renewable energy developments. The village of Copperton was the principal residence for the Prieska Copper Mine community. The farming service town of Prieska, with a population of 16 000, lies 60km north-east of the site. The operating rail siding of Grovput, located 50km from the site, en-route to the town of Prieska, provides rail access to the main Kimberley – De Aar railway line and from there to various ports. There is a strong focus on using 4 IR methodologies and equipment to create a cost-efficient, sustainable 21st Century mine whilst maintaining corporate and social responsibility.



TARGETED SECTORS:

Primary: Mining.

Secondary: Financial, energy, housing, retail, transport, communications, industrial and manufacturing sectors.

PROJECT FINANCED BY:

A combination of equity partners, BBBEE equity partners, investors, service providers and property developers.

PROJECT STATUS:

The project feasibility and business case stages have been completed. The regulatory requirements, the PCZM Mining Right, the Waste Management Licence, and the Environmental Authorisation for the PCZM licence were granted during 2019 and those for the Vardocube licence in 2020. The PCZM Integrated Water Use Licence (IWUL) was authorised in early 2020. A land rezoning certificate (Special Zone – Extractive Industry) required for the purposes of municipal land-use levies was granted during the 2020 calendar year. This licencing timeline allows mine construction to commence as soon as funding is in place. The project is currently in its fund-raising stage and the early stages of construction based on the BFS-20 which was carried out in 2018 to 2019, published in June 2019 and updated in May 2020.

PARTNERSHIPS:

The ownership of PCZM is held by Orion (indirectly 70%), Prieska Resources (Pty) Ltd (20%), the Orion Siyathemba Community Trust (indirectly 5%), which is a trust established for the benefit of the host communities located around the perimeter of the mining right areas, the Orion Siyathemba Employee Trust (indirectly 5%), an employee trust established for the benefit of the mine's employees. Prieska Resources has BEE entrepreneurial companies as its shareholders, namely, Safika Resources (Pty) Ltd (44.72%), Kolobe Nala Investment Company (Pty) Ltd (37.97%) and Black Star Minerals (Pty) Ltd (17.31%). The BEE ownership in PCZM (and, indirectly in its subsidiary, Vardocube), meets and exceeds the current ownership requirements of Mining Charter 2018.

PCZM works closely together with the Siyathemba Local Municipality on a corporate, social responsibility level and is partnered in the provision of certain services such as water. Orion Minerals Ltd is dual listed on the ASX (Australian Stock Exchange) and the JSE (Johannesburg Stock Exchange).

RESPONSIBLE INSTITUTION:

Prieska Copper Zinc Mine (Pty) Ltd

Contact person: Errol Smart, Managing Director and CEO

Tel: 011 880 3159 | **Mobile:** 083 308 0823

Email: esmart@orionminerals.com.au

Contact person: Nelson Mosiapoa, Group Corporate Social Responsibility Adviser

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SUPPORTING INVESTMENT IN THE NORTHERN CAPE



FAST-TRACKING PROJECTS AND LOWERING THE COST OF DOING BUSINESS.

The Northern Cape Economic Development Agency (NCEDA) is the host of the Northern Cape Investor One Stop Shop.

The Investor One Stop Shop initiative is geared towards providing investors with services to fast-track projects and reduce government red tape when establishing a business. It is part of the government's drive to become investor friendly by improving the business environment by lowering the cost of doing business as well as making the process easier.

One Stop Shops house government entities such as the South African Revenue Service (to help with customs and tax), Home Affairs, Environmental Affairs, Eskom and the Companies and Intellectual Properties Commission under one roof.

An investor can make an appointment, meet a government representative and be guided by the representative through the process of setting up a business. The One Stop Shops simply administrative procedures for issuing business approvals, permits and licences and thereby remove bottlenecks that investors may face in establishing and running businesses.



The offering includes, but is not limited to:

- Providing an accessible entry point for investors in need of regulatory compliance.
- Enhancing regulatory and legal processes.
- Improving approval turnaround timeframes.
- Providing information on incentives (tax, land, training, free trade zones etc.).
- Providing pre-approval information (market data, costs, incentives, project approval, local partners, etc.).

Providing post-approval information (facilitation of permit approvals, information relating to import of equipment and raw materials, central bank profit repatriation etc.) to investors.



Abengoa

PARTICIPATING NATIONAL GOVERNMENT ENTITIES

InvestSA is a division of the South African Department of Trade, Industry Competition (the dtic).

Business registry: Companies and Intellectual Property Commission (CIPC)

Tax authority: South African Revenue Service (SARS)

International Trade Administration Commission (ITAC)

National Regulator for Compulsory Specifications (NRCS)

Public electricity utility: Eskom

Municipal Infrastructure Support Agent (MISA)

VISA FACILITATION SERVICE

Visa and permit applications can be made at Visa and Permit Facilitation Centres. Applications are then assessed by the Department of Home Affairs in Pretoria. Non-South Africans with a legal residency permit in South Africa can apply for a visa or permit at these centres.

