

A photograph of the East London IDZ (Industrial Development Zone) at night. The image shows a large, modern industrial facility with a complex steel framework and a large, illuminated roof structure. The facility is supported by several tall, cylindrical concrete pillars. The interior of the building is brightly lit, and the roof is also illuminated, creating a glowing effect. The sky is dark, and the overall scene is a mix of industrial and architectural elements.

EAST LONDON IDZ

BUSINESS PROCESS OUTSOURCING AND OFF-SHORING



Eastern Cape GBS Value Proposition

High-potential automotive and logistics back office and after care capabilities

- Global logistics and automotive facilities with the ability to pivot to shared services and back office support.
- Relevant expertise and know-how in after sales service/support and road-side customer care.
- Prospective skills in insurance, warranties and motor plan services.
- Ability to expand in logistics processing and supply chain management support services.

Sublime lifestyle and digitally enabling infrastructure

- Two world-class city and municipal business hubs with potential to scale and grow BPO and shared services facilities.
- High-speed connectivity, fibre, storage and data centre capacities.
 - Digital hubs and special technology and industrial development zones with attractive investment incentives, grants and amenities.
- Superb lifestyle with unspoilt beaches, nature/-game reserves, and temperate climate for outdoor activities and sports.

Conducive operating expenditure and offshoring labour arbitrage

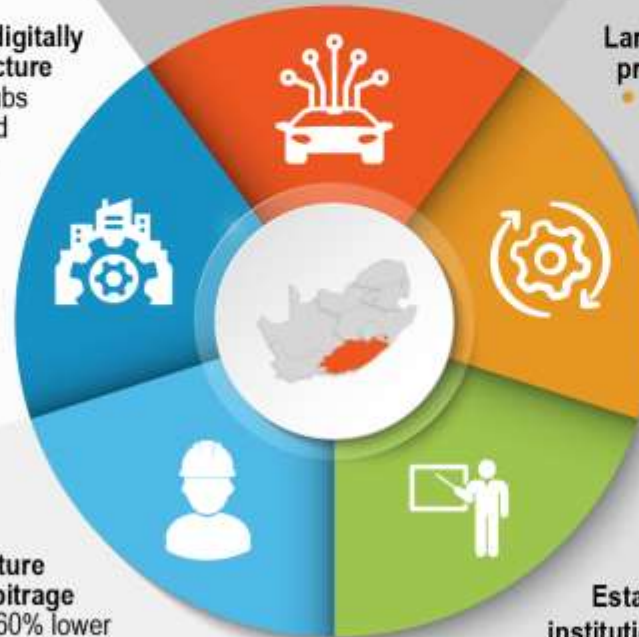
- Competitive labour costs that are at least 60% lower than those in global source markets and 15% lower than average national salaries.
- Lower property sales, rentals and utilities compared to other major metros in South Africa.
- Burgeoning life-work prospects for remote and hybrid GBS workers.

Large untapped pool of dedicated CX and business process talent

- Committed, productive workforce with lower than average attrition rates.
- Growing adeptness in research and development capabilities.
- Budding potential in digital channel support competencies.
- Empathetic, friendly, English-proficient agents with neutral accents.
- Entrenched focus on social impact investment and development

Established education institutions and skills development pipelines

- Four prominent universities and 21 private colleges.
- Eight TVET colleges providing business, accounting and IT training.
- Well informed, passionate college and university graduates.
- On-the-job contact centre support and CX training.



VALUE PROPOSITION OVERVIEW:

The Eastern Cape is a burgeoning hub for global business services with strong prospects in automotive, logistics and back office customer care and CX-support facilitated by highly competitive, productive talent with proven sociable and service-friendly skills.



OVERVIEW OF THE ELIDZ

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 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**.

