



**LEDA**

LIMPOPO ECONOMIC  
DEVELOPMENT AGENCY

AN AGENCY OF THE LIMPOPO  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**ROOTED IN THE FUTURE**

# FETAKGOMO-TUBATSE SEZ/INDUSTRIAL HUB

*“a unique opportunity amidst the pandemic!”*

**17 JUNE 2021**

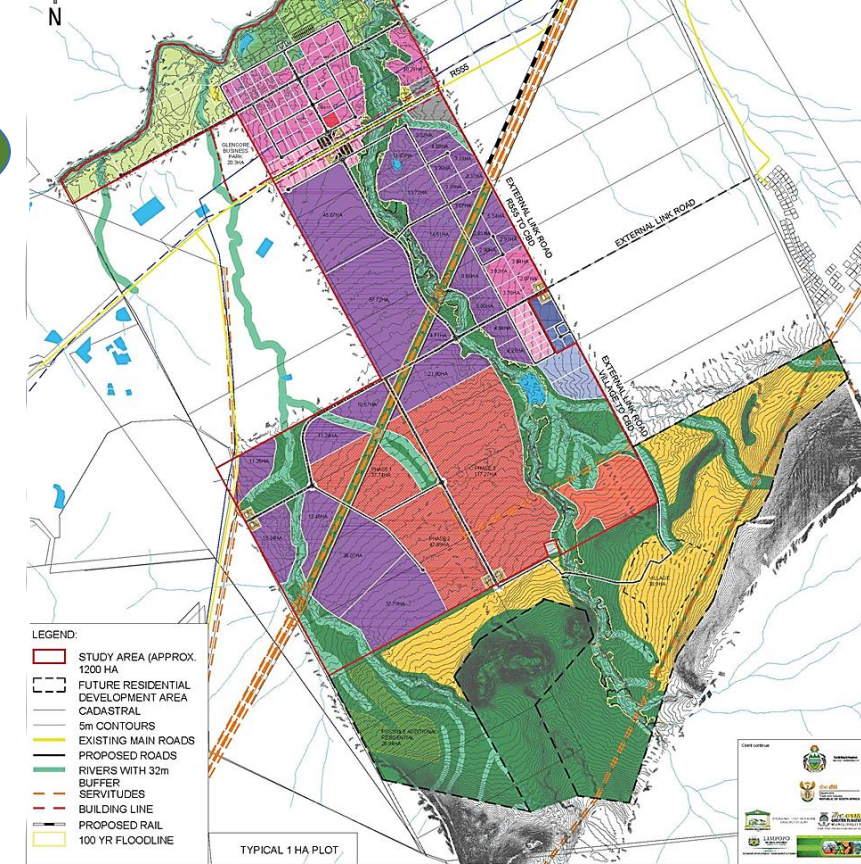
**LEDA Group of Companies:**

Risima Housing, Great North Transport, Corridor Mining Resources, Limpopo Connexion, New Era Life, MMSEZ, Limpopo Agribusiness



# PRESENTATION OUTLINE

- **BACKGROUND ON THE SEZs**
- **LOCATION OF THE FT-SEZ**
- **VALUE PROPOSITION FOR THE FT-SEZ**
- **SEZ SECTORS/CLUSTER**
- **BUSINESS OPPORTUNITIES**
- **SKILLS REQUIRED**
- **HIGHLIGHT OF ACHIEVEMENTS**
- **KEY MILESTONES 2020/2021**
- **PROGRESS REPORT**
- **KEY NEXT STEPS**



