



**east london idz**  
business streamlined

# **COST OF DOING BUSINESS**

*IN THE EAST LONDON IDZ & BUFFALO CITY REGION*



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# 01. A BRIEF OVERVIEW OF THE EAST LONDON INDUSTRIAL DEVELOPMENT ZONE (ELIDZ)

The ELIDZ came into existence in 2002 as a response to the need for a robust catalyst for economic development and industrial diversification in the Eastern Cape. It is a state owned entity by provincial government, Department of Economic Development Environmental Affairs and Tourism (DEDEAT) and Buffalo City Metro Municipality (BCMM). The entity is funded by the Department of Trade and Industry (SEZ Fund - Capital projects), the DEDEAT (Operations) and own generated revenue (Operations). The ELIDZ offers growth-oriented companies a specialised manufacturing platform, innovative industrial and business solutions, access to new markets and strategic industry networks. The zone has become a prime industrial park in South Africa, renowned for its customised solutions for various industries including automotive, agro-processing and aquaculture.

The East London IDZ offers sophisticated infrastructure, low energy costs and fast track construction compliance with international quality and health and environment standards (ISO 14001 & OHSAS 18001), and clustering of industries for efficiency and to reduce costs. It also provides prime, reasonably priced industrial land with easy access to harbour, airport, rail and road. Service costs are very competitive. Our excellently managed modern industrial estate boasts world-class infrastructure, quality premises and efficiently operated utilities and amenities, setting the foundation for streamlined business operations.

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. By locating in one of the site options offered by the ELIDZ, an investor can take advantage of:

- The zone's secured manufacturing environment with controlled access.
- World class infrastructure and utility provision.
- Proximity to key transport networks including internationally acclaimed port, recently expanded airport and great rail and road infrastructure.

## VISION

ELIDZ vision is to be a World Class Operator of a prestigious industrial complex where highly competitive organisations thrive on streamlined business benefits and stimulate sustainable regional economic growth.

## MISSION

ELIDZ mission is to provide investor solutions and to attract and develop strategic industries that strengthen South Africa's global competitiveness through the development and operation of a thriving specialised industrial complex.

## ELIDZ STRATEGIC GOALS

The ELIDZ strategic goals are as follows:

- To develop a strategic industrial complex.
- To implement infrastructure delivery.
- To attract strategic investment.
- To provide a globally competitive location.
- To build Organisational capability, resilience and excellent.

Key to East London IDZ strategic objectives is to generate sustainable local and foreign direct investment while creating jobs, encouraging skills and technology transfer, encouraging development of small, medium and micro-enterprises, and increasing foreign exchange earnings.

# 02. STARTING A BUSINESS

## COMPANY REGISTRATION

The most common business entities in South Africa are:

- **Private companies Proprietary (Limited);**
- **Public Companies (Limited).**

Registration of a company requires lodgement of documents with the Companies and Intellectual Properties Commission (CIPC), either by the applicant itself, or by an agent on behalf of the applicant.

### Costs for submission by the applicant itself directly to the CIPC:

Documents	Purpose	Fees
CoR9.1	Application for name reservation	R50.00
CoR14.1	Notice of Incorporation	Filed with CoR15.1 and is subject to allowed reduction (R175.00 – R475.00)
CoR15.1	Memorandum of Incorporation	R175.00 – R475.00
CoR44	Notice of Change of Auditor or Company Secretary	Included in registration

### CIPC company registration in BCMM

Company Category	Documents	Purpose	Fees
Company with / without Share Capital	CoR9.1 CoR14.1 CoR15.1A-E	Application for name reservation Notice of Incorporation Memorandum of Association	R50.00 Price included with CoR15.1
	CoR21.1	Notice of change of address	R0.00
	CoR39	Return containing particulars of directors	R0.00

### Registration of intellectual property done through CIPC and agent

Company Category	Self-submitted	Agent
Patent Registration	R 590.00	R16,000.00 – R28,000.00
Patent Search		R 3,500.00 - R11,900.00
Design Registration	R 240.00	R18,000.00 - R22,000.00
Trademark Registration	R 590.00	R 3,000.00 - R13,000.00
Trademark Search		R 2,500.00 - R 5,100.00

(Source: CIPC website, IdeaNav and Smit & Van Wyk, Inc)

## 03. FINANCIAL ASSISTANCE

There are various sources of finance for companies setting up operations in South Africa, namely commercial banks, leasing companies and other financial institutions. The rates of interest charged by commercial banks depend on the Prime Lending Rate (PLR), which in turn depends on the Repo Rate, currently set at 6,5% per annum. There is also a slight variation between the PLR of the different commercial banks. The PLR currently varies from 10,5% to 10,25% per annum.

The rate of interest charged for loans and advances from commercial banks may vary depending on the commercial bank's lending policy and the nature of the collateral security offered by the company.

## 04. OBTAINING A SOUTH AFRICAN WORK PERMIT

### **SOUTH AFRICAN WORK PERMITS REQUIREMENTS**

South African work permit requirements will vary, depending on which work visa you are applying for. The Department of Home Affairs and South African Embassies globally are quite stringent about requirements and incomplete applications will definitely result in your visa application being rejected or not accepted by an immigration official.

### **VALIDITY OF A SOUTH AFRICAN WORK PERMIT**

South African work permit will be issued for a period of four years or for the duration of the applicant's project or contract. Applicants may apply for an extension of this visa but in this case the applicant and the employer would be required to furnish substantial evidence that an extension of their South African work permit is warranted.

### **HOW MUCH DOES A SOUTH AFRICAN WORK VISA COST?**

According to the South African (SA) Department of Home Affairs applicants can expect to pay about R1520,00 per visa application. Please note that all South African visas are to be submitted at the (Visa Facilitation Services) VFS centres in SA closest to you. VFS currently manages the submission of visa applications and therefore charge an extra fee for the handling of your application.