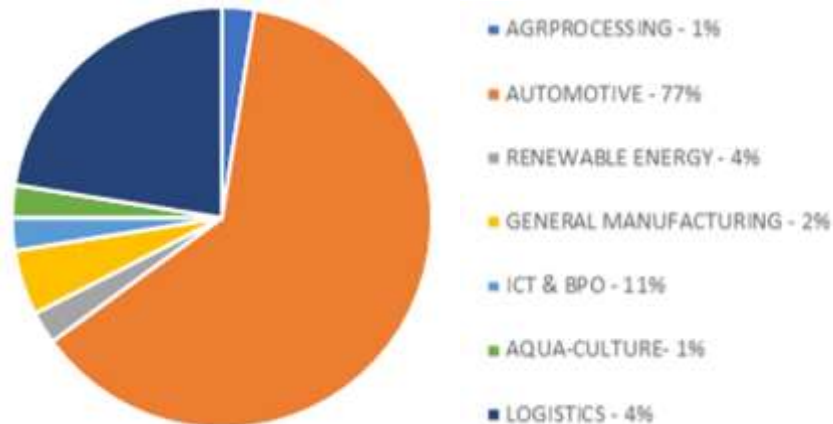
The East London IDZ is a prime industrial park in South Africa. It is perfectly positioned for light industry manufacturers that are investing from R10 million (+/- \$1.2 million) upwards. The zone is specially developed for growth oriented manufacturers in search of ultimate global competitiveness.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

OUR SECTORS

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

PRIVATE SECTOR INVESTMENT VALUE BY SECTOR



ABOUT THE ELIDZ

OUR VISION:

A catalyst for growing a strong regional industrial base, supported and sustained by a business ecosystem that serves to extend the global competitiveness of local industries.

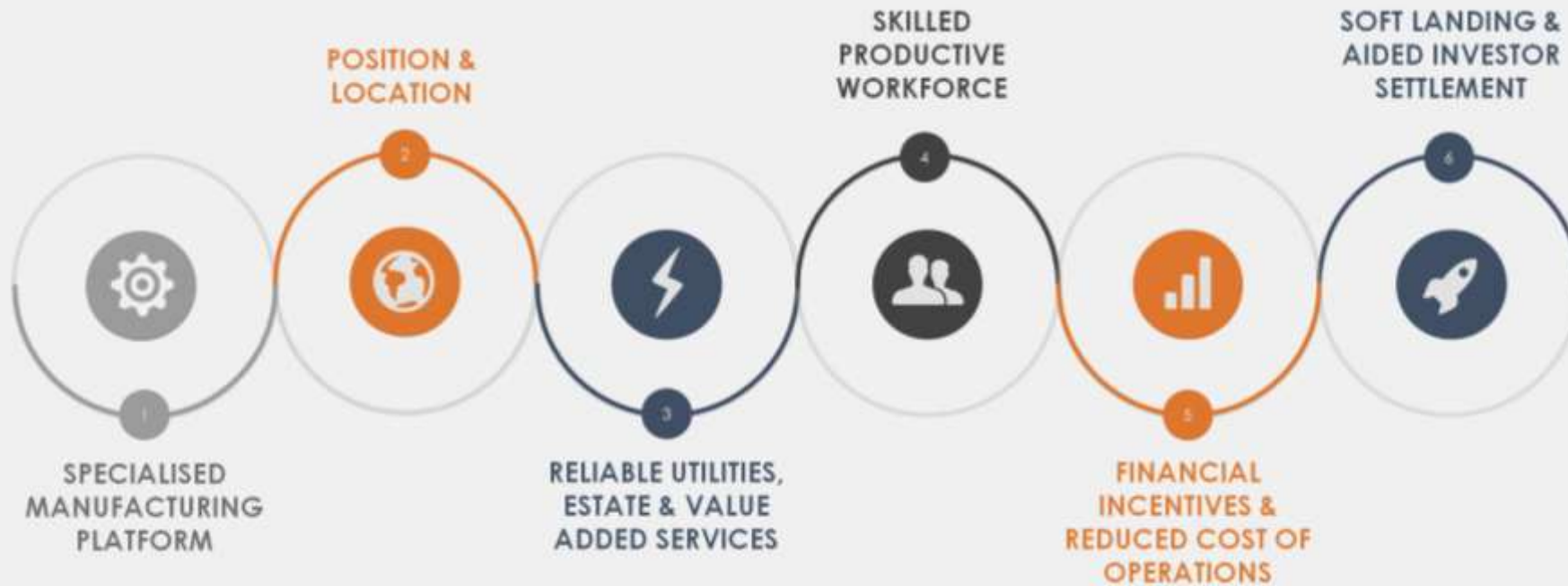
OUR MISSION:

To attract and retain targeted industries through the operation of a world class investment location, supported by a conducive business environment and special economic zone benefits, where industries excel and prosper.



ABOUT THE ELIDZ

ENGINEERED EFFICIENCY:



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.

