

ZONEBEAT

OFFICIAL NEWSLETTER OF THE *east london idz*

ELIDZ LAUNCH SCIENCE PARK TO INCREASE COMPETITIVENESS

The East London Industrial Development Zone launched its Science and Technology Park (STP), an innovation hub aimed at accelerating the pace of economic development in the Eastern Cape by increasing the competitiveness, efficiency and effectiveness of local industry.



ELIDZ launches science park to increase competitiveness... (continued)

Amongst other things, the ELIDZ STP has been established to showcase how the zone will leverage its innovations as a means to further enhance its attractiveness as an industrial destination of choice.

The ELIDZ STP is the only park of its kind in the country which is linked to an IDZ and was conceived as a catalyst for growth, collaboration, incubation and the application of innovations for the high technology sector.

Science and Technology Minister Naledi Pandor, Eastern Cape Premier Phumulo Masualle, Buffalo City Municipality Mayor Zukiswa Ncitha and business leaders including CSIR's Dr Hilda Chikwanda, Executive Chairman Dimension Data Dr, Andile Ngcaba and Border-Kei Chamber of Business Executive Director Les Holbrook attended the launch.

Speaking at the launch Minister Pandor emphasised the importance of the park as a connection between innovators and technology entrepreneurs who will assist in solving socio-economic problems in the province.

"The ELIDZ STP is a key development in the Eastern Cape's provincial innovation system. It is envisaged that it will catalyse the development of provincial knowledge-based activities that will feed into the development of the province," said Pandor during her keynote address.

Pandor further indicated that the STP would enable the industrial, research, SMME and governmental partners to leverage "scaled economies" created

through shared facilities, such as the creative and attractive common area that future start-up companies could use when conducting business at the STP.

ELIDZ CEO Simphiwe Kondlo explained the thought behind the science park, that it is designed as an attractive, functional and interactive space to encourage the exchange of ideas and facilitate the development of creative technical solutions to problems. Its services include a variety of laboratory facilities, training platforms, an open innovation platform, networking solutions, as well as incubator services.

"By locating it within ELIDZ we are increasing the competitive and comparative advantage of this IDZ. This will be done through the creation of research and networking infrastructures and by attracting appropriate funding and resources, with the ultimate goal of developing innovations that can leverage a company's competitiveness," Kondlo explained.

He added that Science parks are becoming a very important part of the economic landscape – globally and the biggest growth of these parks is seen in countries like China, Russia and Brazil which integrate them with industrial developments. "It is therefore no co-incidence that these countries are showing strong economic growth", said Kondlo

The ELIDZ STP is also associated with the International Association of Science Parks (IASP) which is a worldwide network of science parks and areas of innovation. The organisation provides the STP with

networking capabilities with every globally recognised science park.

Consequently, the collaboration provides the opportunity for innovative solutions developed within the ELIDZ STP to be globally recognised, which, in turn, could lead to innovators either selling their technology or attracting financing to further create a market for their technology.

"The ELIDZ STP is not only the first science park to be launched within an IDZ in South Africa, but it also acts as an enabler of the development of 'Smart Cities', which place science and technology at the forefront of economic development," stated IASP president McLean Sibanda.

Council of Scientific and Industrial Research group executive Dr Rachel Chikwamba mentioned that the ELIDZ STP's inception supported the development of new industries, which would be based on "sound science and technology principles".

Moreover, information and communication technology (ICT) services provider Dimension Data chairperson Dr Andile Ngcaba highlighted that, as technological development continues through the ELIDZ STP, the ultimate goal had to be the creation of entrepreneurs and establishing more small and medium-sized enterprises (SMEs), which would further drive the National Development Plan.

Most of the ELIDZ STP initial projects have reached completion and are operational with some having started to generate revenue.



Science and Technology Minister Naledi Pandor, DEDEAT MEC Sakhumzi Somyo and BCMM Executive Mayor Zukiswa Ncitha during the launch of the ELIDZ STP

ELIDZ PARTNERS WITH STATISTICS SOUTH AFRICA TO MEASURE ECONOMIC IMPACT

As part of measuring its impact on the Eastern Cape economy, the East London Industrial Development Zone (ELIDZ) announced its partnership with Statistics South Africa (STATSSA) to undertake an impact census of the ELIDZ's current investors during the organisation's Annual Results Breakfast.

The partnership is a first of its kind between STATSSA and a South African Industrial Development Zone (IDZ). Speaking about the initiative, ELIDZ Chief Executive Officer, Simphiwe Kondlo said the organisation had kept a very close eye on its broader impact in the Eastern Cape economy since inception.

"The partnership with Statistics South Africa is a move to validate our impact. As a credible independent organisation with a great track record, STATSSA brings the technical ability and necessary expertise to allow us to have benchmark data which will be utilised to continually monitor and compare economic activity and impact in the zone in future," said Kondlo. The objectives of the census included, amongst others, the determination of the zone's direct employment impact, value of income by zone enterprises and the contribution into the local economy during 2013.

