



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 4219**

**Mr E J Marais (DA) to ask the Minister of Trade, Industry and Competition:**

- (1) Whether, with the reference to the 5-year tax rebate offered to businesses that invested in the Saldanha Bay Industrial Development Zone (SBIDZ) to cushion them from the impact of the COVID-19 pandemic, he will consider extending the tax rebate period with at least another two years; if not, what is the position in this regard; if so, what are the relevant details?
- (2) what additional benefit would be added to attract further investment in the SBIDZ to advance job creation efforts?

#### **REPLY:**

I am advised as follows. On 6 July 2018, the Minister of Finance issued Government Gazette 41758 indicating that companies located in the Saldanha Bay IDZ can be eligible for tax incentives/rebates based on qualifying criteria.

These incentives include:

- A reduced corporate income tax rate of 15%.
- An accelerated depreciation allowance of 10% on cost of any new and unused buildings or improvement owned by the qualifying company.
- Customs Control Area Incentives (CCA).

Currently National Treasury has put a sunset clause for SEZ Tax Incentives/ Rebates ending 2031. In terms of the SEZ Act No. 16 of 2014, the Minister of Trade and Industry and Competition must consult with the Minister of Finance on tax incentives for special

economic zones. The Minister of Finance is the authority to extend tax incentives/rebates. Should a clear business case be made out for extension of a tax incentive, the dtic will assist to bring same to the attention of the National Treasury for consideration.

Saldanha Bay Industrial Development Zone (SBIDZ) is a designated as an SEZ which is specifically focused on the maritime, energy, logistics and green hydrogen sectors, it offers a platform for global exports by attracting foreign and local investment in the associated manufacturing and services industries.

**Value Proposition of the SEZ:**

- Strategically located within the deep-water port of Saldanha Bay, which allows for easy access to worldwide shipping routes and road linkages to the Saldanha – Northern Cape Logistics Corridor, Cape Town and beyond, and as such represents a prime logistics location.
- Tenants and qualifying investors have access to various incentives and support, including top structures and CCA benefits.
- 356-hectare footprint of secure and prime serviced industrial land, investor sites are available for occupation.
- Saldanha has also established the Saldanha Bay Innovation Campus to boost skills development in innovation and technology in the Marine and Energy Sectors.

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