# LED A

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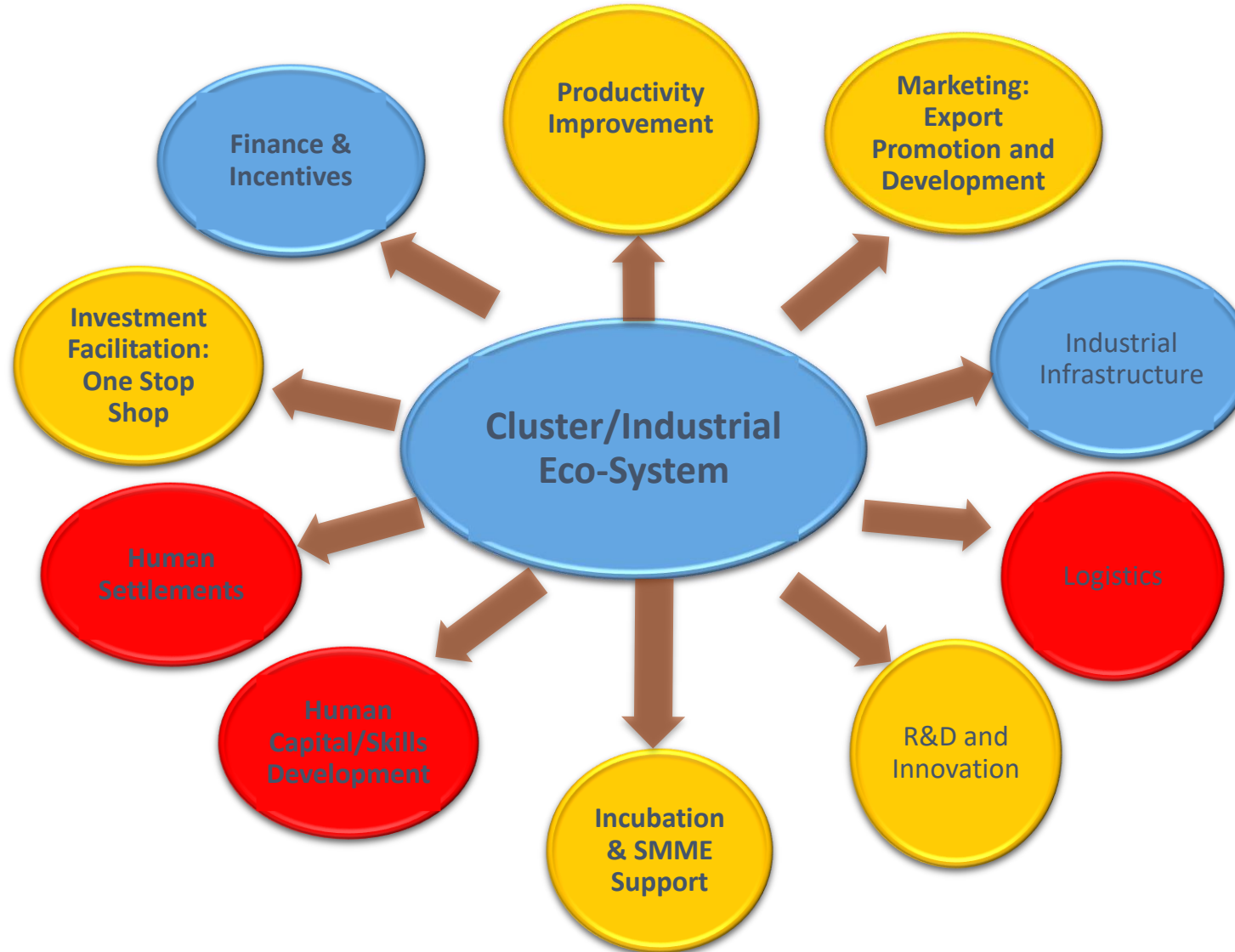
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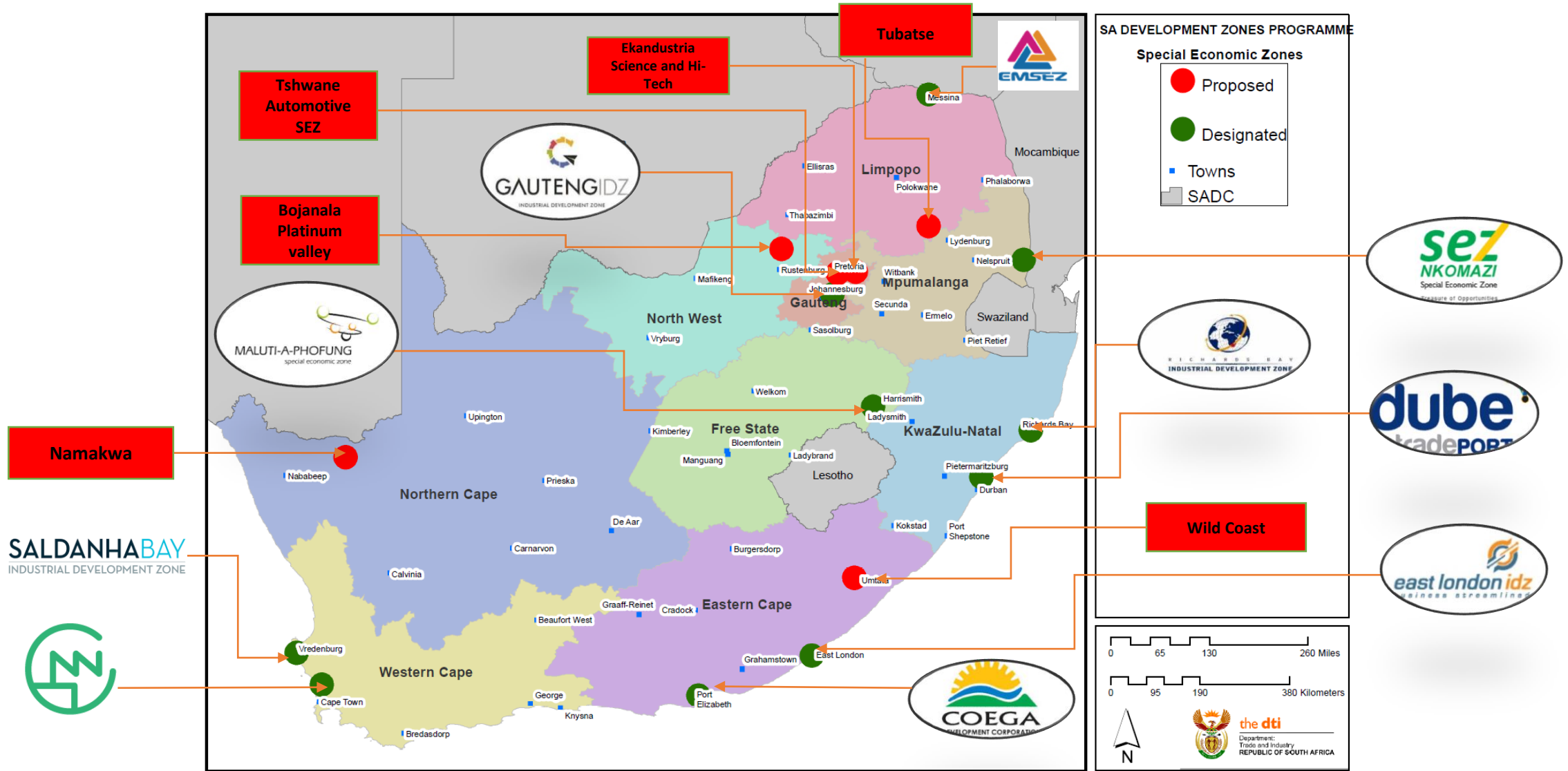
# BACKGROUND ON THE SPECIAL ECONOMIC ZONES

- Special Economic Zones are increasingly becoming important tools used to drive industrialisation globally;
- Cities are being repositioned to drive economic growth and development using SEZ as the preferred tool;
- Packages to attract investments are shifting away from tax incentives to state of the art infrastructure, good governance and easy of doing business;
- **SEZs** are increasing in importance in facilitating international cooperation and regional integration of value chains through cross border SEZs;
- Africa is on the rise: SEZ development, investments, and job creation;
- Fundamental challenge for Africa and South Africa: **Infrastructure Deficit and deindustrialisation.**