VFS South African work permit cost: R 1350.00 per applicant to digitally capture your fingerprints and capture a digital photograph. South African work permit costs may differ for each South African embassy.

It is important to note that there is an additional fee charged if you are making use of the professional services of an immigration practitioner to prepare your application.



# 05. PROFESSIONAL SERVICES

Fees vary greatly between service providers, but the data provides an indication of market related rates in Buffalo City

Documents	Buffalo City
Legal Advice	<ul style="list-style-type: none"> <li>• Senior Attorney R2,000.00 – R2,174.00 /hr</li> <li>• Junior Attorney R1,200.00 /hr</li> </ul>
Financial Audit	<p>Rates governed by the SAICA and are generally evenly costed across all cities</p> <ul style="list-style-type: none"> <li>• Partner – R1,533.30 – R2,876.00 /hr</li> <li>• Senior – R817.00 – R1,368.00 /hr</li> <li>• Junior – R536.00 /hr</li> </ul>
Environmental Assessment Impact	<p>R150,000.00 – R300,000.00 (heavily dependent on the scope of the assessment, excludes specialist studies)</p>

*(Source: Legal Aid South Africa & Auditor General of South Africa) (Fees exclusive of VAT)*



# 06. RECURRENT COSTS

## BUILDING & INDUSTRIAL LAND – RENTAL

Shown below are ELIDZ market related prices

### FACTORY RENTALS

Average market value for **industrial buildings** in ELIDZ

Size of premises	ELIDZ
0m2 – 1000 m2	R 45 – R 50/m2
1001 m2 – 2000 m2	R 45/m2
2001 m2 – 5000 m2	R 40 – R 45/m2
5001 m2 and above	R 33 – R 40/m2

### INDUSTRIAL LAND – RENTALS

Average market value for **industrial land** in ELIDZ

Size of premises	ELIDZ
0m2 – 1000 m2	Gross –R4.00/m2- R5.00/m2
1001 m2 – 2000 m2	Gross –R4.00/m2
2 001 m2 – 5 000 m2	Gross- R3.50/m2 – R4.00/m2
5 001 m2 – 10 000 m2	Gross- R3.50/m2
10 001 m2 and above	Gross - R2.50/m2

## INDUSTRIAL LAND – SELLING PRICE

Average market value for **vacant sites** in ELIDZ

Size of premises	ELIDZ
0m2 – 1000 m2	R 400 – R500/m2
1001 m2 – 2000 m2	R400/m2
2001 m2 – 5000 m2	R350 – R400/m2
5001 m2 – 10000 m2	R350/m2
10000m2 and above	R250 – R350/m2



# 07. LABOUR COSTS

Monthly minimum wages in the BCMM region (Rate per hour)

SKILLED LEVEL	Minimum wage per hour	Monthly minimum wage
<b>Lower Skilled</b> (Tea maker/ cleaner)	R 15.37 – R 19.08 (Dependent on the company size)	R 2459.2 – R 3052.8 (Dependent on the company size)
<b>Semi-skilled clerical</b> (Defined repetitive duties)	R 21.20 – R 26.50	R 3,392 – R 4,240
<b>Supervisory</b> (Up to 5 yrs experience with good knowledge)	R 26.64 + (45 hours of work a week)	R 4,874.91 + (45 hours of work a week)
<b>Specialized/lower to middle management</b> (Managerial position, Grade 12 with 5 yrs experience)	R 34.02 + (45 hours of work a week)	R 6,634.56 + (45 hours of work a week)

*(Source: Recruitment agencies)*

**Note:** Figures depend on the industry, bargaining council, management and the Basic Conditions of Employment Act

Maximum permissible working hours per week for each respective category of employees are subject to clause 5(2) of the Labour Act, with regard to averaging of working hours

- Work hours for an artisan, clerical assistant, clerks, controller, driver, general worker and repair person is 45 hours per week.



# 08. APPLICABLE TAX IN SOUTH AFRICA

The tax rates, rebates, exemptions and deductions set out below were obtained from the South African Revenue Services (SARS) official website ([www.sars.co.za](http://www.sars.co.za)) and are in respect of the year of assessment ending on 28 February 2019.

## TAXATION

Type	Rate %
Vat	15%
Corporate Tax	28% (15% within an IDZ)
Dividend Tax	20%
Foreign resident companies trading in South Africa	33%
Skills Development Levy	1% of the total amount paid in salaries to employees
Unemployed Insurance Contributions	Employer must pay a total contribution of 2% (1% contributed by the employee & 1% contributed by the employer)
Estate Duty	20% on the amount above R30 million

## MICRO BUSINESSES (TURNOVER LESS THAN R1 MILLION) – TURNOVER TAX

Taxable turnover (R)	Rate of tax %
0 - 335 000	0%
335 001 - 500 000	1% of each R1 above 335 000
500 001 - 750 000	1 650 + 2% of the amount above 500 000
750 001 and above	6 650 + 3% of the amount above 750 000

## o8. APPLICABLE TAX IN SOUTH AFRICA (continued)

### SMALL BUSINESS CORPORATION (TURNOVER UP TO R20 MILLION)

Taxable income (R)	Rate of tax %
0 – 78 750	0%
78 751 – 365 000	7% of taxable income above 78 750
365 001 – 550 000	20 080 + 21% of taxable income above 365 000
550 001 and above	58 930 + 28% of taxable income above 550 000

