



the dtic

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL COUNCIL OF PROVINCES

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 988

#### Nkomazi SEZ

**Ms H.S Boshoff (Mpumalanga: DA) to ask the Minister of Trade, Industry and Competition:**

- (1) Whether water licence application for the Nkomazi Special Economic Zone (SEZ) has been complete; if not, why not; if so, when;
- (2) whether the construction of the barrier fence for such SEZ has commenced; if not, why not; if so, (a) what was the commencement date and (b) when will the project be completed;
- (3) whether the expenditure on such SEZ is still within the initial budget; if not, (a) why not and (b) by what amount; if so, (i) how much was spent and (ii) what are the relevant details in this regard?

CW1147E

#### REPLY:

As mentioned in question 987, the Nkomazi Special Economic Zone (SEZ) is owned and managed by Nkomazi SEZ SOC, which is established by Mpumalanga Provincial Government Department of Economic Development and Tourism. **The dtic's** role is limited to technical support and oversight on the implementation of the zone by the province. However, in order to respond to the honourable member, the Mpumalanga Provincial Government Department of Economic Development and Tourism (Department) was engaged and below is their written reply as the leading institution:

- (1) An application for the required Water Use Licence was submitted, however, the SEZ Entity was advised the application would require a detailed design of the water treatment works, as well as the waste-water treatment works. The

Department has already appointed a Service Provider to conduct the required detailed engineering designs, which is a requirement for the application of the Water Use License. The work is expected to be completed within four (4) months (January 2023), thereafter an application will be re-lodged with the Department of Water and Sanitation for approval.

- (2) (a) what was the commencement date and (b) when will the project be completed

The construction of the barrier fence has not commenced, yet. The Department was requested by the SEZ Entity to assist with the procurement of the required service provider/contractor to erect a barrier fence next to the N4, as requested by SANRAL. The required Bid for the erection of a barrier fence at the Nkomazi SEZ was advertised and the required Tender Evaluation was conducted. Currently, the Department is finalising the adjudication of the Bids that were submitted. It was envisaged the erection of the fence will commence during November of the current financial year. Also, estimated for the project to be implemented in 4 months. However, the Department was informed during the Adjustment Budget process that the funds are redirected to the Department of Agriculture, Rural Development, Land and Environmental Affairs for the construction of the fence.

- (3) (a)&(b)(i) and (ii)

**SEZ Budget Allocation**

<b>Allocation</b>	<b>Budget (R'000)</b>	<b>Purpose</b>
Goods and Services	R 23 000	Professional Services
Transfers	R 20 000	Transfers to Entity (Payment of PMU)
Capital Assets	R 19 949	Erection of barrier fence
<b>Total</b>	<b>R 64 949</b>	

The Nkomazi SEZ is a multi-year project and it is delivered through three distinct phases, namely, the Designation Phase, which is complete; the Interim Phase; which is currently being finalised; and finally, the Development Phase will follow.

The Department, together with the Nkomazi SEZ Entity are currently busy with the implementation of the following stages which consist of setting-up and capacitation of the SEZ Entity, satisfying all statutory requirements (land development processes) and strengthening the pipeline for investment.

With regard to service providers, currently two (2) service providers were appointed to assist with the development of the SEZ. The first consultant was contracted for the development of the Organisational Structure and Job Grading of the newly established Nkomazi SEZ Entity. This work was performed by Vilama Business and Tax Consultants to the value of R 844 289-13. The second consultant is currently contracted for the development of the detailed designs of the water treatment plant and waste-water treatment plant to meet the Water-Use requirements.

Licence Application (WULA) and this work is currently being performed by ECA Consulting Engineers to the value of R 3 771 977-00.

Further to the above, the following work is yet to be undertaken (it is mainly professional engineering work) in the current financial year:

- Procurement of a service provider for the detailed designs of the internal infrastructure.
- Procurement of a service provider for the construction of the Nkomazi SEZ Barrier Fence (with compliance requirements which need approval) - This responsibility falls within the ambit of the Department of Agriculture, Rural Development, Land and Environmental Affairs.

When the Department was finalising the appointment of the required engineering professionals for the internal services, the Department was informed that the allocated funding was redirected during the Adjustment Budget process. The latter will negatively impact on the implementation of the Nkomazi SEZ project.

**-END-**