# Proposed industrial ecosystem

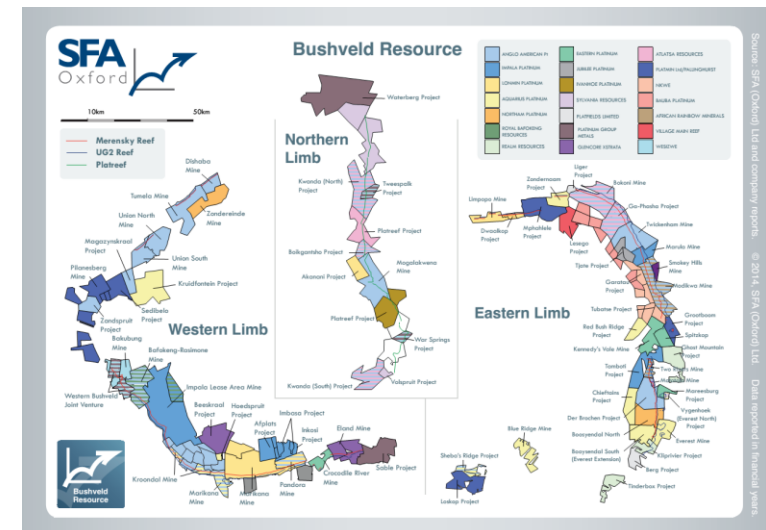
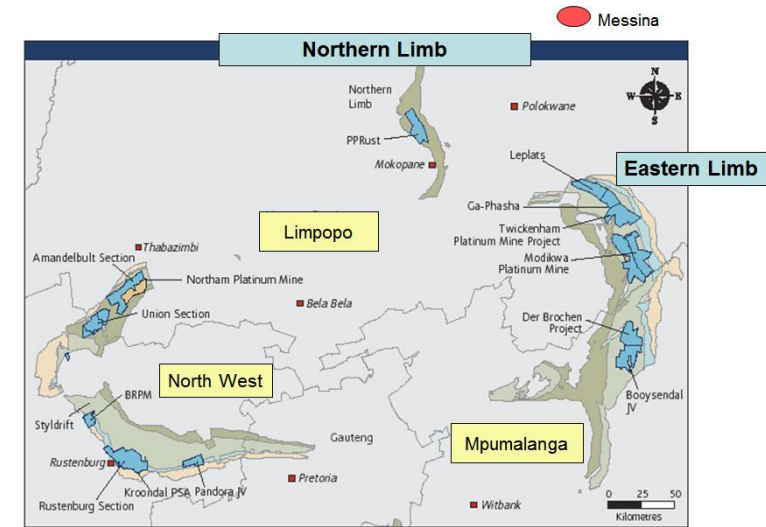


