



east london idz
business streamlined

A SPECIALISED INDUSTRIAL COMPLEX FOR GROWTH ORIENTED **AUTOMOTIVE MANUFACTURERS**



IGNITE + SHIFT + ACCELERATE

ABOUT THE ELIDZ

The East London Industrial Development Zone SOC Ltd is the operator of the East London Industrial Development Zone (ELIDZ), an entity which exists to help **manufacturers to become globally competitive** through the development and efficient management of a **modern, purpose built industrial location**, which offers investing industries a **streamlined business environment** enhanced by a range of **supporting services**.

The Zone is already operational and currently houses a number of manufacturers that supply products for the local and international markets.

The East London IDZ is a prime industrial park in South Africa. It is perfectly positioned for light industry manufacturers that are investing from R10 million (+/- \$1.2 million) upwards. The zone is specially developed for growth oriented manufacturers in search of ultimate global competitiveness. The zone focuses on streamlining business operations and engineering operational efficiencies for located industries.

Boasting 150 fully serviced sites, the company is on a mission and has already succeeded in establishing local and global export-oriented industries within the zone.

The company offers complete solutions and streamlined business activity for companies doing business in a number of sectors. These include:

- + **Automotive**
- + **ICT and Electronics**
- + **Agro-processing**
- + **Pharmaceuticals**
- + **Energy and Advanced Manufacturing**
- + **Marine Aqua-culture**
- + **Business Process Outsourcing and Offshoring**

PART OF THE SPECIAL ECONOMIC ZONE PROGRAMME

The East London Industrial Development Zone is an initiative under the South African Government's Special Economic Zones (SEZ) Programme.

Special Economic Zones (SEZs), are geographically designated areas of a country set aside for specifically targeted economic activities, supported through special arrangements (that may include laws) and systems.

SEZs are designed to be conduits for the creation of an appropriate environment for foreign direct and domestic investment and the development of strategic industrial capabilities. Companies that locate in the SEZ have access the following incentives:

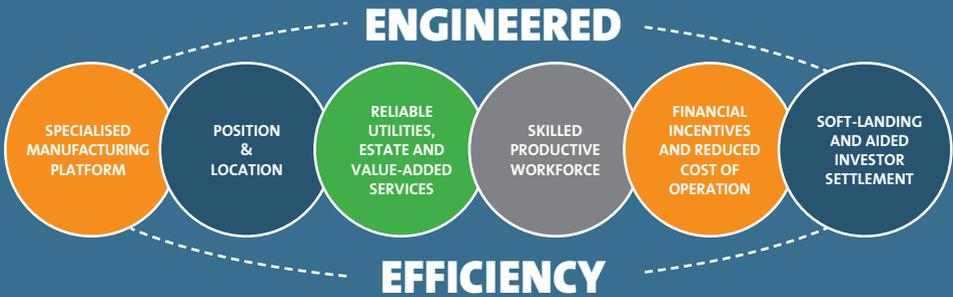
- **VAT and customs relief, if located within a Customs-Controlled Area (CCA);**
- **Employment tax incentive;**
- **Reduced corporate income tax rate.**



OUR OFFERING TO INDUSTRY

The East London IDZ is a greenfield development transforming over 400 hectares of prime land into a world class industrial location. The zone has six individually fenced sub-zones, each designed to serve specific manufacturing needs. It characterised by excellent internal roads boasting a newly built dual carriageway designed to carry both light and heavy vehicles including 22m-long interlines. All the sites in the ELIDZ are fully serviced with access to all utilities and ICT infrastructure and all are within close proximity to key transport networks

Investors that locate in the zone can take advantage of:



1. OPTIMAL **PURPOSE BUILT** OPERATING ENVIRONMENT

- + **132/11Kv sub-station** built for sustainable and adequate supply of electricity to the East London IDZ's industries;
- + **Water supply systems** designed to cater for various industries
- + **2.4 m high fence with a 3m high internal electrified fence** to allow for a high level of protection for all manufacturing operations
- + **Access control and data assessment system** which provides the necessary security and **24 hour controlled access** into the zone.
- + Quality premises and efficiently operated utilities and amenities
- + **Highly competitive telecommunication infrastructure** (Value Added Network licence) and **broad band internet** connection
- + **Purpose built investor facilities** designed and delivered to customer specifications for cost and time efficiency
- + **Expert investor facility construction services**, from initial planning, design, right through to project administration
- + **International industry benchmarking and research** of new found building technologies leading to the delivery of environmentally advanced facilities which contribute to investor competitiveness.