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

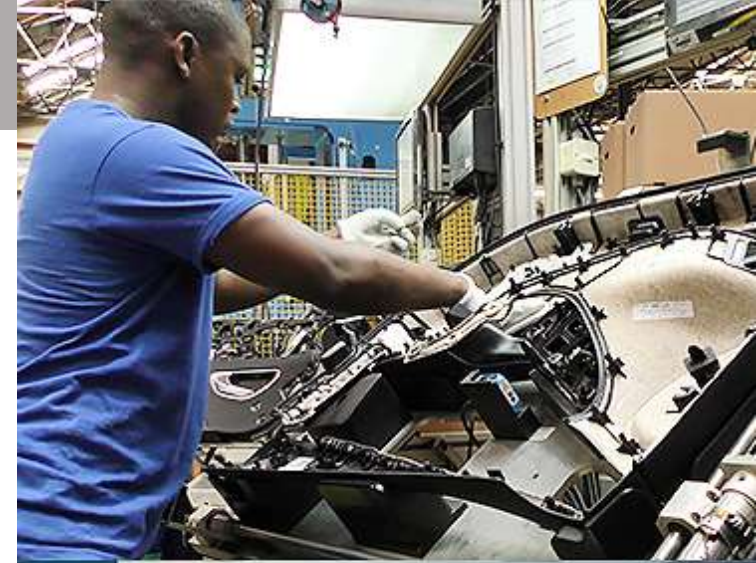
Investors that locate in the zone can take advantage of:

1. **OPTIMAL PURPOSE BUILT OPERATING ENVIRONMENT**
2. **INNOVATIVE INDUSTRIAL SOLUTIONS**
3. **AN INCENTIVISED BUSINESS ENVIRONMENT**
4. **TAILORED INDUSTRY ASSISTANCE AND SUPPORT SERVICES**



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*



1. **OPTIMAL** PURPOSE BUILT OPERATING ENVIRONMENT

- *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

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

VAT (14%) exemption on:

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



4. **TAILORED INDUSTRY ASSISTANCE** **& 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.*



OUR TARGETED SECTORS



AUTOMOTIVE



- OEMs
- 1st Tier Suppliers
- 2nd Tier Suppliers
- Related Industries

AGRO PROCESSING



- Bio-fuels
- Forestry & Wood
- Dairy Products
- Food Processing

PHARMA-CEUTICALS



- Genetics
- Cosmetics
- Natural Remedies

ICT & BPO



- Call Centres
- Software Engineering
- Programming
- Computer & Cell phone

RENEWABLE ENERGY



- Bio-fuels
- Bio-gas
- Solar Panels
- Solar Water Heaters

LOGISTICS



- Logistic Services
- Providers
- Warehousing
- Distribution

AQUA-CULTURE



- Fish Farming
- Fish Processing

GENERAL MANUFACTURING



- Light Industries
- Plastic Conversion
- Assembly
- Electronics
- Appliances

OUR INTERNATIONAL FOOTPRINT



OUR OPERATIONAL INVESTORS



CURRENT BPO TENANTS



[illegible]

SUPPORT INFRASTRUCTURE / CONNECTIVITY



Road Connectivity

- 2km from National Highway
- A 30 ton SAA truck to Johannesburg runs from Monday to Friday.



Rail Connectivity

- East London linked to South African inter city rail network.
- Specialized wagons available for conveyance of high risk, high value freight.



Air Transportation

- East London airport handles daily passenger and cargo flights to all major South African cities
- Currently 8 – 10 ton per day cargo excess capacity using 737 Cargo Freighter



Sea Transportation

- 6km from Port.
- Only river port in South Africa.





ELIDZ IMPACT

OUR TRACK RECORD

41

**Operational
investors**
in the Zone

8 BILLION
RAND

worth of
**Private Sector
Investment**

5270

ACTIVE JOBS
in the Zone

250

**skills development
beneficiaries**
trained in the STP

10

**new investor
facilities**
operationalised

7

**consecutive
clean
audits**

8

**thriving
sectors**
to invest in





ELIDZ BENEFITS



INCENTIVISED MANUFACTURING ENVIRONMENT

Specialised Customs Controlled Area (CCA) benefit for qualifying industries. This includes

- ***VAT (15%) 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***



INCENTIVISED MANUFACTURING ENVIRONMENT

- **Specialised local incentives including:**

- Preferential land rental
- Preferential utility rates
- Competitively priced land

Access to national manufacturing and other generic government incentives

- ***Automotive Investment Scheme (AIS)*** - part of the proposed Automotive Production and Development Programme (APDP). Intended to grow and develop the automotive sector through investment in new and replacement automotive models as well as the manufacturing of automotive components.
- ***The Enterprise Investment Programme (EIP)*** - developed to increase local and foreign investment, production capacity and employment, and to sustain economic growth.