\*1 April 2018 - 31 March 2019

### INDIVIDUAL INCOME TAX

Taxable income (R)	Taxable income %
0 – 195 850	18% of taxable income
195 851 – 305 850	35 253 + 26% of taxable income above 195 850
305 851 – 423 300	63 853 + 31% of taxable income above 305 850
423 301 – 555 600	100 263 + 36% of taxable income above 423 300
555 601 – 708 310	147 891 + 39% of taxable income above 555 600
708 311 – 1 500 000	207 448 + 41% of taxable income above 708 310
1 500 001 and above	532 041 + 45% of taxable income above 1 500 000

\*1 April 2018 - 31 March 2019

### TAX ON RETIREMENT FUNDS

Withdrawal Benefit	Rate %
R 0 – R 25,000	0%
R 25,001 – R 660,000	18% of taxable income above R25 000
R 660,001 – R 990,000	R 114,300 + 27% of taxable income above R 660, 000
R 990,001 and above	R 203,400 + 36% of taxable income above R 1,050, 000

## o8. APPLICABLE TAX IN SOUTH AFRICA (continued)

### TAX ON RETIREMENT FUNDS - CONTINUED

Benefits or Severance Benefits	Rate %
R 0 – R 500,000	0% of taxable income
R 500,001 – R 700,000	18% of taxable income above R 500,000
R 700,001 – R 1,050,000	R 36,000 + 27% of taxable income above R7000,000
R 1,050,001 and above	R 130,500 + 36% of taxable income above R1,050,000

### CAPITAL GAINS

Type	Rate %
Individual and Special Trusts	Inclusion rate: 40% Max effective rate: 18%
Companies	Inclusion rate: 80% Max effective rate: 36%
Other Trusts	Inclusion rate: 80% Max effective rate: 22.4%

### TRANSFER DUTY

(NOT payable if transaction is subject to VAT, Natural person and legal entities i.e. companies, trusts)

Value of the property (R)	Rate %
0 – 900 000	0%
900 001 – 1 250 000	3% of the value above R900 000
1 250 001 – 1 750 000	R10 500 + 6% of the value above R 1 250 000
1 750 001 – 2 250 000	R40 500 + 8% of the value above R 1 750 000
2 250 001 – 10 000 000	R80 500 + 11% of the value above R2 250 000
10 000 001 and above	R933 000 + 13% of the value above R10 000 000

\*1 March 2018 - 28 February 2019



## o8. APPLICABLE TAX IN SOUTH AFRICA (continued)

### TAX ON INTERNATIONAL AIR TRAVEL

Air Travel	Rate
Flights to Southern African Customs Union (SACU) countries	R100
All other international flights	R190

# 09. TRANSPORTATION & FREIGHT

Transportation and freight activities are crucial in logistics systems planning as such, the ELIDZ's close proximity to key transport networks bodes well for convenience seeking industries. Below is a list of charges associated with transporting goods from the BCMM region.

### COURIER CHARGES (DHL)

To:	Buffalo City
Any place in SA - overnight	R441.31 – R882.62
Any place in SA – same day	Service not available
London	R336.08 – R405.00
Botswana/Namibia/Swaziland/Malawi/Zimbabwe	R314.11 – R455.59
Australia	R563.93 – R675.30
USA	R441.87 – R720.30
Germany	R424.78 – R870.28
Spain	R424.78 – R536.16

*(Prices vary on what time of the day parcel arrives)*

## 09. TRANSPORTATION & FREIGHT (continued)

### SEA TRANSPORT

From Buffalo City to:	Number of days	Costs (2016)	
USA		REEFER	DRY
Los Angeles, CA	58 days	6,794 USD – 20 ft 7,400 USD – 40 ft	3,616 USD – 20 ft 5,271 USD – 40 ft
N Charleston, SC	36 days	4,503 USD – 20 ft 5,130 USD – 40 ft	3,216 USD – 20 ft 4,371 USD – 40 ft
Savannah, GA	39 days	5,473 USD – 20 ft 5,794 USD – 40 ft	3,671 USD – 20 ft 4,826 USD – 40 ft
Newark	31 days	4,503 USD – 20 ft 5,130 USD – 40 ft	3,216 USD – 20 ft 4,371 USD – 40 ft
UNITED KINGDOM	34 days	1,728 USD – 20 ft 2,255 USD – 40 ft	Costs were not available by the time of going to print
London Gateway	24 days	Costs were not available by the time of going to print	Costs were not available by the time of going to print
CHINA	39 days	698 USD – 20 ft 1,168 USD – 40ft	Costs were not available by the time of going to print

(Source: Safmarine) (Costs shown above are from 2016)

### AIR TRANSPORT OF CARGO (SAA)

From Buffalo City to:	General	Express	Starlight Express (Night Freighter)
Cape Town	<ul style="list-style-type: none"> <li>• R101.70 (minimum charge)</li> <li>• R8.00/kg (weight: &lt;100kg)</li> <li>• R7.87/kg (weight: &gt;100 kg)</li> </ul>	<ul style="list-style-type: none"> <li>• R145.08 (minimum charge)</li> <li>• R28.20/kg (weight: &lt;100kg)</li> <li>• R27.58/kg (weight: &gt;100kg)</li> </ul>	<ul style="list-style-type: none"> <li>• R145.08 (minimum charge)</li> <li>• R33.76/kg (weight per kg)</li> </ul>
Johannesburg	<ul style="list-style-type: none"> <li>• R101.70 (minimum charge)</li> <li>• R8.00/kg (weight: &lt;100kg)</li> <li>• R7.87/kg (weight: &gt;100kg)</li> </ul>	<ul style="list-style-type: none"> <li>• R145.08 (minimum charge)</li> <li>• R28.20/kg (weight: &lt;100kg)</li> <li>• R27.58/kg (weight: &gt;100kg)</li> </ul>	<ul style="list-style-type: none"> <li>• R145.08 (minimum charge)</li> <li>• R33.76/kg (weight per kg)</li> </ul>
Durban	<ul style="list-style-type: none"> <li>• R101.70 (minimum charge)</li> <li>• R5.20/kg (weight: &lt;100kg)</li> <li>• R5.07/kg (weight: &gt;100kg)</li> </ul>	<ul style="list-style-type: none"> <li>• R145.08 (minimum charge)</li> <li>• R15.33/kg (weight: &lt;100kg)</li> <li>• R14.99/kg (weight: &gt;100kg)</li> </ul>	<ul style="list-style-type: none"> <li>• R145.08 (minimum charge)</li> </ul>