# DESIGNATED + PROPOSED SPECIAL ECONOMIC ZONES IN SOUTH AFRICA

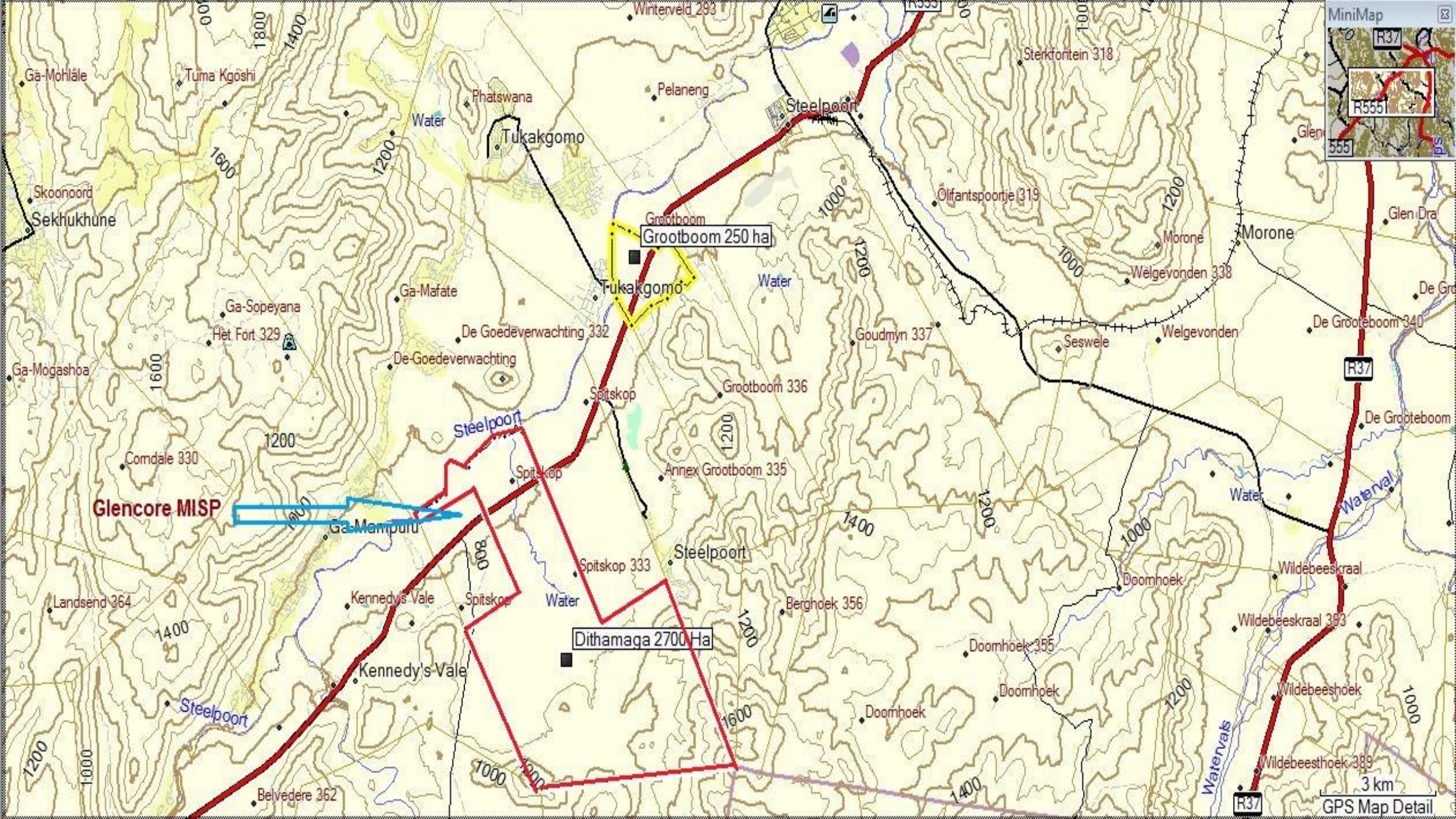


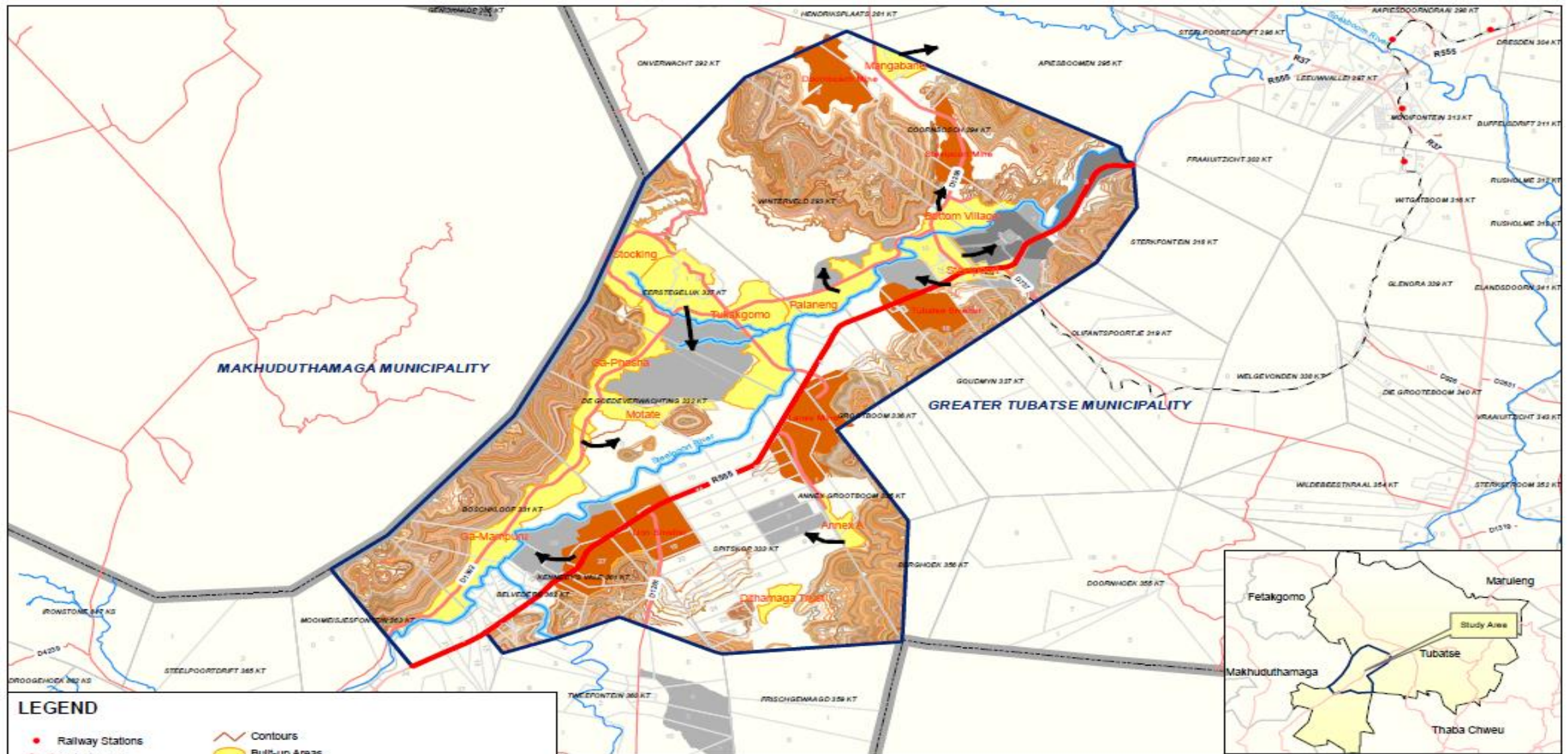
# Location of the Fetakgomo-Tubatse SEZ

- Tubatse Special Economic Zone is hosted by the Fetakgomo-Tubatse Municipality in Sekhukhune District and it is located within the Bushveld Igneous Complex (Eastern Limb), which hosts the well-known Marensky reef in the Limpopo Province. The land identified for the SEZ in the Steelpoort town.
- The SEZ site, which is 1 220ha in extent, is in between the Samancor Smelter and the Lion Ferrochrome smelter (on the R555), and shares a boundary with the currently existing Mining Input Suppliers Park (an industrial park currently owned by Glencore).



Source: SFA (Oxford) Ltd and company reports. © 2014 SFA (Oxford) Ltd. Data reported in financial years.