INCENTIVISED MANUFACTURING ENVIRONMENT

- ***Manufacturing Investment Programme (MIP)*** - The MIP is a reimbursable cash grant for local and foreign-owned manufactures who wish to establish a new production facility; expand an existing production facility; or upgrade an existing facility in the clothing and textiles sector.
- ***Capital Projects Feasibility Programme (CPFP)*** - The Capital Projects Feasibility Programme (CPFP) is a cost-sharing programme that contributes to the cost of feasibility studies likely to lead to projects outside South Africa that will increase local exports and stimulate the market for South African capital goods and services.
- Production Incentive – largest component of the ***Manufacturing Competitiveness Enhancement Programme (MCEP)*** Calculation of MCEP credits for the PI for each enterprise will be based between 7% and 15% of the manufacturing value added. The MCEP also offers Industrial Financing and Loan Facilities.
- ***Section 12I Tax Allowance Incentive (12I TAI)*** - The 12I Tax Incentive is designed to support Greenfield investments , as well as Brownfield investments. The new incentive offers support for both capital investment and training.



INNOVATIVE INDUSTRIAL SOLUTIONS

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

- **Enabling sector specific infrastructure** (reduces set up and operational costs)
- **A cluster- driven servicing approach** (shared services for economies of scale)
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INNOVATIVE INDUSTRIAL SOLUTIONS

