

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2178

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

Whether, in light of his department's revised strategy of decarbonisation, decentralisation and digitalisation and to hold the Republic to its carbon emissions targets in terms of the 2015 Paris Agreement, he considers it to be time to review the economic assumptions and long-term sustainability of the South Site and hold off from gazetting the North Site of the Musina-Makhado Special Economic Zone until a full feasibility study has been reviewed, including an economic case for the entire Zone; if not, what is the position in this regard; if so, what are the relevant details?

REPLY:

At the moment, there is no need to review the economic assumptions and long-term sustainability of the Musina-Makhado Special Economic Zone (MMSEZ) due to the following reasons:

1. South Site of the SEZ

This site, spanning approximately 7,262 hectares along the N1 road near the Baobab Toll Gate, is dedicated to a heavy industrial zone focusing on renewable energy and metallurgical cluster. A large portion thereof has been dedicated to conservation and will be zoned as "protected areas" and private open space. The area earmarked for development of the SEZ is slightly less than 3000 hectares as a result of nature and conservation issues.

The South Site was designated and Gazetted as a Special Economic Zone in 2017, in concurrence with the former Minister of Finance.

The SEZ entity appointed Hoi Mor Industrial (Group) Limited as an operator, however, it has been reported that the site is non-operational at present.

The Provincial Department of Economic Development, Environment and Tourism (LEDET) and the MMSEZ entity have also indicated they have placed Hoi Mor under a performance review. If the operator fails to deliver, the SEZ operator permit may be suspended or withdrawn in line with section 36 of the SEZ Act, 2014 (Act No.16 of 2014).

It is the intention that this South Site development will be in line with Government and International strategies; emphasising decarbonisation and sustainable development.

The SEZ is making efforts to attract other renewable sources of energy generation to the site. The MMSEZ entity reported they have received commitments to the value of R38 Billion within the renewable energy space from two (2) companies - Red Rocket Energy and Kona Maanda; and it is estimated these companies will generate a combined approximate 3500MW of renewable energy.

2. North Site of the SEZ

The North Site is earmarked for the development of a light industrial zoned area, which is strategically located to act as a cross border SEZ development; facilitating logistics with the nearby Zimbabwe, along the N1 Highway, in close proximity to the Beitbridge Border crossing - thus acting to a gateway to the rest of the African sub-continent.

It should be noted that the Musina-Makhado Special Economic Zone (MMSEZ), North Site (Antonvilla), is not formally gazetted. The Limpopo Provincial Government have indicated that they will be submitting a request before the end of June 2025 to Gazette, the North Site. This will allow the Department the opportunity to consider and consult on the submission, in line with section 23(6) of the Special Economic Zones Act, 2014, to ensure that all requirements, including the feasibility of the project are met.

The Industrial Zones Programme (the National SEZ PMU at IDC), also conducted an investor verification process, and review the economic case for the Zone. Their findings

indicated, there is an investment value pledged for R8, 647 billion, of which R2, 115 billion has been verified and validated from the eight (8) prospective investors.

Below are the details of the potential investors and categories in line with the Department's 3D focus areas.

Value of investments secured in digitalisation initiatives

Company	Sub Sector	MMSEZ Sites (South or North)	Value of Investment Pipeline
Q Kon	Digital	North site (Antonvilla)	R50 million
Mob Power Solutions	Pharmaceutical	North site (Antonvilla)	R1.6 billion
IntProd Synergy Development	Pharmaceutical	North site (Antonvilla)	R3 billion
Abok Pharmaceutical	Pharmaceutical	North site (Antonvilla)	R672 million

Value of investments attracted specifically for renewable energy and decarbonisation initiatives

Company	Sub Sector	MMSEZ Sites (South or North)	Value of Investment Pipeline
Soleil Du Sud	Renewable	North site (Antonvilla)	R380 million
Red Rocket	Renewable	South site (Mopani)	R10 billion

Value of investments secured that will promote diversification

Company	Sub Sector	MMSEZ Sites (South or North)	Value of Investment Pipeline
TomAfrica Tomato Processing	Agro-processing	North site (Antonvilla)	R350 million
Agrintellect	Aquaponics	North site (Antonvilla)	R82 million
Berakot Farms	Aquaponics	North site (Antonvilla)	R43 million
Kinetic Group	Metallurgy	South site (Mopani)	R900 million
African Chemicals	Chemicals	North site (Antonvilla)	R20 million
Synergia Africa	Petroleum and Gas logistics	North site (Antonvilla)	R2.4 billion

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