(Source: [www.saa.co.za](http://www.saa.co.za))

# 10. FUEL PRICES

As at 03 October 2018

Petrol	REEF			COAST		
	Unleaded		Lead-Replacement Petrol (LRP)	Unleaded		Lead-Replacement Petrol (LRP)
Type	93	95	93	93	95	95
03 October 2018	R16.85	R17.08	R16.85	R16.35	R16.49	R16.49

Diesel	REEF		COAST	
		New		New
Type	0.05%	0.01%	0.05%	0.01%
03 October 2018	R15.64	R15.69	R15.16	R14.97

(Prices may differ due to location)  
(AA / SAPIA website)



# 11. UTILITIES

All ELIDZ SOC LTD Property Owners and Tenants will be required to pay services charges to the ELIDZ SOC LTD and BCMM, as the case may be, for the services rendered. Detailed utilities brochure is available upon request.

The charges for the following services will be payable to the ELIDZ SOC LTD:

## PORTABLE WATER SUPPLY – CONNECTIONS

Charge for connections	Unit	Rate
NB: Water deposits are payable with connection charges before the work is carried out. The charges for new connections are as follows:		
<b>NORMAL METERED WATER CONNECTIONS</b>		
15 mm	Each	R3.48
20 mm	Each	R4.55
25 mm	Each	R12.27
40 mm	Each	R22.36
50 mm	Each	R28.54
<b>COMBINATION METERED CONNECTIONS</b>		
50 mm	Each	R63.97
80 mm	Each	R92.83
100 mm	Each	R127.13
150 mm	Each	R187.38
<b>METERED SPRINKLER CONNECTIONS</b>		
100 mm	Each	R67.29
150 mm	Each	R104.27
Note that AMR (Automated Meter Reading) equipment is added at cost to the above connection charges		

## 11. UTILITIES (continued)

### PORTABLE WATER SUPPLY – CONNECTIONS - CONTINUED

Charge for connections	Unit	Rate
<b>HIRE OF TEMPORARY METERED STANDPIPE CONNECTION</b>		
50 mm (includes installation and removal)	Each	R12,305.00
Deposit (refundable when service is no longer required)	Sum	R2,395.00
<b>SUNDRY SERVICE CHARGES</b>		
Flow and pressure test of water main	Per test	R2,637.00
Wasted visit of serviceman	Per visit	R1,324.00
<i>Applicable for visits requested by the Customer or builder which prove to be wasted due to the site not being cleared beforehand, or if the reported problem is found to be due to internal problem</i>		
Closing and re-opening of ELIDZ SOC LTD valves requested by customer by Customer or builder	Per set	R2,570.00
Repair of meter connection or stopcock (15 mm and 20 mm)	Per event	R2,752.00
<i>Note: Repairs of meter connection, stopcock or valve 25 mm and larger will be charged at cost plus 10%</i>		
Disconnection of water supply	Per event	R1,324.00
Replacement of meter temporarily removed at request of Customer	Per event	R1,652.00
Replacement of meter unlawfully removed or by-passed by occupier or owner	Per event	R2,752.00
<i>Note: An additional charge will be made for water used, the value of which will be estimated by the ELIDZ SOC LTD</i>		
Availability charge (Applicable to even not connected to the ELIDZ SOC LTD water supply system)	Per month	R103.00
Testing of meter requested by Customer (Charge will only be payable if meter is found to over record by less than 3%)	Per test	Cost +10

## 11. UTILITIES (continued)

### PORTABLE WATER SUPPLY – SERVICE CHARGES

Normal Tariffs for Supply of Water	Unit	Rate
Industrial/ commercial supply	Per kl	R21.00
Metered fire connection	Per kl	R21.00
Unmetered fire connection (Rental)	Per month	R234.00
Punitive Tariff When Water is Scarce (by Special Resolution of BCMM Council)	Per kl	R24.00
<b>BUILDING WATER</b>		
Where portable water is required for building, the owner or builder shall apply and pay the amounts as set out below and the monthly accounts. The deposit or balance thereof after the payment of all accounts shall be refunded on completion of work.		
Standard connection fee	Each	R7,714.00
Deposit (0.25 % of the total value of the building work)	Minimum	R1,180.00
Tariff	Per kl	R20.00

### SEWERAGE – CONNECTIONS & SERVICE CHARGES

CHARGE FOR CONNECTIONS: The charges for new (first time) connections are as follows:		
	Unit	Rate
100 mm dia connection	For first time connection	R3,618.00
150 mm dia connection	For first time connection	R4,520.00
Additional connections are charged at cost plus 10% (irrespective of the usage of the installed connections)		
<b>SERVICE CHARGES</b>		
Charge for visit of serviceman	Per visit/ call	R906.00
Note in terms of the By-Laws, the constants determining the tariffs are set by Council every six (6) months. All tariffs exclude VAT except where shown		
Charge for clearance of ELIDZ SOC LTD sewer serving one property only	Per clearance	R1,810.00