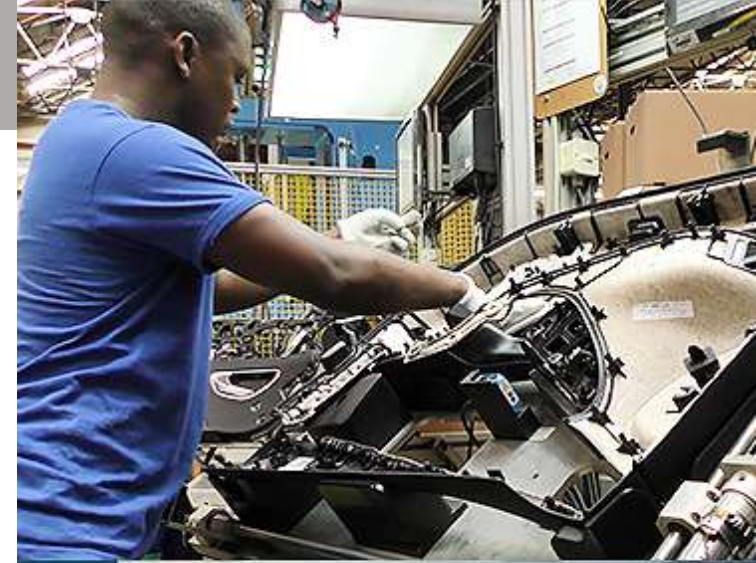
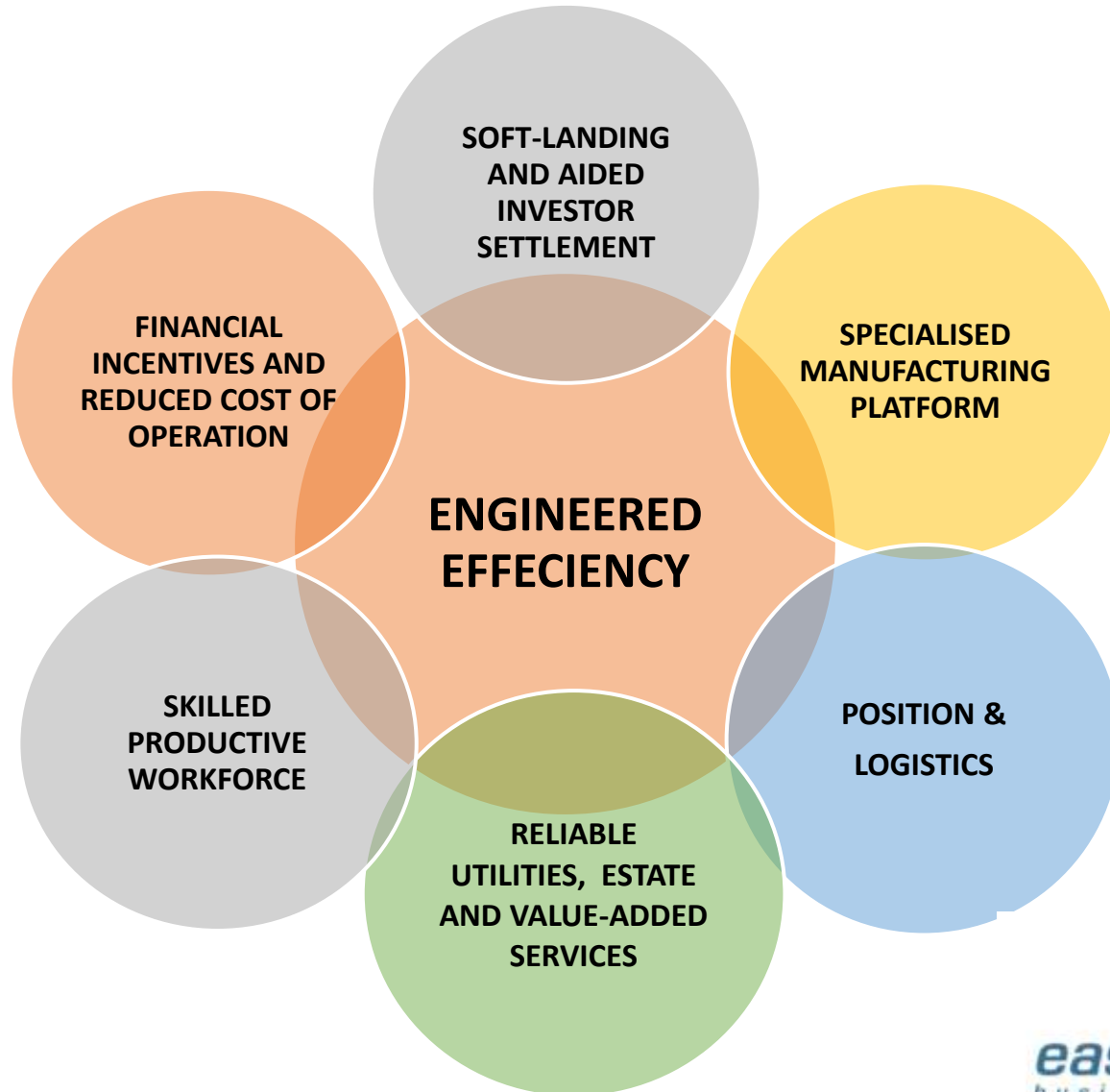
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 - Stimulate, organize and manage the **transfer of knowledge and technology** from the knowledge custodians to companies and the marketplace
 - Stimulate the development of young technology industries
- The ELIDZ STP currently offers:
 - An open innovation platform
 - Centre of Excellence for Renewable Energy
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ELIDZ OPPORTUNITIES FOR THE GBS SECTOR