2. INNOVATIVE INDUSTRIAL SOLUTIONS

The East London IDZ has engineered solutions to streamline business operations and enhance the competitiveness of its tenants. These solutions include:

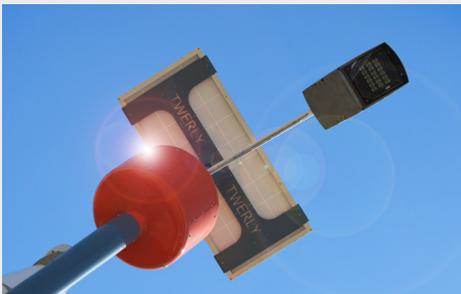
- + **Enabling sector specific infrastructure** (reduces set up and operational costs)
- + **A cluster- driven servicing approach** (shared services for economies of scale)
- + **Sourcing and localising of production inputs** (value chain enhancement)

The ELIDZ also encourages innovation in zone based industries through the East London IDZ's Science and Technology Park (STP). The STP is strategically located in the ELIDZ and is strategically positioned to:

- + Support industrial **research and development**
- + **Incubation of new technologies**
- + **Stimulate, organize and manage** the transfer of knowledge and technology from the knowledge custodians to companies and the market place
- + Stimulate the development of young technology industries

The STP currently offers:

- + An **open innovation** platform
- + **Centre of Excellence** for Renewable Energy
- + Advanced **Tooling and Process Engineering** support



3. AN **INCENTIVISED** BUSINESS ENVIRONMENT

The East London IDZ has various incentives which can be accessed by qualifying industries. These are:

+ Specialised Customs Controlled Area benefit for qualifying industries. This includes

VAT (14%) exemption on:

- + Goods imported
- + Capital equipment
- + Land supplied (to CCA enterprises) for sale and letting
- + Electricity and water supply

No import duties on:

- + Raw materials and other consumables for manufacture
- + Goods for storage
- + Capital goods used in the CCA
 - Specialised local incentives including:
 - Preferential land rental
 - Preferential utility rates
 - Competitively priced land
 - Access to national manufacturing and other generic government incentives



4. TAILORED INDUSTRY ASSISTANCE AND SUPPORT SERVICES

The East London IDZ prides itself in providing soft landing support to investors through the provision of business streamlining and support services that aid investors in the completion of investments and the start up of local operations.

A skilled team of experts assist the investors with:

- + **Relocation planning** assistance
- + Assistance with high level **market research and intelligence**
- + Start up assistance relating to business set up requirements including **company registration, visa and various permit applications**
- + **Assisted access to municipal** planning services and compliance to the necessary municipal and zone building regulations/guidelines
- + **Assisted regulatory compliance and government services access.**
- + **Application support** for national and local incentive programmes and benefits
- + **Labour recruitment and skills development** facilitation
- + Access to convenient, zone based **community services and amenities.**



AUTOMOTIVE SECTOR

A competent automotive skills pool, a thriving auto sector and customised best practice automotive solutions make the East London IDZ a prime location for any automotive investor in search of the ultimate manufacturing competitiveness. In order to ensure streamlined and cost-effective business operations, the ELIDZ has customised an integrated operational solution for the automotive sector including streamlined access to world renowned automotive component suppliers, an innovative logistics solution and state-of-the-art vehicle storage centre.

AUTOMOTIVE POSITIONING

World-Class Automotive Supplier Park

The East London IDZ boasts a **16 hectare custom built Automotive Supplier Park** which houses world renowned suppliers who currently manufacture components and provide specialised services for the local and export market. The Automotive Supplier Park is located 1km from the location identified for an OEM in the IDZ. All of these component manufacturers are currently 1st and 2nd tier suppliers for the current Mercedes Benz C-Class production. Components and services currently being manufactured and rendered in this innovative supplier park include:

- Cock pit
- Brake and fuel pipes
- Fuel tanks
- Suspension components
- Polypropylene impact dampers
- Wheelhouse liners
- Tyres and rims
- Moulded floor carpets and loose mats
- Boot liners
- Parcel trays
- Headliners
- Sun visors
- Seat components
- Various injection moulded plastic parts
- Exhaust Systems
- E-coating and Aluminium pre-treatment
- Various metal pressing and joining

Through the ELIDZ's customised solutions, these component manufacturers are able to:

- **Access dedicated utilities and services** specially designed to stimulate industrial productivity, expansion and export competitiveness
- Experience time and cost savings arising from **shared logistical and supply chain arrangements**
- Take advantage of a comprehensive package of **industry support assistance, including national trade and export promotion incentives**

These benefits in turn assist the component manufacturers to produce high spec, quality components at the right time and within a competitive price range for OEMs.

13 key components for the new Mercedes-Benz C-Class are manufactured in the East London IDZ's Automotive Supplier Park.

