

PRESENTATION TO PORTFOLIO COMMITTEE ON TRADE, INDUSTRY AND COMPETITION

SPECIAL ECONOMIC ZONES PROGRAMME

UNBLOCKING OBSTACLES TO THE DEVELOPMENT OF THE ATLANTIS SEZ AND FREEPORT SALDANHA IDZ

09 JUNE 2026



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, **growing** the economy

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BACKGROUND

- The Portfolio Committee on Trade, Industry and Competition conducted an oversight visit during 8 & 9 October 2025 to Atlantis and Freeport Saldanha SEZ.
- SEZs raised several issues that require interventions from various stakeholders.
- Atlantis SEZ, highlighted during the visit, that access to funding for bulk infrastructure, lack of tax incentives, and absence of a streamlined framework for PPP are amongst impediments towards the successful development of the SEZ.
- Freeport Saldanha indicated that the SEZ development is dependent on the Port development and that misalignment between the Ports Act and SEZ Act impacts investor confidence.
- Dedicated support from strategic stakeholders such National Treasury, Municipalities, the Province and TNPA, can help accelerate the development of both SEZs.
- These SEZs have the potential to drive re-industrialisation, job creation and economic growth in the Western Cape province.



SEZ Definition

“SEZs are spatially delimited areas that offer a combination of high-quality infrastructure, expedited customs and administrative procedures, and a range of fiscal and non-fiscal incentives to overcome barriers that hinder investment in the wider economy”.

SEZ Value Offering



15%
CORPORATE
TAX RATE



**BUILDING
ALLOWANCE:
10%**
REDUCTION
PER YEAR



**EMPLOYMENT
TAX
INCENTIVE**



**ACCELERATED
ALLOWANCE
FOR
QUALIFYING
ASSETS**

1. Coega SEZ - Eastern Cape
2. East London SEZ
3. Richards Bay SEZ
4. Dube TradePort SEZ
5. Saldanha Bay SEZ
6. Maluti A-Phofong

Objectives of the SEZ Programme

(i) Facilitation of the expansion and/or creation of new industrial hubs;

(ii) Promotion of targeted industrial capabilities within the framework of the Country's Industrial Policy;

(iii) Promotion of beneficiation and value addition to the Country's minerals and other natural resource endowments;

(iv) Development of world-class infrastructure required to support targeted industrial activities;

(v) Attraction of relevant foreign and domestic direct investments;

(vi) Diversification of the Country's export basket with value-added goods;

(vii) Acceleration of economic growth and the creation of much needed jobs; and

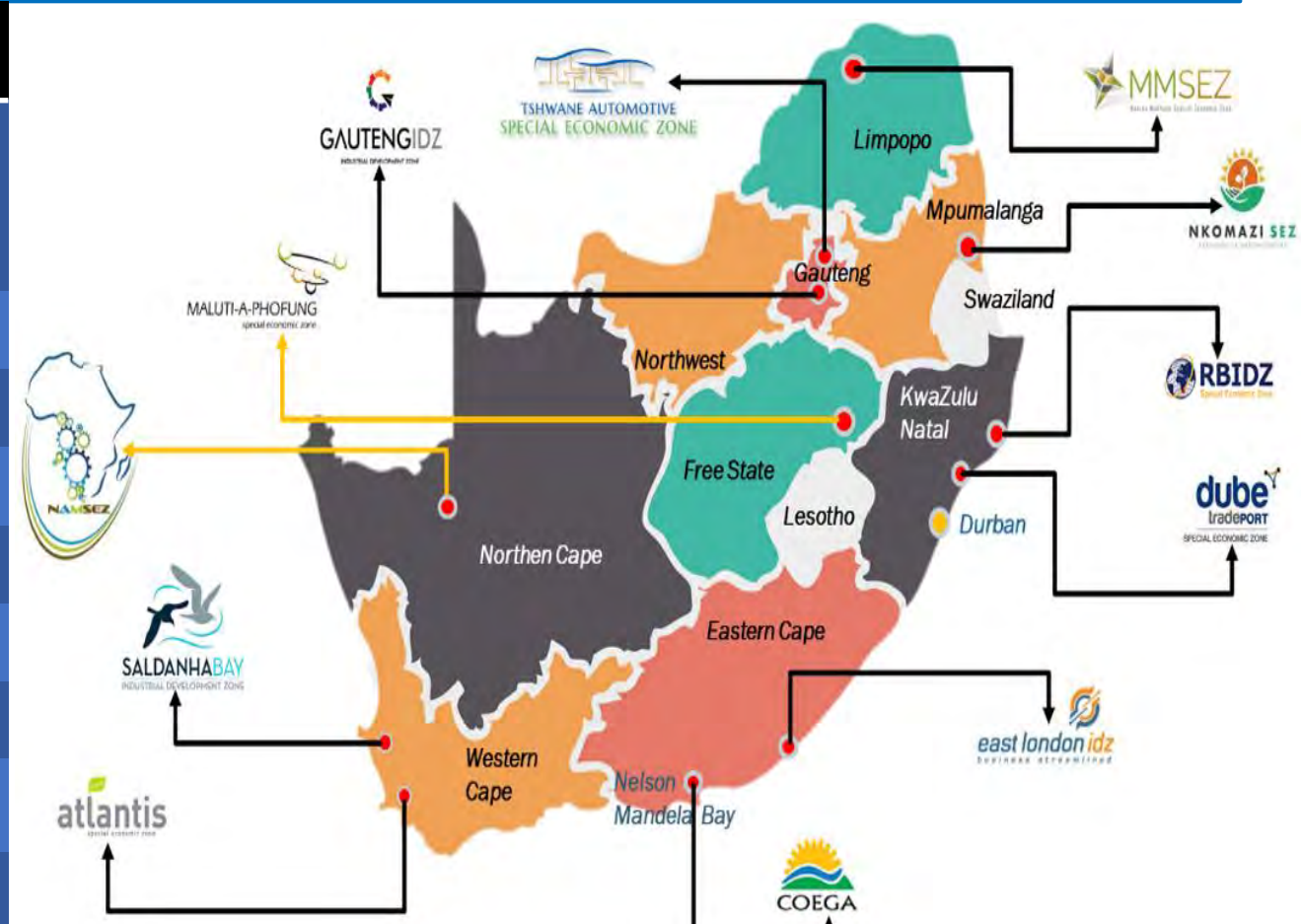
(viii) Generation of new and innovative economic activities.