OUR VALUE OFFERING



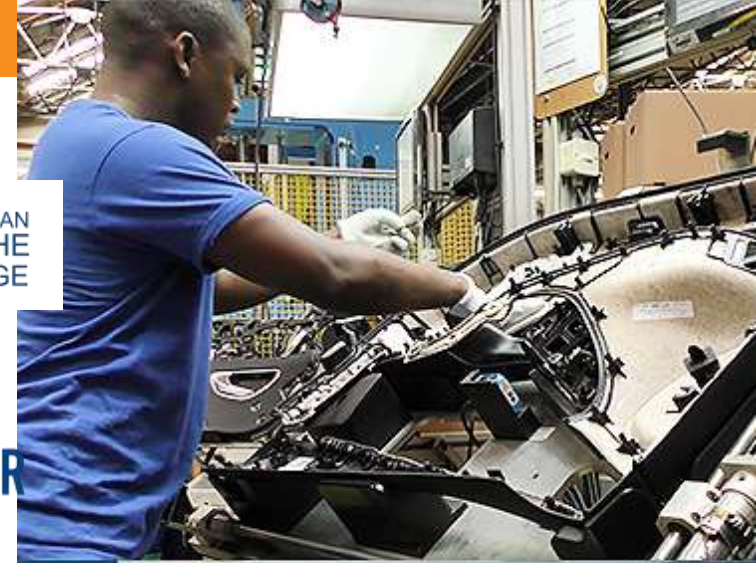
OUR VALUE OFFERING

Positioning and Logistics

- The East London IDZ is **located 2km away from the fast growing East London Airport.**
- The East London IDZ is **positioned just 6 km's from the Port of East London.**
- The port has a **dedicated container terminal.** The container terminal boasts the following features:
 - Quay length of 506m
 - Straddle Carriers and Reach Stacker
 - Terminal Capacity of 93 000 TEU's per annum
 - Road and Rail Access
 - Depth: 10.7m / Draft: 10.4m
 - Handling Rate of 16 Moves per Ship Working Hour
 - Average Vessel Turnaround of 50 Hours
- **R2.8 billion Upgrade underway** for deepening and widening of Port Entrance Channel to allow for modern vessels.
- **Dedicated feeder-vessel from Ngqura**



LABOUR COSTS AND OPERATING ENVIRONMENT



SALARIES ARE
74% CHEAPER
than the U.S. source
market



SALARIES ARE
72% CHEAPER
than the European
source market



SALARIES ARE
69% CHEAPER
than the U.K. source
market



Monthly rental
for commercial
property ranges from
\$6,15 TO \$9,95
per m², the cheapest compared to
other major South African metros



On average property
prices can be negotiated
30% DOWN
than list prices



12
major middle-to-high income and
6
low-income suburbs that have
FIBRE NETWORK ACCESS
in East London and
Port Elizabeth | Gqeberha

Remote work opportunities
range from
SIMPLE TO COMPLEX in
6 Business Process Services

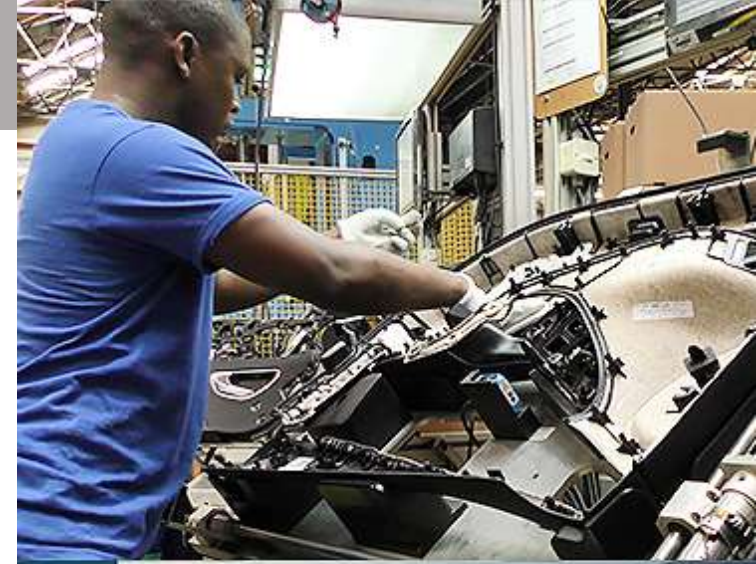


10+
shared Office/Co-working Spaces in
**EAST LONDON AND
PORT ELIZABETH | GQEERHA**

OUR VALUE OFFERING

SPECIALISED MANUFACTURING PLATFORM

- Fully serviced **prime industrial property**.
- Individually fenced, **secured sub-zones** of the ELIDZ's industrial estate.
- **Secure manufacturing environment** with controlled access.
- **Newly built dual carriageway** designed to carry both light and heavy vehicles including 22m-long interlinks
- **World class infrastructure and utility provision.**



OUR VALUE OFFERING

RELIABLE UTILITIES, ESTATE AND VALUE-ADDED SERVICES

By locating in the zone, manufacturers will be able to access the following standard zone services:

- **Grass cutting and Landscaping for common areas**
- **Service desk** for quick response to service requests and maintenance queries.
- Fully serviced **on-site canteen facility** offering nutritional means
- **Primary health care clinic facility** in close proximity to the existing building
- **Industrial Environmental** monitoring
- **Road, Storm water and sewer network** maintenance



OUR VALUE OFFERING

RELIABLE UTILITIES, ESTATE AND VALUE-ADDED SERVICES

Optional services at competitive industry rates:

- Conferencing facility
- Network Interconnect Service
- Internet Service
- Data Centre Rack-Hosting
- Telephony and fax services



OUR VALUE OFFERING

SKILLED PRODUCTIVE WORKFORCE

- **Abundant skilled workforce** for the sector.
- The ELIDZ has built a **talent bank (database) of job seekers**
- Relevant **skills development programmes** in the region incl **Merseta and MBSA Learning Academy**
- Close **proximity to 4 residential areas which provide a consistent source of labour** for the factories located in the ELIDZ.
- Existing **bus service from the East London City Centre** specially commissioned to transport workers to the ELIDZ during the various common shifts.