Contextualising the result, Kondlo highlighted that in just 2013, based on the census report, the total income by surveyed enterprises in the zone stood at R2.16 billion. Of this, R1.7 billion (80% of total income) was from manufacturing oriented industries.

Kondlo added that this was a further confirmation that the ELIDZ was well on its way in delivering its mandate of increasing and diversifying manufacturing activity in the region.

Focusing on the ELIDZ's impact on the Eastern Cape population, Kondlo said in 2013, a total of R142 million was paid by surveyed enterprises towards wages and salaries of 1864 employees – an annual average of R78 326 per annum for each employee. "We know that in our society the impact of these salaries is wider than just the individual employee. Families are fed, children are educated and shelter is provided," said Kondlo.

Talking about the future impact of the zone, Kondlo was confident that the ELIDZ would double its impact within the next seven year. "Since March 2013, the ELIDZ has operationalised an additional 7 companies in the zone with an investment value of R700 million. We have attracted an additional four new investors with the investment value of R622 million in the automotive, renewable and aqua-culture sectors and our employment stands at 2992," he said.

Statistician General: Pali Lehohla presented the findings of the survey during the session outlining some of the key findings contained on the survey some of which being that that investors



ELIDZ CEO Simphiwe Kondlo receiving the results of the census of the zone's tenants from Statistician General Pali Lehohla

within the zone had the most income and expenditure in 2013 compared to the office park and the Science and Technology Park.

He further highlighted that on the year under review manufacturing had the bulk of income and expenditure when equated to non-manufacturing.

"Some of the notable highlights from the results are that new technologies are being brought into the zone as about R37 million was spent in acquiring plant machinery and equipment which will be used primarily for manufacturing. Investors also account for more numbers in terms of employment opportunities than the office park or science and technology park", said Lehohla.

In his key note address Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) MEC Sakhumzi Somyo lauded institutions such as the ELIDZ for driving economic development in the province and placing the Eastern Cape in the map for being a destination of choice for both foreign and domestic direct investment.

"In the wake of the SEZ bill being passed into law we hope that the government will consider the role played by the IDZ's in pioneering the programme without incentives to lure investors", said Somyo.

Somyo also congratulated and welcomed the newly appointed ELIDZ Chief Financial Officer (CFO) Babalwa Buwa-Magongwa "May your stay with us add more value to the already thriving organisation", he said.

NEW CFO FOR ELIDZ

The ELIDZ has appointed Babalwa Buwa-Magongwa as its new Chief Financial Officer (CFO). Buwa-Magongwa will provide strategic and managerial leadership on financial and administration issues necessary to ensure the commercial effectiveness, financial viability and sound corporate governance for the organisation.



ELIDZ newly appointed CFO
Babalwa Buwa-Magongwa

Buwa-Magongwa is a Chartered Accountant with over ten years' working experience, most of which was accumulated in Finance environments at Pricewaterhouse Coopers (PWC), the South African Revenue Services (SARS), BHP Billiton, Buwa Gasa Gigaba Chartered Accountants (BGG CAs) as well as the Department of Public Works.

One of her biggest professional achievements was when in 2011, she was appointed as a Project Manager for the Limpopo Section 100 (i) (b)

Administration Intervention by the National Department of Public Works to spear head the turnaround strategy of the Limpopo Department of Public Works. The Administration Intervention Team has since managed to take the Limpopo LDPW from a Disclaimer audit opinion to a qualified audit opinion in the current year AG regulatory audit.

Buwa-Magongwa also holds a BSC (Quantity Surveying) degree from the Nelson Mandela Metropole University (formerly known as the University of Port Elizabeth) with majors in Financial and Strategic Management in 2000 and has various other post graduate qualifications in her field.

Speaking on the new appointment, ELIDZ CEO, Simphiwe Kondlo said the ELIDZ is confident that Buwa Magongwa will continue to build on the fundamentals of the financial management framework that the organisation has set out in the last 12 months.

"In 2013/14 our fundamental focus was on ensuring incremental and sustained improvement for the attainment of clean administration and our new CFO shares this vision and has the necessary experience to drive the organisation towards this vision," he said.

According to Kondlo, the appointment of the CFO and the filling of some critical finance positions give increased credibility to the organisation's finance department.

"Having observed the growth of our organisation in the last eleven years, we felt it was important to bring in new staff to chiefly augment our Finance unit and bring in fresh ideas. In addition to the key CFO position, we brought in Accountants, Management Accountant, Finance Manager, Internal Auditors and other strategic personnel in the unit and all this has been done to strengthen our Financial Management", said Kondlo.

