the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3923

Ms S Mosikatsi (ANC) to ask the Minister of Trade, Industry and Competition:

(1) Considering the Industrial Parks Revitalisation programme and the strategic importance of the Kathu Industrial Park (KIP) in supporting the mineral beneficiation and industrialisation agenda in the Northern Cape, what is the current progress status of the KIP, including key milestones achieved since inception;

(2) what are the relevant details on (a) infrastructure development that is either complete or underway, (b) the (i) total number and (ii) profiles of firms and tenants respectively that are committed and/or or operational and (c) the total number of direct and indirect jobs created to date;

(3) what (a) financial commitments have been made by his department and (b) additional funding is required to make the KIP fully operational? NW4149E

REPLY:

(1) **Current Progress Status**

The Kathu Industrial Park (KIP) is currently in the planning, feasibility, and funding procurement stages. It is being structured as a phased, demand-led, blended-finance programme designed to support the region's transition away from its 68% economic dependence on mining.

Key milestones achieved since inception include:

- October 2014: Environmental authorisation for the KIP development was granted by the Department of Environmental Affairs and Nature Conservation (DENC) under Permit No. 37/2015 and subsequently withstood an appeal.
- March 2025**:** A Budget Facility for Infrastructure (BFI) submission was completed to unlock catalytic bulk infrastructure. However, it was unsuccessful due to its linkage with the Kathu Housing Development Project (5,700 houses), which would have provided a common user

bulk infrastructure. The apportionment of the infrastructure typology compromised the project's bankability and required further refinement.

- July 2025: The Northern Cape Economic Development Agency (NCEDA) applied to **the dtic** for support under the Critical Infrastructure Programme (CIP).
- June 2026**:** A Strategic Review Workshop assessed the project's bankability and recommended that the project undergo active refinement across five workstreams to validate tenant demand, revise financial models, and align infrastructure phasing with confirmed market uptake.

(2) **The current details are as follows:**

(a) There is currently no infrastructure development taking place. Planned project implementation is designed to be rolled out in four distinct phases:

- Phase 1**:** Bulk infrastructure and fencing.
- Phase 2**:** Internal services and roads.
- Phase 3**:** Construction of factory shells and administrative infrastructure.
- Phase 4**:** Tenant occupation.

The CIP funding application to **the dtic** is intended to support priority infrastructure, including water reticulation, street lighting, stormwater systems, sewer infrastructure, and access roads. Subject to funding approval, these activities are scheduled to commence during the 2026/27 financial year.

(b) (i) There is currently no tenant pipeline, nor have any signed or conditional commitments been secured. (ii) No firms have committed to, or been secured for, the industrial park. KIP is actively engaging targeted firms in the logistics, mining services, renewable energy, and light manufacturing sectors. The strategy also seeks to attract large multinational mining companies, including those associated with Anglo American and Kumba Iron Ore, to serve as anchor tenants and provide the critical mass required to establish an integrated logistics and shared warehousing hub.

(c) There are currently no direct or indirect persons employed on the planned project.

(3) **the dtic**:

(a) Through the Critical Infrastructure Programme (CIP), **the dtic** intends to commence with priority infrastructure development to an estimated value **of** R5 million to break ground on the project. Subsequent phases of project implementation will seek to crowd in additional funding partners, including the private sector. However, the CIP is currently experiencing a budget shortfall, and the requested R50 million in support for the current financial year is not available.

The Province:

(b) Has concurrently reported that it is seeking R660.4 million in viability gap funding through the Budget Facility for Infrastructure (BFI), representing approximately 54% of the capital required for the broader catalytic bulk infrastructure programme in the area. The total bulk infrastructure investment required for the broader Gamagara Infrastructure Programme to unlock the KIP is estimated at R1.224 billion. The total funding requirement for the Industrial Park's multi-phase rollout is estimated to exceed R800 million over a five- to seven-year period and will require coordinated funding from government grants, Development Finance Institutions (such as the IDC, NEF, and DBSA), and private sector contributions.

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