OVERVIEW OF THE SEZ PROGRAMME PERFORMANCE: AS OF THE END OF Q4 - 2025/26FY

Despite the challenging global trading environment, the country's SEZ Programme continues to make a meaningful contribution towards attracting fixed capital investments.

Overview of the SEZ Performance

SEZ Name	No. of operational Investments	Value of Operational Investments (Rands)	Total Number of Active Jobs Created
Coega	64	R12 565 507 816	11 737
ELIDZ	41	R5 843 200 000	4 340
RBIDZ	4	R1 940 702 821	487
DTPSEZ	54	R2 483 685 640	4 715
MAPSEZ	6	R1 046 400 000	455
SBIDZ	16	R268 000 000	107
OR Tambo	20	R962 500 000	2 910
Atlantis	8	R872 8000 000	511
TASEZ	11	R5 761 900 000	3 559
Total	224	R31 744 696 277	28 821



Notable Achievements: Net growth of **R17,234 billion** in the value of operational investments over the 7 years starting from 2018/19FY, which has led to **28,821 direct jobs** being created. Notably, these aforementioned figures are likely to be bolstered further in the near future as there are additional secured but non-operationalized investments that are yet to be realized, with some of these currently at various stages of being operationalized.

FINANCIAL PERFORMANCE AND COST-BENEFIT ANALYSIS (WORLD BANK REVIEW)

- The World Bank Report highlights that between 2016 and 2024 the aggregate funding amount spread across the National Government, Provincial and the incentives provided to businesses located in SEZs, amounted to R24.2 billion.
- During the same period, the aggregate revenue received via corporate income taxes (adjusted for the incentive), personal income tax and rates generated by companies in the SEZ, was R14.8 billion.
- However, in 2024 the SEZ revenues exceeded expenditure, generating a surplus of R510 million.
- The Benefit-Cost Ratio (BCR) calculated by the World Bank utilizes a discount rate of 8% and implies that the project generates 61c in Revenue for every R1 spent.
- Some key constraints to the financial performance of the SEZ programme are:
 - Annual funding has declined by 26% to R952 490 000 in 2026 from R1.4 billion in 2014 when the program started.
 - Only 6 SEZs out of the 12 benefit from the current Tax incentives.
 - Only 30 companies from the 224 across all operational SEZs benefit from the tax incentives, due to stringent qualifying criteria.
 - The complexity of the Tax incentives has also led companies such as Samsung to disinvest in the SEZ.
- World Bank proposes that to boost investor confidence, that fiscal incentives are ex to all designated SEZs.

INTRODUCTION TO THE SID STRATEGY

1. Advancement of the manufacturing sector through the development of industrial clusters that are geared towards enhancing beneficiation of resource endowments and other value addition capabilities in correspondence with the country's comparative and competitive advantages of the country's regions.