## 11. UTILITIES (continued)

### ELECTRICITY SERVICES – CONNECTIONS

<b>CAPITAL CONNECTION CHARGES:</b> (Include Automated Meter Reading equipment and are non-refundable, and payable upon application)		
	Unit	Rate
Large power user on tariff 3A, single 400V service, with a maximum demand <1 MVA	Per connection	At cost
Large power user on tariff 3B, single or dual 11KV service, with a maximum demand >1 MVA	Per connection	At cost
Time of use tariff 4A, single 400V service, with a maximum demand <1 MVA	Per connection	At cost
Time of use tariff 4B, requiring either a single or dual 11KV service, with a maximum demand >1 MVA but <10 MVA	Per connection	At cost
<b>ADDITIONAL CHARGES:</b> A once-off Network Upgrade is charged on all new connection applications	kVA	R159.00
Rate applied to ELIDZ SOC LTD by Eskom (National power utility) & Buffalo City Metropolitan Municipality(BCMM)		

### SEWERAGE – CONNECTIONS & SERVICE CHARGES

<b>CHARGE FOR CONNECTIONS:</b> The charges for new (first time) connections are as follows:		
	Unit	Rate
100 mm dia connection	For first time connection	R3,618.00
150 mm dia connection	For first time connection	R4,520.00
Additional connections are charged at cost plus 10% (irrespective of the usage of the installed connections)		
<b>SERVICE CHARGES</b>		
Charge for visit of serviceman	Per visit/ call	R906.00
Note in terms of the By-Laws, the constants determining the tariffs are set by Council every six (6) months. All tariffs exclude VAT except where shown		
Charge for clearance of ELIDZ SOC LTD sewer serving one property only	Per clearance	R1,810.00

## 11. UTILITIES (continued)

### ELECTRICITY SERVICES – SERVICE CHARGES

Unit		Rate
<b>Scale 3A: Large Power Consumer</b>		
Nominal supply voltage to customer	400V	Costs were not available by the time of going to print
Demand capacity not exceeding	1 000 KVA	Costs were not available by the time of going to print
Basic charge per month	Basic/ month	R939.48
Monthly maximum demand	Kva/month	R289.61
<b>Scale 3B: Large Power Consumer</b>		
Nominal supply voltage to customer	11 000V	Costs were not available by the time of going to print
Demand capacity not exceeding	1 000 KVA	Costs were not available by the time of going to print
Basic charge per month	Basic/ month	R1,412.10
Monthly maximum demand	Kva/month	R271.96
<p><b>For Scale 4A: Large Power Time of Use Consumer</b></p> <p>High season active energy charges in the ELIDZ such as July, August and Sept are subject to demand (peak, standard and off peak period) and these range between R3.72 per kWh and R0.80.</p> <p>Low season active energy charges are also subject to demand (peak, standard and off peak period) and these range between R2.06 per kWh and R0.74.</p>		

# 12. TELECOMMUNICATIONS TARIFFS (FIXED LINE)

Telecommunications is an important tool for businesses. It enables effective communication with customers and delivers high standards of customer service. As such, below are detailed costs of telecommunications (Telkom & ELIDZ).

## LOCAL TELEPHONE CALLS (TELKOM)

Call distance	Peak Time (7am – 7pm)	Off-Peak Time (7pm – 7am)
Local (0-50km)	R 0.82 / minute, billed per second	R 0.44 / minute, billed per second
Local distance (>50km)	R 1.07 / minute, billed per second	R 0.50 / minute, billed per second

## INTERNATIONAL OUTGOING CALLS (TELKOM: LANDLINE)

Country	Peak Time (8am – 8pm)	Off-Peak Time
UK	R 0.90 / minute, billed per second	R 0.90 / minute, billed per second
USA	R 0.90 / minute, billed per second	R 0.90 / minute, billed per second
Australia	R 1.02 / minute, billed per second	R 1.02 / minute, billed per second
Netherlands	R 5.62 / minute, billed per second	R 5.62 / minute, billed per second
India	R 0.90 / minute, billed per second	R 0.90 / minute, billed per second
Germany	R 0.90 / minute, billed per second	R 0.90 / minute, billed per second
China	R 0.90 / minute, billed per second	R 0.90 / minute, billed per second
Spain	R 1.16 / minute, billed per second	R 1.16 / minute, billed per second
Italy	R 0.90 / minute, billed per second	R 0.90 / minute, billed per second



## 12. TELECOMMUNICATIONS TARIFFS (FIXED LINE) (continued)

### TELECOMMUNICATIONS TARIFFS (MOBILE)

Landline (Telkom) to mobile numbers	Peak Time (7am – 8pm)	Off-Peak Time
Per-second billing	R 1.31/ 60 seconds	R 1.06 / 60 seconds

### MOBILE TO MOBILE

Dependent on package	Per Second Billing
MTN	R 0.79 – R 1.50 / 60 seconds
Vodacom	R 0.79 – R 1.20 / 60 seconds
Cell C	R 0.66 – R 1.10 / 60 seconds

Sources: [www.mybroadband.co.za](http://www.mybroadband.co.za) | [www.vodacom.co.za](http://www.vodacom.co.za) | [www.bundlefundi.co.za](http://www.bundlefundi.co.za)

### TELECOMMUNICATIONS CONNECTION & RENTAL

Telkom line installation and rentals	Speed	Installation	Monthly Rental
Analogue line - Residential	R 1.31/ 60 seconds	R 815.85	R 223.03
Analogue line - Business		R 1,150.96	R 293.95
ISDN2		R 1,029.99	R 498,95.00
ISDN2a		R 1,405.71	R 528,25.00
ISDN 30 – single link		R 55,466.72	R 6,292.90
ISDN 30 – up to 4 links (price per link)		R 41,601.19	R 6,292.90
ISDN 30 – up to 9 links (price per link)		R 38,827.89	R 6,292.90
ISDN 30 – > 10 links (price per link)		R 36,860.89	R 6,292.90
DSL (Faster)		R 792.00	R 299.00
DSL (Fastest)	Max 10MBps Download	R 792.00	R 425.00
DSL Elite (VDSL)	Max 20MBps Download	R 792.00	R 499.00
DSL Elite + (VDSL)	Max 40MBps Download	R 792.00	R 599.00