## LEGEND

- |  |                  |  |                  |  |                    |
|--|------------------|--|------------------|--|--------------------|
|  | Railway Stations |  | Contours         |  | Growth Direction   |
|  | District Roads   |  | Built-up Areas   |  | Future Development |
|  | Provincial Roads |  | Farm Portions    |  | Future Townships   |
|  | Railway Line     |  | Parent Farms     |  |                    |
|  | Rivers           |  | Study Area       |  |                    |
|  | Mining Area      |  | Tubatse Boundary |  |                    |

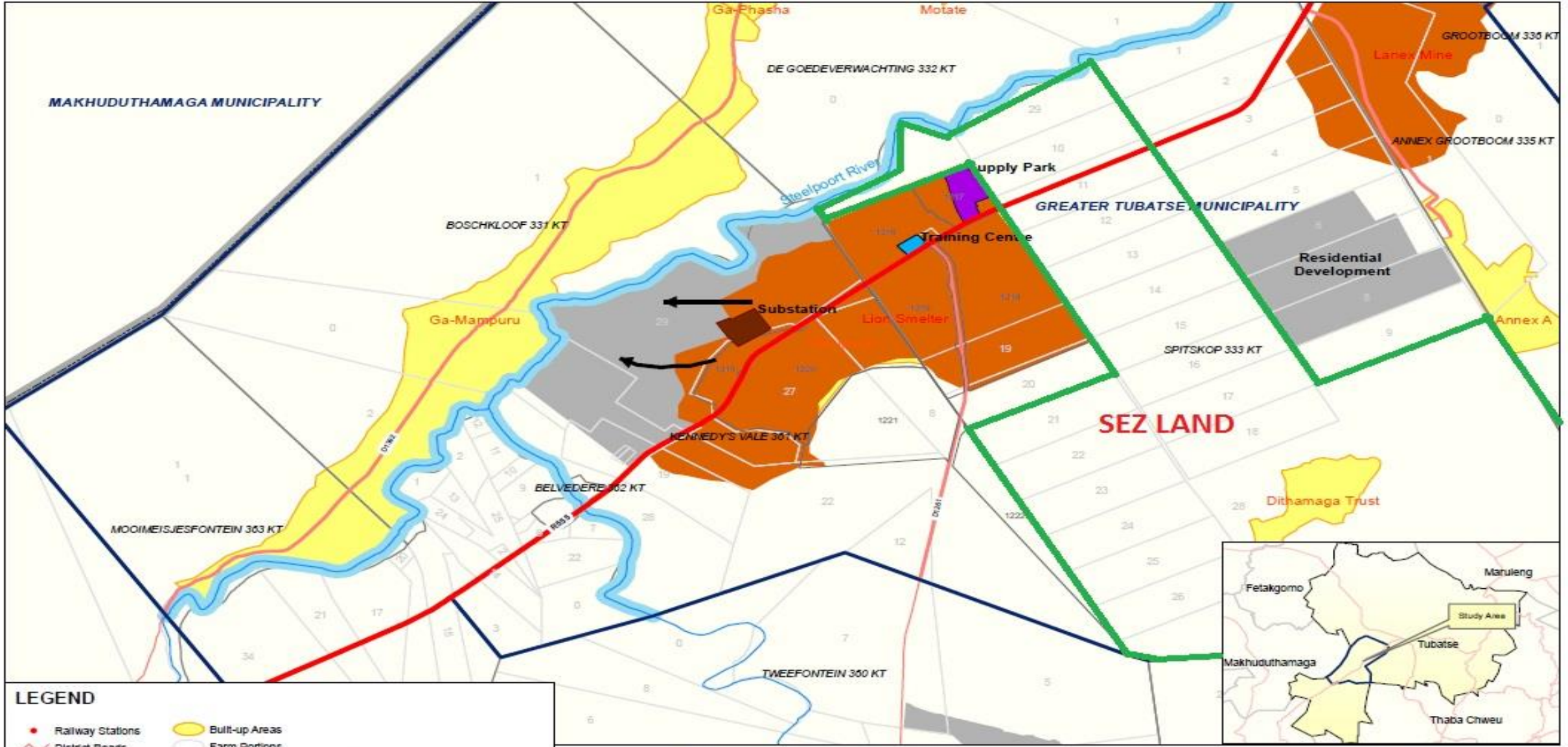


Scale - 1:169.802



Units = Kilometers





**LEGEND**

Railway Stations	Built-up Areas	Growth Direction
District Roads	Farm Portions	Glencore Training Centre
Provincial Roads	Future Development	Hans Merensky Substation
Railway Line	Parent Farms	Mining Supply Park
Rivers	Study Area	
Mining Area	Tubatse Boundary	

Scale - 1:57.657

Units = Kilometers



# The Fetakgomo-Tubatse SEZ/Industrial Hub

The Fetakgomo Tubatse SEZ/ Industrial hub is located in the Steelpoort, between the Samancor and Lion Ferrochrome smelters in the Tubatse area (Sekhukhune District)

**Total land** - 1 220ha land (Farm Spitskop 333KT)

The Industrial Hub will be a multi-sectoral establishment that focuses on:

- PGMs beneficiation (platinum, chrome, iron ore, vanadium)
- General manufacturing
- Manufacturing & assembly of mining inputs
- Energy generation and manufacturing & assembly of components into the different energy generating plants (biodiesel, lithium-ion batteries, vanadium redox batteries, solar energy, etc)
- Agro-processing
- Logistics
- **Support sectors** : Human settlements, retail, health, disposables, schools, office park etc

The proposed SEZ/Industrial hub in this area is not yet licensed and processes are underway to develop key economic infrastructure projects along the R555, in alignment with the Sekhukhune District Development Model and the Dtic new approach to the implementation of the SEZ programme nationally. The Fetakgomo-Tubatse Industrial hub presents an opportunity for the province to present the best case scenario for a PPP model with very less Capital injection to kick start the whole development process.