2. Fostering intra-African trade through the development of export-oriented & Afro-Centric catalytic projects that incorporate green manufacturing methods.

3. Acceleration of economic growth and the creation of much needed jobs through the attraction of relevant foreign and domestic direct investment in targeted industries.

4. Facilitate the provision of the state of the art infrastructure to support SID projects as a critical enabling factor for economic growth, investment attraction and regional development.

5. Creation of a spatially balanced industrial economy through the establishment of township & rural based special industrial areas that are anchored by manufacturing activities championed by Black Industrialists.

6. Devising avenues through which SEZ Tenant Industries can enable the integration of local SMMEs into the SEZ based value-chains, whilst simultaneously establishing forward and backward linkages with the township and rural economies.

7. Facilitating the development of youth & women focused Skills Development Academies and Learnership Programmes in partnership with SEZ tenant industries, industry associations, universities & TVET Colleges to strengthen the country's industrial capabilities

Aimed at addressing the deindustrialization phenomenon

Aimed at addressing Spatial/Wealth/Income Inequalities And Structural Unemployment

Aimed at skilling & training the unemployed youth & women in line with industry requirements

KEY INTERVENTIONS ESPOUSED BY THE SID STRATEGY

Cluster type	Platform	Top 5 Key Interventions	Core outcomes
Global (Globally Competitive Industrial Clusters)	SEZs	<ol style="list-style-type: none"> 1. Reform SEZ governance & delivery: stronger dtic role in planning/ownership/management; improve leadership stability (board/CEO levers via legislative changes) and expand National PMU support. 2. Crowd-in private capital: enable PPPs and flexible SEZ land ownership/development models (state/private/joint), incl. long-lease investor enclaves where appropriate. 3. Fast-track underperforming zones: “boots-on-the-ground” interventions & structured turnaround strategies. 4. Aggressive global marketing & aftercare: one SEZ brand/value proposition; targeted sector campaigns, roadshows, and AfCFTA gateway positioning. 5. Competitiveness enablers: trade facilitation corridors + cross-border SEZ MoUs; green-energy infrastructure; credible, performance-based SEZ incentive package. 	<p>More FDI/DI, exports and value-added production; improved SEZ execution and investor confidence; stronger regional integration and greener production footprint.</p>
National (Nationally Competitive Industrial Clusters)	Industrial Parks (IPs)	<ol style="list-style-type: none"> 1. Designate priority parks as “Special Areas”: map/select strategic state-owned parks; joint planning via MINMECs; create dedicated support + special funding via legislative reforms. 2. Private infrastructure investment: PPP/SPV models to refurbish, operate and upgrade parks. 3. Strengthen governance & management: dedicated boards/teams with national–provincial–local representation to professionalise operations. 4. Build enterprise capability: incubation/digital hubs and shared R&D facilities with universities/TVETs to support MSME upgrading. 5. Market access & incentives/funding: national IP marketing; supplier development partnerships; Industrial Parks Fund + UDZ/municipal discounts to crowd-in investment. 	<p>Stronger national supplier base and MSME production platforms; higher park occupancy and sustainability; tighter SEZ–IP value-chain linkages.</p>
Regional (Regionally Competitive Industrial Clusters)	EDZs + township/rural enterprise platforms	<ol style="list-style-type: none"> 1. Import substitution in townships/rural areas: target high-consumption goods/services for small-scale manufacturing with high job multipliers. 2. Formalise informal businesses: one-stop-shop support for registration and access to facilities/support. 3. Skills + incubation support: training/upskilling with TVET partnerships; incubation centres for MSMEs 4. Blended project finance for MSMEs: partnerships with impact funds to unlock structured finance for viable township/rural enterprises. 5. Community-centric implementation & local incentives: ensure community benefit to reduce unrest/vandalism; municipal bulk-service/rates discounts to lower operating costs. 	<p>Increased township/rural jobs and MSME formalisation; reduced economic leakage via local production; stronger community buy-in and business sustainability.</p>

ATLANTIS SEZ AT A GLANCE

ATLANTIS SEZ

Location: Western Cape, City of Cape Town
Metropolitan Municipality

Date Designated: 2018

Licensee: Western Cape Department of
Economic Development and Tourism

Size: 118ha

Status: Operational

CEO: Mr Matthew Cullinan

Board Chair: Mr Saliem Fakir

dtic funding support approved:

R 1 043 715 661.31

Number of Operational Investors: 8

Total Investment Value: R3 456 767 055

Number of Employment: 862



WHY INVEST IN ATLANTIS SEZ

Seven reasons to locate in the Atlantis Special Economic Zone

1. Development ready land
2. Secure energy, water, waste – good skills
3. Support of government
4. Incentives and grants (some to be unlocked)
5. “Cape” lifestyle and infrastructure
6. Market access and growth
7. Enabling clusters and existing industries



ASEZCo Website

CHALLENGES HIGHLIGHTED DURING OVERSIGHT VISIT

- **Uncertainty in relation to fund allocation in line with SEZ Fund Guidelines (investors need certainty)**
 - ✓ Concern regarding the limited funding of the SEZ programme (12 designated SEZs vs R926m in the current financial year).
 - ✓ Uncertainty around SEZ Fund allocations and the timing of allocations.
 - ✓ Need for transparency on funding allocations.
 - ✓ Ideally funding needs to acknowledge and respond to unique challenges and life-stage of each SEZ (e.g. funding of platforms and civils).
- **Need for greater private sector involvement**
 - ✓ The private sector wants control of land if they are putting in their funds.
 - ✓ Private sector funding for top-structure is possible using 99-year lease option – but not possible to secure funding for platforms and civils works (internal platforms/civil works must be grant-funded).
- **Lack of Tax Incentives**
 - ✓ Need for clarity on future and application of SEZ incentives (not a level playing field currently).

PROPOSED SOLUTIONS FOR ATLANTIS SEZ

- **Uncertainty in relation to fund allocation in line with SEZ Fund Guidelines (investors need certainty)**

- ✓ The department's incentive branch is reviewing the current SEZ funding model in order to align with the current fiscal challenges.
- ✓ Since the oversight visit the department has **approved R 1 043 715 661.31** funding for submitted applications.

Atlantis SEZ	Civils Infrastructure - Zone 0	Bulk Infrastructure	R 89 083 367,70
Atlantis SEZ	Quantum V3	Top structure	R 17 993 587,84
Atlantis SEZ	Building Refurbishment	Top structure	R 8 676 049,65
Atlantis SEZ	Green Manufacturing Hub	Top structure	R 210 657 000,00
Atlantis SEZ	Aertec SA (Pty) Ltd	Top structure	R 258 407 872,70
Atlantis SEZ	Mint & Honey Electrical Upgrade	Bulk Infrastructure	R 10 749 794,69
Atlantis SEZ	Civil Infrastructure in Zone 2 and 3	Bulk Infrastructure	R 399 646 865,03
Atlantis SEZ	Quantum V3	Top structure	R 7 132 046,70
Atlantis SEZ	E-Waste	Top structure	R 41 369 077,00
SUB-TOTAL ATLANTIS SEZ			R 1 043 715 661,31

- ✓ The Province and City of Cape Town should consider a contribution to bulk infrastructure development to align with the new approach on SEZ.

- **Need for greater private sector involvement**

- ✓ The SEZ Act allows for PPP participation in SEZ development. However, the cumbersome requirements for establishing a PPP in accordance with the PFMA and MFMA could further delay the development of the SEZ.
- ✓ It is proposed that National Treasury review and establish a special model for PPPs in SEZs to accelerate Infrastructure development.

- **Lack of Tax Incentives**

- ✓ National Treasury to consider expanding TAX incentives to all designated SEZs.
- ✓ The new Spatial Industrial Development proposes that **the dtic** in partnership with National Treasury should introduce a new sunset clause in all incentive agreements with investors.
- ✓ In addition, the SID strategy makes the following proposals to ensure that there is return on investment for the state:
 - SEZ incentives should be granted for a fixed period [e.g. five (5) years], subject to renewal on meeting clearly defined performance metrics.
 - Metrics should include minimum investment threshold, exports performance, local supplier development and job creation target.
 - The renewal reviews should be the concurrent function between Treasury and **the dtic** with the inputs from SEZ Operators.
- ✓ The Department facilitated an engagement with SARS and through joint efforts, registered Atlantis Zone 1 as an CCA.

FREEPORT SALDANHA

FREEPORT SALDANHA IDZ

Location: Western Cape, West Coast District Municipality

Date Designated: 2013

Licensee: Western Cape Department of Economic Development and Tourism

Size: 356.11ha **Developed Land:** 137ha

Status: Operational

Acting CEO: Mr Xola Sithole

Board Chair: Ms Stieneke Jensma

the dtic funding support: Total disbursements effected to date: R 1 157 166 489,17

Total Investment Value facilitated: R4.4 Billion

Number of Employment: 82*

Number of Construction Jobs: 2000*

Number of Locals Trained: 3300**

* As at the end of FY period 2025

**As at the end of 2025.



WHY INVEST IN FREEPORT SALDANHA



**156.7 ha
developable**

Land secured
(101.7 Ha owned
+ 55 Ha leased)