Source: Telkom site (Telkom line installation) (Prices inclusive of 15% VAT)

## 12. TELECOMMUNICATIONS TARIFFS (FIXED LINE) (continued)

### TELECOMMUNICATIONS RENTAL

Internet service provider (Telkom Internet)	Speed / Monthly Bandwidth	Monthly Fee
<b>Business Softcap (over DSL)</b>	8,10,40MBps / 100GB per month	Costs were not available by the time of going to print
<b>Business Uncapped (over DSL)</b>	8MBps	R899.00
	10MBps	R999.00
	20MBps	R1,099.00
	40MBps	R1,399.00
	100MBps	R1,799.00
<b>Fibre to the Business (FTTB)</b>	40MBps / Uncapped	R 2,725.00
	100MBps / Uncapped	R 3,227.00

*(Note: ISP charge for DSL-based connections exclude the Telkom DSL line charges; ISP charges for fibre-based connections include the fibre line charges)*

# 13. ELIDZ SERVICE CATALOGUE (INTERNET, VEEAM BACKUP, FIBRE, CLOUD HOSTING AND RACKING SERVICES)

Telecommunications is an important tool for businesses. It enables effective communication with customers and delivers high standards of customer service. As such, below are detailed costs of telecommunications (Telkom & ELIDZ).

## ELIDZ INTERNET RENTAL

Internet Access Service Bundles	2 Mbps Internet Access	5 Mbps Internet Access	10 Mbps Internet Access	20 Mbps Internet Access	50 Mbps Internet Access
Dedicated Cost Per Month	R750.00	R1,725.00	R3,150.00	R5,700.00	R12,750.00
Shared Cost Per Month	R250.00	R575.00	R1,050.00	R1,900.00	R4,250.00
Setup Fee	R1,500.00	R1,500.00	R1,500.00	R1,500.00	R1,500.00
Last Mile Connectivity (Zone Clients)	Yes	Yes	Yes	Yes	Yes
Last Mile Connectivity (External Zone Clients)	Clients Account	Clients Account	Clients Account	Clients Account	Clients Account
Firewall Service Basic	Yes	Yes	Yes	Yes	Yes
Client CE Device	Yes	Yes	Yes	Yes	Yes
Hosted at ELIDZ's Data Centre	Yes	Yes	Yes	Yes	Yes
Event Notifications & Monthly Reporting	Yes	Yes	Yes	Yes	Yes
24/7 Access & Support	Yes	Yes	Yes	Yes	Yes

*All prices are VAT exclusive*



## 13. ELIDZ SERVICE CATALOGUE (continued)

### ELIDZ INTERNET RENTAL

Internet Access Service Bundles	100 Mbps Internet Access	200 Mbps Internet Access	500 Mbps Internet Access	1 Gb Internet Access	2 Gb Internet Access
Dedicated Cost Per Month	R24,500.00	R41,000.00	R84,500.00	R140,240.00	R255 952,00
Shared Cost Per Month	R9,500.00	R15,000.00	R29,500.00	R48,080.00	R85 968,00
Setup Fee	R1,500.00	R1,500.00	R1,500.00	R1,500.00	R1,500.00
Last Mile Connectivity (Zone Clients)	Yes	Yes	Yes	Yes	Yes
Last Mile Connectivity (External Zone Clients)	Clients Account	Clients Account	Clients Account	Clients Account	Clients Account
Firewall Service Basic	Yes	Yes	Yes	Yes	Yes
Client CE Device	Yes	Yes	Yes	Yes	Yes
Hosted at ELIDZ's Data Centre	Yes	Yes	Yes	Yes	Yes
Event Notifications & Monthly Reporting	Yes	Yes	Yes	Yes	Yes
24/7 Access & Support	Yes	Yes	Yes	Yes	Yes

*All prices are VAT exclusive*

### FIBRE

Fibre Rental Options	2 CORE SINGLE MODE FIBER	4 CORE SINGLE MODE FIBER
Setup Fee	FREE	FREE
Cost per Meter per Month	R1.83	R2.01
Clients Property & ELIDZ Network Edge	Connectivity to the closest fibre kiosk on the East London IDZ's fibre ring is the clients responsibility.	Connectivity to the closest fibre kiosk on the East London IDZ's fibre ring is the clients responsibility
Fibre Maintenance	Yes	Yes
Fibre Route Redundancy	No	Yes
Support	Yes	Yes
Rental Distance CAP	500 Meters	500 Meters

# 13. ELIDZ SERVICE CATALOGUE (continued)

## CLOUD HOSTING

Cloud Portal Service Options	Cloud Hosting (OS IaaS)	Cloud Hosting (Bare IaaS)
Setup Fee	Free	Free
Internet Access	Clients Account	Clients Account
Last Mile Connectivity (External Zone Clients)	Clients Account	Clients Account
Client Cloud Management Portal	Yes	Yes
Customisable Virtual Machine Configuration	Yes	Yes
Available Operating Systems	See Available Templates	OS not installed, Client to provide OS files and manually install
Available Templates - Centos Linux, Ubuntu Linux, Windows Server 2008 R2 32-Bit, Windows Server 2008 R2 64-Bit, Windows Server 2012 R2	Yes	No
On Demand Usage Billing	Yes	Yes
Virtual CPU	R 200 per month per vCPU	R 200 per month per vCPU
Virtual Memory	R 100 per month per 1 GB vRAM	R 100 per month per 1 GB vRAM
SAN Disk Storage	R 2 per month per 1 GB HDD	R 2 per month per 1 GB HDD
Hyper-visor & OS Licensing *	R 220 per Virtual Machine	R 100 per Virtual Machine
Hyper-visor Availability	VMware or Microsoft Hyper-V	VMware or Microsoft Hyper-V
Client Application Licensing	No	No
Redundant Server Cluster Hardware	Yes	Yes
Balanced Storage Tiering	Yes	Yes
Remote Site SAN Disk Replication	Yes	Yes
Root \ Admin Access	Yes	Yes
Hyper-visor Console Access	Yes	Yes
Server Monitoring & Reporting	Yes	Yes
24/7 Access & Support	Yes	Yes