# VALUE PROPOSITION FOR THE FT-SEZ

- The establishment of the SEZ is driven by the projected mining and beneficiation outlook for the Platinum Group of Metals (PGMs) in South Africa. The Fetakgomo-Tubatse area lies within the eastern limb of the Bushveld Igneous Complex (BIC), which contains the world's largest deposits of PGMs, along with vast quantities of iron ore, chromium, titanium and vanadium.

A decision to locate a SEZ in Fetakgomo-Tubatse was largely based upon the fact that:

- The development of SEZs is consistent with the NDP and all other national policy;
- There are PGM mines and reserves in the area (40 operating mines, 8 mines to be developed)
- There are multiple other minerals being mined in the area;
- The area is rapidly growing on terms of industries and population;
- The proposed SEZ development can build on the infrastructure which is already in place;
- Upstream and midstream beneficiation opportunities provide economies of scale;
- There are a number of value added opportunities that show growth in demand and potential for implementation of the proposed SEZ;
- There is a large demand for mining input suppliers in the area;
- There is a socio-economic need in the area; and
- There is political will/support.

# Purpose of the SEZ

## PURPOSE – TUBATSE SEZ

### Promote Investment



- Create an enabling environment.
- Ensure stakeholder support to fund the infrastructure.
- Optimise the use & value add of local mineral resources at the resource location by attracting & establishing investors in minerals beneficiation in the SEZ.

### Promote Skills Development



- Improve skills levels & ensure investment in education, innovation & entrepreneurship development and SMME Development .

### Promote Local Economic Development



- Capitalise on direct and indirect resource industry linkages.
- Maximise mining input and supply opportunities for the local economy through the facilitation of agreements with the mines & mining input supplier companies.
- Attract relevant manufacturing industries & activities to also locate close to the resource.
- Mining is executed at the source whilst manufacturing plants are located closer to the end-users.

### PGM Beneficiation



- The development & strengthening of the Platinum Group Metals (PGMs) & other value chains (upstream, downstream, side stream linkages), create linked opportunities for industries and services that provide inputs to the various value chain elements as a value-add to the targeted industries.

# EMERGING DESIGN PRINCIPLELS FOR THE SEZ

- The SEZ to be styled as the hub for integrated development in the whole District
- Facilitate Local and Regional economic integration (SIP1 & SIP17)
- The design will optimise the utilisation of available land with a long term outlook
- The SEZ to adopt a phased approach informed by investment per cluster
- Optimal utilisation of the bulk infrastructure in the District
- Consideration for environmental matters in design, implementation and operation
- Focus on the needs of the anchor project(s) for appropriate SEZ status.
- Due consideration to the development of adequate amenities
- Due consideration of the competitive advantage of Fetakgomo-Tubatse



# TARGETED SECTORS & CLUSTERS

SECTOR	CLUSTERS	INVESTMENT OPPORTUNITIES	PRODUCTS
Mineral Beneficiation	Platinum	Smelter and Refinery	<ul style="list-style-type: none"> <li>Refined Platinum</li> </ul>
	Chrome	Chrome Chemical plant, Ferrochrome	<ul style="list-style-type: none"> <li>Chrome Chemicals</li> <li>Ferrochrome</li> </ul>
	Vanadium	Vanadium Pentoxide plant,	<ul style="list-style-type: none"> <li>Lithium &amp; Redox Batteries</li> </ul>
Mining Inputs Supply	Manufacturing, Assembling and Components	Assembling and Fabrication plant Electrical and electronics Engineering Services	<ul style="list-style-type: none"> <li>Mining equipment's and Components</li> <li>Roof bolts</li> <li>Off-road tyres</li> <li>Hydrogen fuel cell dozers</li> </ul>
Energy	Green energy Fossil fuel	Solar Energy generation Pyrolysis Plant, Oil Blending plant	<ul style="list-style-type: none"> <li>Solar energy</li> <li>Diesel and gas</li> <li>Tyre carbon black</li> <li>Lubricants</li> </ul>
General Manufacturing	Chemical, Pharmaceutical, General Processing	Sweet sorghum processing plant Modular concrete slab manufacturing plant Water pipes manufacturing plant Heavy metal assembly plant PV modules manufacturing plant Yarn mill Torrefication plant	<ul style="list-style-type: none"> <li>Ethanol and sugar</li> <li>Modular concrete products</li> <li>Pipes</li> <li>Mining equipment</li> <li>PV modules</li> <li>Protective clothing</li> <li>Charcoal</li> </ul>

# Business Opportunities

- Solar farm (manufacturing and assembly of solar PV components)
- Pharmaceuticals plant- Processing of Moringa for medicinal & cosmetics
- Food Technology Centre (production & supply)
- Warehousing and storage
- Infrastructure development (industrial and real estate)
- Torrefication plant – processing timber into coal
- Hospitality
- Logistics, & services including ICT
- Nuclear/Uranium plant, battery storage & manufacturing
- Agro-processing – yarn mill for the production of textile (textile production plant)
- Establishment of a ferro-vanadium plant/vanadium alloys
- Chrome chemicals plant
- Platinum Group Metals (PGMs projects refined platinum for hydrogen fuel cells production)
- Human settlements
- **Construction & services (e.g maintenance,)**



# SKILLS REQUIRED

The skills composition of the Fetakgomo-Tubatse SEZ Clusters includes professionals, technicians and artisans to be employed across a range of the following technical-skill areas:



Engineering skills in Industrial, Mechanical, Metallurgical, Electronics; Mining, Process, Chemical, Geological Information Technology, Logistics and Packaging, Telecommunication, Environmental Science



Professionals like Metallurgical Control Analysts, Environmental Technicians, Geochemists, Geologists, Geological Technicians, Mine Safety Inspectors, Agricultural Scientists, Food Scientists,



Mine Cutting and Channelling Machine Operators, Miners, Mining Machine Operators, Quality of skills supply;