There are centres in every province. In the Northern Cape there is a facility in Kimberley. The South African government is reviewing its critical skills list as well as taking steps to make it easier for people who qualify to apply.

THE NORTHERN CAPE INVITATION

The Northern Cape InvestSA One Stop Shop and NCEDA team can advise you on investment opportunities and assist investment and trade opportunities from the same offices. The Northern Cape team is committed and qualified to assist and guide you from concept to investment phase.

We look forward to hearing from you and partnering with you to make your investment a success!

CONTACT DETAILS

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KEY INCENTIVES

THE NATIONAL DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION (dtic), in collaboration with other public and private sector entities, have developed a number of incentives schemes to assist with the growth of certain sectors.

INCENTIVE SCHEME

**MANUFACTURING COMPETITIVENESS
ENHANCEMENT PROGRAMME (MCEP)**

**SECTOR SPECIFIC ASSISTANCE SCHEME
(SSAS)**

**CLOTHING AND TEXTILE COMPETITIVENESS
IMPROVEMENT PROGRAMME (CTCIP)**

**SUPPORT PROGRAMME FOR INDUSTRIAL
INNOVATION (SPII)**

**MANUFACTURING INVESTMENT
PROGRAMME (MIP)**

12I TAX INCENTIVE

AUTOMOTIVE INVESTMENT SCHEME (AIS)

**PEOPLE-CARRIER AUTOMOTIVE INVESTMENT
SCHEME (P-AIS)**

**CRITICAL INFRASTRUCTURE PROGRAMME
(CIP)**

**AQUACULTURE DEVELOPMENT AND
ENHANCEMENT PROGRAMME (ADEP)**

BUSINESS PROCESS SERVICES (BPS)

FOCUS OF SCHEME

Machinery, equipment, plant, commercial vehicles, land and buildings.

Non-profit business organisations in sectors and subsectors of industries prioritised by the dti.

Manufacturers and other areas of the apparel value chain in South Africa

Personnel related costs, travel expenses, direct material, capital items and tooling, software, documentation, testing and trials, licensing costs, quality assurance and certification, patent costs, and subcontracting and consulting.

Local and foreign-owned manufacturers who wish to establish a new production facility, expand an existing production facility or upgrade an existing production facility in the clothing and textiles sector.

Improvement of capital stock in manufacturing sector including tobacco, alcoholic beverage, arms and ammunitions, etc.

Automotive sector through investment in new and/or replacement models and components.

People-carrier vehicles through investment in new and/or replacement models and components.

Transport systems, electricity and distribution systems, telecommunications systems, transmissions systems, sewage systems, disposal and treatment systems, fuel supply systems.

Stimulate investment in aquaculture to increase production, create jobs, encourage geographical spread and broaden participation.

Offshoring activities for back office process, contact centres, finance and accounting services, human resources, IT, technical services, etc.

INCENTIVE SCHEME

**SOUTH AFRICA FILM AND TELEVISION
PRODUCTION & CO-PRODUCTION INCENTIVE**

**FOREIGN FILM AND TELEVISION PRODUCTION
AND POST-PRODUCTION INCENTIVE**

**LOCATION FILM AND TELEVISION
PRODUCTION INCENTIVE**

**BPO&O INVESTMENT INCENTIVE AND
TRAINING SCHEME**

TOURISM SUPPORT PROGRAMME (TSP)

CAPITAL PROJECTS FEASIBILITY PROGRAMME

**EXPORT MARKETING AND INVESTMENT
ASSISTANCE SCHEME (EMIA)**

BLACK INDUSTRIALISTS SCHEME (BIS)

FOCUS OF SCHEME

Feature films, telemovies, television drama series or miniseries, documentary or documentary miniseries, documentary features, animations, digital content and video gaming.

Large-budget films, television productions and post-production work.

Attract big-budget overseas film and television productions.

Attract BPO investment and create employment opportunities and skills development.

Stimulate employment, broaden and expand the geographic spread of services on offer for tourism investment.

A cost-sharing scheme, providing a contribution to the cost of feasibility studies that are likely to lead to projects outside South Africa that will increase local exports and stimulate the market for the South African capital goods and services.

The purpose of assistance under the EMIA scheme is partially to compensate exporters for costs incurred in respect of activities aimed at developing export markets for South African products and services, and to recruit new foreign direct investment into South Africa.

The purpose of Black Industrialists (BI) policy is to leverage the State's capacity to unlock the industrial potential that exists within black owned and managed businesses that operate within the South African economy through deliberate, targeted and well-defined financial and non-financial interventions as described in the IPAP and other government policies.



CONTACT DETAILS

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Northern Cape Economic Development and Investment Promotion Agency

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