\* Licensing costs is billed according to licensing requirements, clients to provide licensing for Bare IaaS installations not covered by the East London IDZ  
All prices are VAT exclusive

## 13. ELIDZ SERVICE CATALOGUE (continued)

### RACK HOSTING

Rack Rental Options	1 U Shared	Dedicated Half Rack	Dedicated Full Rack
Setup Fee	FREE	FREE	FREE
Last Mile Connectivity (Zone Clients)	Yes	Yes	Yes
Last Mile Connectivity (External Zone Clients)	Clients Account	Clients Account	Clients Account
Climate Control	Yes	Yes	Yes
Physical Access Control	Yes	Yes	Yes
Fire Prevention	Yes	Yes	Yes
Modular UPS & Dual Generator Power	Yes	Yes	Yes
Rack Space	19" 1U	19" up to 20U	19" up to 40U
Hosted at ELIDZ's Data Centre	Yes	Yes	Yes
Data Centre Event Notifications & Monthly Reporting	Yes	Yes	Yes
24/7 Access & Support	Yes	Yes	Yes

### VEEAM BACKUP

VEEAM Backup Services	1 U Shared
Setup Fee	Free
Internet Access (REMOTE UPLOAD)	Free, Outside of Business Hours
Veeam Backup License	R 100 per month per VM
D2D Storage (Unencrypted)	50c per month per 1 GB HDD
SAN Storage (Encrypted)	R 1 per month per 1 GB HDD
Remote Site SAN & D2D Disk Replication	No
Reporting	Yes
24/7 Access & Support	Yes

*All prices are VAT exclusive*

## 13. ELIDZ SERVICE CATALOGUE (continued)

### VEEAM REPLICATION

VEEAM Replication Services	Virtual Machine Replica
Setup Fee	Free
Internet Access (REMOTE UPLOADED)	Free, Outside of Business Hours
Veeam Replica License	R 200 per month per Virtual Machine
Virtual CPU	R 50 per month per vCPU
Virtual Memory	R 25 per month per 1 GB vRAM
SAN Storage	R 1 per month per 1 GB HDD
* VMware Hyper-visor & OS Licensing	R 220 per Virtual Machine
* microsoft Hyper-visor & OS Licensing	R 120 per Virtual Machine
Hyper-visor Availability	VMware or Microsoft Hyper-V
Failover Active	
Internet Access	Clients Account
* Client Application Licensing	No
Redundant Server Cluster Hardware	Yes
Balanced Storage Tiering	Yes
Remote Site SAN Disk Replication	No
Hyper-visor Console Access	Yes
Server Monitoring & Reporting	Yes
24/7 Access & Support	Yes

*\* Licensing costs is billed according to licensing requirements, clients to provide licensing for Applications and Operating Systems not covered by the East London IDZ  
All prices are VAT exclusive*

# 13. ELIDZ SERVICE CATALOGUE (continued)

## BUSINESS CONTINUITY

Business Continuity Services	100 Seats	100 Seats (BOYD)
Dedicated Seat Cost Per Month	R1,010.00	R500.00
Shared Seat Cost Per Month	R505.00	R250.00
<b>ICT</b>		
Setup Fee	Free	Free
Last Mile Connectivity (External Zone Clients)	Clients Account	Clients Account
100 Mb Shared Internet Access per 100 Seats	Yes	Yes
Firewall Service Advanced	Yes	Yes
CISCO Telephone Handset per Seat	Yes	No
Desktop Computer per Seat	Yes	No
2x Multifunction Printers per 100 Seats	Yes	Yes
Managed Support Services	Yes	Yes
<b>BUILDING RENTAL</b>		
Building Local Network Access	Yes	Yes
ELIDZ Data Centre Fibre Connectivity	Yes	Yes
Building Access Control	Yes	Yes
Parking	Yes	Yes
Building UPS & Generator Power	Yes	Yes
Small Kitchen Area	Yes	Yes
4x Female Ablutions	Yes	Yes
4x Male Ablutions	Yes	Yes
24/7 Access & Support	Yes	Yes

*All prices are VAT exclusive*



## 13. ELIDZ SERVICE CATALOGUE (continued)

### BUSINESS CONTINUITY (CONTINUED)

Business Continuity Services	100 Seats	100 Seats (BOYD)
<b>ZONE LEVIES</b>		
General Area Services	Yes	Yes
Security	Yes	Yes
<b>GENERAL</b>		
Event Notifications & Monthly Reporting	Yes	Yes
24/7 Access & Support	Yes	Yes
<b>UTILITIES</b>		
Electricity Availability	Yes	Yes
Electricity	Billed as per Usage	Billed as per Usage
Water	Billed as per Usage	Billed as per Usage
Sewer	Yes	Yes
Printing per Page	Billed as per Usage	Billed as per Usage
Telephone Calls	Billed as per Usage	N/A
<b>EXCLUSIONS</b>		
Desktop Application Licensing	Clients Account	N/A
Cleaning Services	Clients Account	Clients Account

*All prices are VAT exclusive*

# 14. COST OF LIVING IN BCMM

This useful measurement offers a potential investor a glimpse into the cost of living in the BCMM region as well costs associated with accommodation, sports & leisure and childcare, to mention but a few.