ELIDZ FOSTERS DEVELOPMENT AND APPLICATION OF HIGH TECHNOLOGY IN THE RENEWABLE ENERGY SPACE

The State of Lower Saxony in Germany has supported the acquisition of a PV panel and small wind turbine which will be used for the on-going Solarteur training at the East London Industrial Development Zone's (ELIDZ) Science and Technology Park (STP). Lower Saxony will also provide for all necessary works for obtaining and installing the two facilities.

The donation was made possible through co-operation with the representative from the State of Lower Saxony, currently in the Province of the Eastern Cape, Mr. Lars Koenig.

The donation by the State of Lower Saxony comes after the ELIDZ, Master Artisan Academy and Bundestechnologiezentrum for Electricity, Information and Energy (BFE) had signed an operation agreement to assist the establishment context of

Solarteur training. The agreement covers the development of human capital and learning material, as well as the possibility of exchange programs for lecturers and learners in the field of renewable energy.

The ELIDZ STP is currently home to MAASA Renew, a division of Master Artisan Academy SA. The Renewable Energy Centre is accredited for Solarteur School under licence in Austria with

its focus on training, research and development. The centre also specialises on Solar Thermal, Solar PV (Rooftop Installations, Small Wind Power Generation and Heat Pumps) and in partnership with ELIDZ STP the centre is busy training the first 20 Renewable Energy apprentices in the history of South Africa. This was made possible by the funding made available by the merSETA.

“The relationship seeks to build bridges and relationships to intensify the development of the social cultural and economic structures of the different regions within the already existing network”, ELIDZ CEO Simphiwe Kondlo said adding that the ELIDZ Science and Technology Park and MAASA share the same vision which is to forge forward with innovations and empowering young individuals in the renewable energy sector.

The donation is in line with the STP’s objective to increase the competitive and comparative advantage of the ELIDZ by increasing the demand for and the capacity to generate relevant innovations. “These will be realized by establishing a capability that will ensure the rapid development of innovations which can be showcased as prototypes or technology demonstrators”, said Kondlo.

“The apprentices will receive a dual qualification as Industrial Electricians, accredited by the merSETA, as well as the International Solarteur qualification”, Kondlo concluded.

From left: ELIDZ Head of Industrial Competitiveness & Innovation Sybert Liebenberg, MAASA Operations Manager Willie Gresse, ELIDZ CEO Simphiwe Kondlo, ELIDZ Specialist: Skills Development & Zone Labour Hugo Allers & Representative of the State of Lower Saxony in the Province of the Eastern Cape Lars Koenig



ELIDZ HONOURS THE GREAT NELSON MANDELA

Once more, the East London Industrial Development Zone (ELIDZ) heeded the call by the United Nations (UN) to help change the world for the better in honour of struggle stalwart, Tata Nelson Mandela during the month of July.

Through the ELIDZ Corporate Social Investment (CSI) committee, the Embekweni Educare Centre in Potsdam was identified as an organisation in need for this year’s Mandela Day. The centre offers pre-primary education to children between the ages of six-months- five years.

ELIDZ employees in partnership with the Community Chest, a non- profit organisation engaged in meeting welfare, education and health needs, rolled up their sleeves refurbishing the centre, donating outdoor equipment, tables, mattresses and providing entertainment for the children on Mandela Day.

According to the ELIDZ Executive Manager: Corporate Affairs and CSI Chairperson Amanda Magwentshu, the ELIDZ is committed to improving the lives of the needy. “Our CSI programmes are all year round, where there is a need or request from the community in line with the criteria, we lend a helping hand. The ELIDZ also appreciate initiatives such as the Mandela day because the plight of the poor gets amplified as

more individuals and organisations alike set some time aside to make a meaningful contribution in someone’s life”, she said.

She added that initiatives aimed at placing the needs of the less privileged at the forefront should be prioritised with more emphasis on early childhood development. “The late great Nelson Mandela encouraged for programmes that would make a positive difference a child’s wellbeing, his entire life and the Educare Centre with the little resources they have at their disposal are shaping the lives of tomorrow’s leaders”, said Magwentshu.

Potsdam Educare Centre Project Manager and Principal Tendani, lauded the ELIDZ employees and Community Chest for giving up their time to give the pre-school a much needed facelift. “We have a long standing relationship with the community chest as they have been assisting get more donations. Today through them we saw the ELIDZ coming in to offer much appreciated help”, she said.

ELIDZ honours the great Nelson Mandela... (continued)

According Community Chest Myra Pienaar, the plight of the Potsdam Educare centre is experienced by many other organisations. "Organisations such as the ELIDZ truly assist us in doing what we can as they partner with us and offer assistance", she said.

Various ELIDZ employees expressed their views on lending a helping hand in honour of the late struggle stalwart. ELIDZ Investment Analyst Ondela Hlwathi "giving has got to be the easiest thing a human can do. Today we are here to make a young child's life better by giving our time, ploughing the garden and refurbishing the classes", he said.