# Planning processes & Highlight of achievements



Milestone	Planned date of Completion	Date Achieved
Land identification (land identification Matrix) - 1 220ha identified	June 2015	December 2014
A Strategic Environmental Assessment (SEA) was completed	March 2018	March 2018
Environmental Impact Assessment/EIA (consultants appointed in October 2019)	July 2021	-
<ul style="list-style-type: none"> <li>The SEZ Infrastructure Master plan was completed for the whole 1 220ha of land</li> </ul>	April 2018	April 2018
<ul style="list-style-type: none"> <li>Costed engineering designs for infrastructure inside the SEZ was completed</li> </ul>	April 2018	April 2018
<ul style="list-style-type: none"> <li>A 3D physical and electronic model was completed for marketing purposes</li> </ul>	April 2018	June 2018
<ul style="list-style-type: none"> <li>Key infrastructure projects packaged and costed (inside and outside the SEZ)</li> </ul>	September 2019	October 2019
<ul style="list-style-type: none"> <li>Completion of the SEZ Business Plan and Financial model</li> </ul>	July 2019	August 2019
<ul style="list-style-type: none"> <li>Funding mobilisation for the development of the SEZ</li> </ul>	March 2020 – March 2021	-
Funding request submitted to Provincial Treasury – June 2020		
Funding application submitted to Infrastructure SA (Presidency) March 2020		
New Development Bank & EU		
Analysis of the investment pipeline (assessment for technical and financial viability)	July 2021	Ongoing process
<ul style="list-style-type: none"> <li>i) Eisowave Pty Ltd – R150 million</li> <li>ii) Mozweli Nuclear Energy Pty. Ltd - \$620million (R9.9 billion)</li> <li>iii) Barui Petro-Chemicals Pty Ltd – R54 million</li> <li>iv) Hermann &amp; Strauss Pty Ltd - R</li> </ul>		
<ul style="list-style-type: none"> <li>INVESTMENT VALUE = R38 billion</li> <li>Number of estimated jobs = 8 000 in the next 5 years and 20 000 in 10 years</li> <li>16 Companies are interested in locating in the SEZ.</li> </ul>		

# CURRENT PROJECT ACTIVITIES\_2021/22



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## Key project activities

1. Finalisation of the EIA processes: process of application for the EIA and a Record of Decision (RoD)
2. Township Establishment processes (Rezoning from communal land to Industrial land)
3. Consultation services (Electricity cost estimation study, Confirmation of the water allocations from DeHoop Dam , Transactional advisory services)
4. Partnerships with Private Sector in the development of the SEZ
5. Information dissemination and community engagement – District-wide Road shows on the SEZ
6. Signing of the Quadripartite Agreement (Dtic, LEDET, SDM, FTLM)

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# PROGRESS REPORT: Strengthening the Investment pipeline



**Analysis of the investment pipeline - 2020** LEDA commenced with the technical and financial assessment (preliminary due diligence) process on the companies that are keen to locate on the SEZ land, including the 2 Glencore properties that would form part of the proposed collaboration.

## **Three Companies on the top of the list: (Energy Cluster)**

**1. Barui Petrochemicals Pty Ltd (Barui)** – integrated biodiesel manufacturing plant – investment value R54 million. They will create of up to 1 050 direct jobs per annum within the first 10 years and indirect benefits to more than 1 500 families within the area via Moringa out growers models.

**2. Mozweli Nuclear Engineering (Pty) Ltd** – establishment of a 100 MW Small Modular Reactor Power plant using the latest pebble technology, at an estimated investment value of \$620 million (R9.9 billion).

This would be a greenfield project that will create 500 direct jobs and 2 200 indirect jobs during the construction phase, 1000 permanent jobs in the second year and 2 400 jobs in 10 years.

**3. Eisowave (Pty) Ltd** - vertical integrated electric vehicle manufacturing company with its own electric vehicle technology as well as aiming localize the manufacturing of niche electric vehicle components as well as assembly kit- conversion of diesel operated buses into battery operated vehicles.

This is a greenfield project which would be located on 1 hectare of land, with an investment value of R150 million, and a total of 6000 jobs are anticipated.

**4. Hedmann & Strauss Pty Ltd.** – Establishment of a 150 MW Solar PV plant which is worth R1.8 billion on 200ha of land (shovel-ready project). Further consultations are still in progress regarding leases.