Reaping the Rewards

With access to state-of-the-art infrastructure and a customised service offering from the ELIDZ, a number of component manufacturers located in the ASP have received awards for their world-class operations.

The recipients of these awards include:

- **Carcoustics:** Best Medium Sized Exporter 2009. SA Exporter's Club
- **Foxtec-Ikhwezi:** Mercedes-Benz South Africa 2007 National Supplier Award: Best Overall Supplier Mercedes-Benz South Africa 2007 National Supplier Award: Export Parts
- **Mercedes-Benz East London Plant:** Won the 2010 Initial Quality Study Platinum Award for producing vehicles with the fewest defects for the US market.

AUTOMOTIVE EFFICIENCY

2 Kms from the East London Airport

The ELIDZ is located within 2 km from the city's airport. The airport is serviced by a cargo freight carrier daily from Johannesburg. International airfreight is easily accommodated with routing through South Africa's largest airport, O.R. Tambo International Airport.

6 Kms from The East London Port

The ELIDZ is situated 6 kilometres from the city's river port, strategically located to service markets to the East and West through scheduled shipments to Australia, Africa, Asia and Europe. The port, which has an award for the most efficient port in the country under its belt, boasts a car terminal with a storage capacity of up to 5000 vehicles. The port has 2 dedicated bays for car carriers and has the ability to process a motor vehicle every 30 seconds.



State -Of-The-Art Vehicle Storage Centre (Vsc)

Located adjacent to the Zone's ASP is a secured Vehicle Storage Centre, which boasts state-of-the-art technology and further streamlines the processing of incoming and outgoing vehicles. The VSC is currently being utilised by industry leader, MBSA and the potential exists to extend the available storage area to accommodate an individual OEM.

The VSC has a designated loading area for loading of auto carriers with the functionality to stack vehicles prior to loading. The current facility has the capacity to store 2500 vehicles under cover and a further 1154 in open parking. The current facility is individually fenced with a separate wash and inspection bay.



AUTOMOTIVE SYNERGY

The ultimate location for an OEM

For any OEM that is considering setting up a world-class manufacturing plant to extend its market, the ELIDZ is the ideal location. The IDZ is strategically located in the Eastern Cape Province of South Africa, the manufacturing base for three global auto players, Mercedes-Benz, Volkswagen and General Motors and their respective 1st and 2nd tier component suppliers.

With its main objective being to help manufacturers in strategic industries to increase their global competitiveness, the East London IDZ is in close proximity to key transport networks and major support partners for the automotive industry value chain.

Just over 80 hectares of industrial land has been set aside as the ideal location for an OEM within the East London IDZ's Zone 1B. The land, which was formerly a greenfields site, has been transformed into a prime industrial location with:

- **Fully serviced**, level sites
- **World-class road** infrastructure
- **Constant and reliable electricity** supply
- **Water** supply
- **State-of-the-art security** infrastructure including a highly
- **Efficient access control system**
- Complete **knock down** facility

VEHICLE ASSEMBLY

The East London IDZ has developed a location within its 1st phase to accommodate an OEM. The necessary infrastructure is already in place with the basic design already developed through our professional team taking into consideration the OEM's infrastructural requirements.

The following benefits would be realised:

- Improved and stable **supply chain process**
- **Decreasing inventory and holding cost** as the ASP is within a kilometre radius
- **Opportunity for additional supplier development** as land has been reserved
- **Lowering of infrastructure investment and increased flexibility** i.e. warehousing
- **Synergy** created among T1, T2 and T3 suppliers
- **New model launch flexibility**
- **Established competent suppliers** within the region.

CURRENT AUTOMOTIVE TENANTS IN THE ZONE

TI Automotive

TI Automotive
Fuel Systems SA

MOLAN PINO

MCS SYNCRO
South Africa

IAC FELTEX
A joint Venture between IAC and FELTEX

FELTEX

CARAVELLE
AUTOMOTIVE CARPETS

FELTEX

AUTOMOTIVE TRIM

FUTURIS

FELTEX

FOXTEC-IKHWEZI

Yanfeng
Global Automotive Interiors

LINDE + WIEMANN

BOYSEN
INNOVATIONEN ABGASTECHNOLOGIE

RG brose

voestalpine
ONE STEP AHEAD.

AUTOMOULD

ONELOGIX
VDS



ACCESSING **GLOBAL MARKETS**

SHIPPING ROUTES FROM EAST LONDON



east london idz
business streamlined

Lower Chester Road, Sunnyridge,
East London, 5201

PO Box 5458, Greenfields,
East London, 5208
Republic of South Africa

T: +27 (0)43 702 8200
F: +27 (0)43 702 8251
E: info@elidz.co.za

www.elidz.co.za