"Being here on this day, making a difference in one of our impoverished communities has got to be the most honourable deed in honour of the world's greatest humanitarian Tata Mandela", said ELIDZ Project Management Intern.

The community was not to be upstaged as they as they jumped in and filled the day with festivities such as singing, dancing and great camaraderie teaming up with ELIDZ employees in celebrating a life well lived through making a difference.



ELIDZ staff and community members extending their reach in honour of Tata Nelson Mandela

INNOVATION HELPS NEEDY COMMUNITIES

Exposed, by chance, to a school in the Transkei where young children were studying in a cramped classroom and others under a tree, Patrick Nawa, was determined to do something that could change the lives of many other children in the same situation.

Recently, Nawa was in a position to change this situation, even if it is for only a few children in search of education. Nawa is a director and shareholder at ILB Helios, one of the companies that have invested in the ELIDZ.

Known for leading and constantly coming up with new technologies to assist in the energy crisis faced by the universe, the Spanish renewable energy giant ILB Helios, as part of commissioning their plant in the ELIDZ recently received a number of containers with equipment.

“As we were gearing up for the start of production in our plant at the East London IDZ we brought in heavy machinery that came in timber crates. After unpacking the machines from the timber crates, we were left with large quantities of timber for which we as a company did not have much to do with. The CEO of ILB Helios David Nunez and I decided to do something about the waste wood which would benefit the community”, said Nawa.

ILB Helios has since had to source professional carpenters and machinery to ensure a quality output. The team made desks, bookshelves, benches and other basic furniture for impoverished schools and children’s homes in the province.

“It is important to acknowledge that schools in the outskirts of any country do not often receive the same attention as those in the urban areas. It is therefore partly the responsibility of corporate South Africa to assist where we can to ensure that pupils learn in a conducive environment”, he said.

One of the deserving beneficiaries and the first to benefit in the programme Loaves and Fishes Network was identified through Oxfam Italia’s outreach program. Started as a support structure for HIV/AIDS affected families the organisation has grown and now offers a helping hand to 31 child care centres which in turn look after 1578 children in total.

According to Loaves and Fishes Network: General Manager Pateka Mtintsilana the support provided by the organisation to the Edu-care centres stems from donations made by various organisations such as ILB Helios.

“This generous donation means a lot to Loaves and Fishes Network and the children at the Edu-care centres we are supporting. The benefit will go a long way in saving funds that would have been spent on buying furniture and will enable us to increase the amount of food and toys we provide the centres with”, said Mtintsilana.



Management and Workers at ILB Helios lending a helping hand to poor EC rural schools

EXTENDING OUR REACH THROUGH STRENGTHENING HIGHER EDUCATION

In line with its Corporate Social Investment (CSI) programme, the East London Industrial Development Zone (ELIDZ) made an incomparable ICT equipment donation to the University of Fort Hare (UFH).

The equipment which included six HP servers with fittings estimated at a second-hand price of R200 000 was handed over to the UFH's management and ICT personnel at an event held at the University's East London Campus.

Explaining the decision to donate the equipment by the organisation ELIDZ Executive Manager: Corporate Affairs and CSI Chairperson Amanda Magwentshu said the organisation's values institutions of higher learning in the Eastern Cape and as such it has established strong relations with the four leading university in the province. She further added that the assets include specialised items and could not be donated to smaller non-profit organisations as it would be expensive to service the machines and would also pose a financial burden rather than a benefit to smaller institutions without the expertise.

"The servers were identified for disposal by the ELIDZ ICT unit, as an estimated life span of a computer equipment is three years and we have had them for seven years. This had gone past the estimated life span but we kept them in good working condition as they were serviced timeously", she said.

She added that UFH had approached the ELIDZ for consideration when such assets are up for disposal. "As part of their operational demands they will be able to utilise the servers and storage as well as provide their Computer Science department with equipment for their academic programme", she said.

Receiving the donation UFH Chief Information Officer Dr. Chris Johl said the institution will double its powerbase from the donation as it was not easy to get funds for ICT equipment in higher education. "This donation comes at the right time

as the systems will primarily focus on education rather than administration. On behalf of the management and students we would like to extend a big thank you. This will go a long way in helping us", he said.



ELIDZ and University of Fort Hare staff during the ICT equipment handover

SEASONS GREETINGS & A HAPPY NEW YEAR

Its many events, stories, successes, troubles and triumphs, still ripe in our minds, will linger on into the years that lie ahead. We have been privileged to endure, celebrate, undertake and deliver with you. As we venture into the years that follow, we are glad to have you with us as, together, we change the face of Buffalo City.

Many warm blessings to you and your family for the festive season and the year that lies ahead!

Regards *The East London IDZ Team*