# Attempts to partner with Private Sector: Currently existing infrastructure (Mining Inputs Suppliers Park)



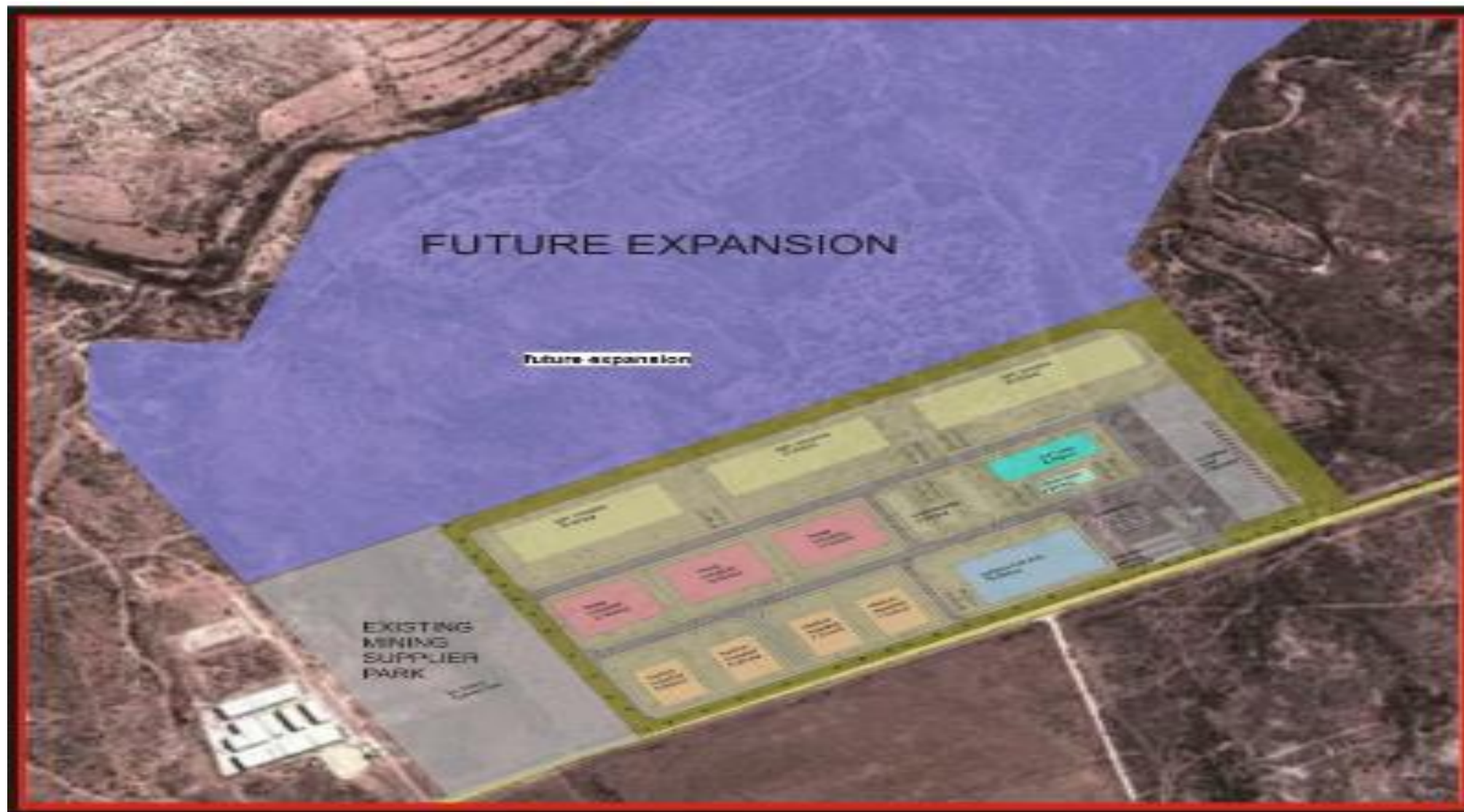
- **Infrastructure (water, roads and electricity) is in place**
- **11419 m<sup>2</sup> of industrial space is available**
- **130 000 m<sup>2</sup> of developable land is available and ready for top structure**



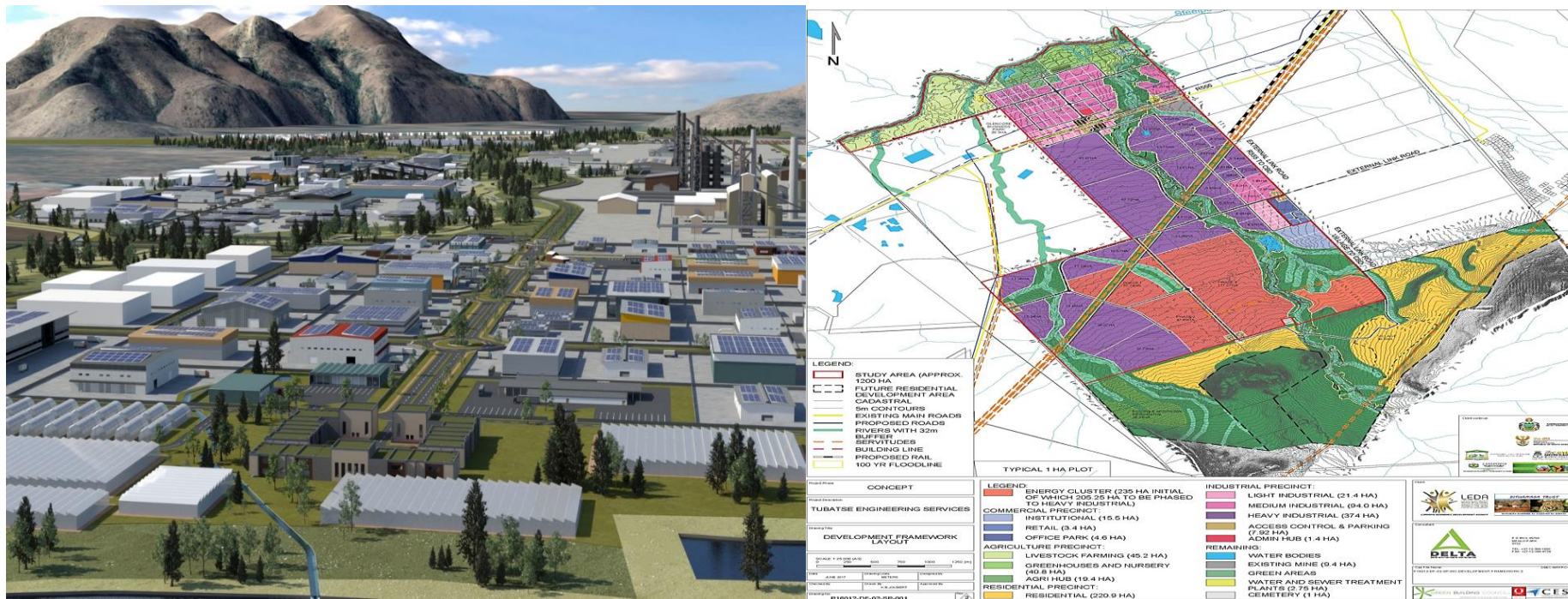
# SEZ/Industrial Hub in 10 to 20 years...



# MISP & SEZ LAND: Phase 1







THANK YOU!

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