21,100 m²

Top-structure
across
7 operational
facilities



**18 paying
tenants**

43 named prospects
Material investment
pipeline



R1.34 billion

Property
valuation
(2021, 90%
tenancy basis)

STRATEGIC CHARACTERISTICS



Only Freeport in South Africa — industrial land directly adjacent to a working deep-water port



SEZ and customs-controlled designation — full freeport fiscal and customs regime



Zoning, permitting and environmental approvals largely resolved



Sishen–Saldanha rail corridor: direct link to Northern Cape industrial hinterland



SIP-designated Green Hydrogen Hub — CSIR master plan underway (appointed June 2025)



TNPA lease in principle agreed — final commercial terms under negotiation

CHALLENGES HIGHLIGHTED DURING OVERSIGHT VISIT

- Delays in the conclusion of the Commercial Terms Framework (CTF) and lease agreement between Freeport Saldanha and TNPA. The CTF is a critical step to ensure sustainable and mutual beneficial operations within the Zone and provide investor certainty.
Current Status:
 - ✓ In December 2025, Freeport Saldanha requested Ministerial support to expedite the conclusion of the CTF and lease.
 - ✓ This was followed by technical engagements between Freeport Saldanha, Transnet, and TNPA.
 - ✓ The CTF for the Southern Precinct has now been concluded. This marks a key breakthrough and establishes the basis for new commercial arrangements between Freeport Saldanha and TNPA.
 - ✓ Lease finalisation is now underway, with work progressing to align a new lease agreement to the approved CTF. (Final version of the lease is now being considered, with an envisioned conclusion date of end June 2026.)
 - ✓ Freeport Saldanha continuing to engage investors to understand their project requirements for proposed Port of Saldanha investments.
- Misalignment Between Development of Port Land and Port Infrastructure:
 - ✓ Misaligned mandates between ports and SEZs slow project execution and create uncertainty, while unbalanced financial risk allocation between the two entities undermines coordinated investment and long-term commitment.
 - ✓ Without synchronized land-leasing and infrastructure investment, high-value investors may not commit, weakening the business case for port infrastructure and reducing economic impact.
 - ✓ Fragmented regulatory authority between landside and waterside infrastructure makes integrated investment difficult, threatening bankability and slowing project delivery.

OPPORTUNITIES FOR FREE PORT SALDANHA

- Freeport Saldanha is the only SEZ in the Country that has been designated to include land within port limits – a unique opportunity to drive existing industrial policy, competitiveness, and economic growth.
- The finalisation of the CTF and forthcoming conclusion of a new long-term lease between Freeport Saldanha and TNPA will unlock R4 billion in committed investments that require access to land and enabling infrastructure on the TNPA-owned portion of the SEZ.
- With the Ports Act and SEZ Act already in place, there is a clear opportunity to harmonise implementation through bespoke regulations for SEZ–Port interfaces, including standardised head-leases, clarified risk-sharing, and single-window approval.
- Freeport Saldanha is the most logical ‘sandbox’ to pilot this proposed new National Port–SEZ Framework before rolling it out to other SEZs and Ports.
- Crafting and implementing these bespoke regulations will deliver:
 - ✓ Efficient, predictable decision-making for SEZ-related investments in the port.
 - ✓ Alignment between SEZ objectives, port operations, and national industrial priorities.
 - ✓ Reduced regulatory complexity and duplication.
 - ✓ A stronger, more competitive investor value proposition that integrates SEZ and port advantages.
 - ✓ More effective crowding-in of public and private investment into port, land and infrastructure.

CONTACT DETAILS

- **Atlantis SEZ**
Mr Matthew Cullinan (CEO): matt@atlantissez.co.za
- **Freeport Saldanha**
Mr Xola Sithole (CEO): Xola@freeportsaldanha.com
Mr Lindo Ntanti (Executive: Business Development)
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- **DTIC SEZ Programme**
Mr Shaun Moses (ACD): Smoses@thedtic.gov.za

We are pleased to announce that the QR code for Phase 1 of the **Centralised Entity Platform (CEP)** has been successfully deployed and is now live.



The QR code provides a single access point to the websites of the **18 dtic entities**, enabling users to easily navigate to relevant services and information.



It also provides **answers** to frequently asked questions about the offerings of the **dtic** entities and enables users to **submit enquiries** and receive **assistance**.



The deployment of the QR code marks an **important milestone** in the phased implementation of the **CEP**.

Scan to access the
Centralised Entity Platform (CEP)



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Thank you