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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1427

Mr M A Maimane (BOSA) to ask the Minister of Trade, Industry and Competition:

- (1) (a) What is the total number of Special Economic Zones (SEZ) that have been declared in the Republic, (b) where is each SEZ located and (c) what is the total investment that has been attracted into each zone in the past five years;
- (2) whether there are any plans for additional SEZs; if not, why not; if so, (a) where and (b) what are the relevant details;
- (3) whether his department conducted any feasibility studies into the viability of creating township SEZs; if not, (a) why not and (b) would he and his department be willing to do so; if so, what are the relevant details? NW267E

REPLY:

- (1) (a) There are 12 designated SEZs, located in 8 provinces.

(b) and (c) The response is summarised in the following table.

Table:

SEZ and Province	Number of Jobs	Investment Value (Rm)	No. of investors
Coega IDZ Eastern Cape Nelson Mandela Bay Metropolitan Municipality	10 527	R11 525 999 816	63
East London IDZ Eastern Cape Buffalo City Metropolitan Municipality	4 418	R5 825 200 000	40
Maluti-A-Phofung IDZ Free State Mangaung Metropolitan Municipality	172	R1 025 000 000	4
OR Tambo IDZ Gauteng Ekurhuleni District Municipality	2 734	R993 500 000	15
Tshwane Automotive SEZ Gauteng Tshwane Metropolitan Municipality	3 334	R5 570 000 000	10
Dube Trade Port KwaZulu-Natal eThekweni Metropolitan Municipality	5 159	R3 010 062 737	57
Richards Bay IDZ KwaZulu-Natal King Cetshwayo District Municipality	147	R1 940 702 821	4
Atlantis SEZ Western Cape City of Cape Town Metropolitan Municipality	423	R815 000 000	7
Freeport Saldanha IDZ Western Cape West Coast District Municipality	107	R268 000 000	16
Musina-Makhado SEZ Limpopo Mopani District Municipality	N/A	Not Operational	-
Nkomazi SEZ Mpumalanga Gert Sibande District Municipality	N/A	Not Operational	-
Namaqua SEZ Northern Cape John Taolo Gaetsewe District	N/A	New Designated	-
Total	27 021	R 30 937 465, 374	208

- (2) (a)&(b) Applications have been received for the following proposed SEZs:
- (i) **Bojanala SEZ in the North West province** - the proposed zone will be developed on 1,175 hectares including the Bodirelo industrial park, situated in Mogwase, in the Moses Kotane local Municipality. The Bojanala SEZ will focus largely on mineral beneficiation especially for platinum group metals, as well as manufacturing, including mining capital equipment supply, agro-processing and renewable energy.
 - (ii) **Fetakgomo-Tubatse SEZ in the Limpopo province** - the zone is located in the industrial hub of Steelpoort between two huge mining establishments, the Samancor smelter and the Lion ferrochrome smelter, which are strategic landmarks for the establishment of the SEZ. The zone is anticipated to become a centre of excellence for green energy manufacturing, agro-processing and mineral beneficiation.
 - (iii) **Coega Pharmaceutical and Vaccine manufacturing precinct** – this is an application by the Coega SEZ to develop a pharmaceutical and vaccine manufacturing precinct in the Eastern Cape.
- (3) The Department has not undertaken feasibility studies on the designation of township SEZs.
- (a) The basic concept of a SEZ, as defined by the SEZ Act and Policy, is that it includes several specific characteristics, which include:
- (i) a geographically delimited area, usually physically secured;
 - (ii) a single management or administration;
 - (iii) offering benefits based on physical location within the zone; and
 - (iv) having a separate customs area (duty-free benefits) and streamlined procedures.

For a township to be considered as a SEZ, it would require the coordination of a number of government departments, timely adjustments to relevant policies and regulations, putting in place efficient regulatory and administrative system and reliable infrastructure, such as roads, water,

electricity, sewerage, telephone, and ports; which will involve heavy government direct investments, especially in the initial stages.

- (b) The Department is reviewing its model of support in terms the Industrial Zone Program to be in line with the district development model, spatial support, industrialization, export, township enterprise development and is willing to consider the designation of a township SEZ.

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