## HOTEL/GUEST HOUSE ACCOMMODATION (AVERAGE PRICES PER PERSON PER NIGHT, B&B BASIS)

Hotel/Guest House	2018
Three star	R 1,250
Four star	R 1,610
Five star	R 2,800

*(Prices vary depending on occupancy)*

## APARTMENT RENTAL, UNFURNISHED (PER MONTH)

Apartment	Rental per month 2018
Bachelor	R 4,000.00 – R 4,500.00 (high) R 3,000.00 – R 3,800.00 (medium) R 2,500.00 – R 3,100.00 (low)
1 Bedroom	R 5,000.00 – R 5,700 (high) R 4,200.00 – R 4,800 (medium) R 3,800.00 – R 4,050 (low)
2 Bedroom	R 7,000.00 – R 7,300.00 (high) R 5,600.00 – R 6,750.00 (medium) R 4,100.00 – R 5,000.00 (low)
3 Bedroom	R 9,900.00 – R 10,000.00 (high) R 8,085.00 – R 8,500.00 (medium) R 7,500.00 – R 7,800.00 (low)

*Source: Harcourts and Invest Pro (local Estate Agencies)*

## 14. COST OF LIVING IN BCMM (continued)

### RESTAURANTS

Item	Price
Meal, Inexpensive Restaurant	R 70.00 - R200.00
Meal for 2 People, Mid-range Restaurant, Three-course	R420.00 – R650.00
Meal for 2 People, Premium Restaurant, Three-course	R700 and above
Mac-Meal at McDonalds (or Equivalent Combo Meal)	R50.00 - R80.00
Local Beer (0.5 Litre draught) (Castle Lite & Hansa)	R15.00- R25.00
Imported Beer (0.33 litre bottle) (Budweiser & Heineken)	R14.95 - R50.00
Cappuccino (regular)	R18.00 - R28.00
Coke/Pepsi (0.33 Litre bottle)	R8.00 - R15.00
Bottled Water (0.33 Litre bottle)	R4.00 - R15.00
Bottle Water (1.5 Litre bottle)	R9.00 - R20.00
Bottle of Wine (Mid-Range)	R35.00 - R65.00
Pack of Cigarettes (Marlboro)	R35.00 - R40.00

### TRANSPORTATION

Item	Price
Taxi Start (Normal Tariff)	R10.00 - R50.00
Taxi 1km (Normal Tariff)	R10.00 - R15.00
Taxi 1hour Waiting (Normal Tariff)	R100.00 – R250.00

## 14. COST OF LIVING IN BCMM (continued)

### SPORTS AND LEISURE

Item	Price
Fitness Club, Monthly Fee for 1 Adult	R300.00 - R520.00
Tennis Court Rent (1 Hour on Weekend)	R25.00 - R30.00
Cinema, International Release, 1 Seat	R45.00 - R90.00
A round of Golf (18 Holes) East London Golf Club	R 450 and above

### PRICES FOR THE ELIDZ CONFERENCE CENTRE

Items	Price (Excl. VAT)	VAT (15%)	Price (Incl. VAT)
Water	R10.53	R1.58	R12.11
Mints	R7.02	R1.05	R8.07
Notepads & Pens	R17.54	R2.63	R20.17
Venue Hire >20	R3508.77	R526.32	R4035.09

### CHILDCARE/ PRIMARY EDUCATION

Item	Tuition fees
Preschool (or Kindergarten), Full Day, Private, Monthly for 1 Child	R750.00 - R2,000.00
Public Schools, annually for 1 Child	R17,400.00 – R57,000.00 (the school fees are exclusive of extra-curricular and stationary)
Private Schools, annually for 1 Child	R 32,615.00 – R87,524.00

## 14. COST OF LIVING IN BCMM (continued)

### PRICES FOR THE TERTIARY EDUCATION INSTITUTIONS

University	Province	Bachelor of Arts (BA)	Bachelor of Commerce (BCom)	Bachelor of Science (BSc)	Bachelor of Laws (LLB)	Bachelor of Engineering (BEng)
<b>Rhodes University</b>	Eastern Cape	R43 390 (Exclusive of Residence)	R47 472 (Exclusive of Residence)	R45 140 (Exclusive of Residence)	R48 673 (Exclusive of Residence)	N/A
<b>Nelson Mandela University</b>	Eastern Cape	R31 360 (Exclusive of Residence)	R45 530 (Exclusive of Residence)	R31 360 (Exclusive of Residence)	R 41 420 (Exclusive of Residence)	R58 300 (Exclusive of Residence)
<b>University of Fort Hare</b>	Eastern Cape	R 44 415 (Alice Campus) R 63 657 (EL Campus)	R 44 415 (Alice Campus) R 63 657 (EL Campus)	R 45 350 (Alice Campus) R 65 890 (EL Campus)	R 44 415 (Alice Campus) R 63 657 (EL Campus)	N/A
<b>Walter Sisulu University</b>	Eastern Cape	R 32,370.75 (Exclusive of Residence)	R 31,490.08 (Exclusive of Residence)	R31 360 (Exclusive of Residence)	R 41 420 (Exclusive of Residence)	R38,380.76 (Exclusive of Residence)

*Disclaimer: Whilst care has been taken to ensure that the information provided herein is accurate and correct at the time of publication, users of this publication are advised to seek guidance from ELIDZ and other relevant authorities in case of uncertainty or ambiguity encountered in reading this document.*









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