SKILLS CAPABILITIES AND RESILIENCE

The lowest attrition and one of the lowest absenteeism rates in South Africa



13.6%

Average Attrition Rate

10.3%

Average Absenteeism Rate



12%

of the province's population speaks English as a first language



Opportunities to scale GBS operations

1,7 million youth



TOP 3

BPO AND CONTACT CENTRE SERVICES DELIVERED

1. Inbound
2. Outbound
3. Customer Service and Support



TOP 3

BACK OFFICE SERVICES DELIVERED

1. Data Management
2. Claims Processing
3. Applications



TOP 3

BUSINESS PROCESS SERVICES DELIVERED

1. Logistics and Supply Chain Management
2. IT Outsourcing (ITO)
3. Back Office

AUTOMOTIVE

Skilled talent services multiple complex vertical industries



Banking & Financial Services



Healthcare & Medical



Insurance



Logistics



Retail & eCommerce



Technology & Software



Telecoms



Travel



ESTABLISHED EDUCATION INSTITUTIONS

English is the medium at all major tertiary education institutions

4 MAJOR UNIVERSITIES

Rhodes University

Nelson Mandela University

Walter Sisulu University

University of Fort Hare



88 000+
university students



18 500
university graduates
per year

8 TVET colleges

Buffalo City TVET College

Eastcape Midlands TVET College

Ikhala TVET College

Ingwe TVET College

King Hintsa TVET College

King Sabata Dalindyebo TVET College

Lovedale TVET College

Port Elizabeth TVET College



72 827
TVET college students



67 000+
TVET graduates
per year



NELSON MANDELA
UNIVERSITY

Rhodes University
and Nelson Mandela
University are in the
World University
Rankings top 2 000
universities



The WSU Medical
School is among the top
8 medical faculties in the
world for
Problem-based
Community Learning



Rhodes University
has the best
research output per
academic staff
member in South
Africa

OUR VALUE OFFERING

SOFT- LANDING AND AIDED INVESTOR SETTLEMENT

A skilled team of professionals to assist investors with:

- **Relocation planning** assistance
- 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





THE ELIDZ 800 SEATER BPO PARK EXPANSION OPPORTUNITY INTO 3000 SEATS

THE ELIDZ STRATEGIC INTENT FOR THE ICT SECTOR

- As part of its strategy ELIDZ ICT offering seeks to offer services that will lead to a connected, enabled and digitally transformed government sector rendering it efficient and responsive to public service delivery.
- Similarly the ELIDZ offers industry a platform for an innovative and technologically enabled and globally competitive regional industrial sector
- As part of rolling out this offering , the ELIDZ is developing a Multi-Purpose ICT Hub which includes elements such as:
 - A 3000 seat BPO facility
 - A scalable data centre
 - A 1000 seat business continuity and ICT Training Facility
 - A document scanning, printing and storage facility



THE ELIDZ STRATEGIC INTENT FOR THE ICT SECTOR

The ELIDZ is also planning to develop the zone into a Smart Industrial Park as this would be an important aspect of the ELIDZ value proposition and would position the ELIDZ as a front runner SEZ when it comes to the optimisation and participation in the digital economy.

The ELIDZ is working in collaboration with Buffalo City Metropolitan Municipality and the World Bank in the development of the city's own Smart City Strategy due for completion in mid 2021.

Other projects include:

- Development of the Digital Hub which will not only create skills in the digital space but also attract and retain ICT specialists to work on related projects within the sector
- Smart city projects to be initially developed will focus on supporting the changing automotive sector linked to Mercedes Benz South Africa, eHealth services, Banking, Agro-Processing and eGovernment services



PHASE 1 – ELIDZ BPO PARK

800 SEATS

THE PROPOSED DEVELOPMENT OF PHASE 1 OF THE ELIDZ BPO PARK PROJECT

The ELIDZ has obtained approval to move ahead with the concept development of an 800 seater BPO Park in conjunction with an interested party.

The ELIDZ seeks to achieve the following:

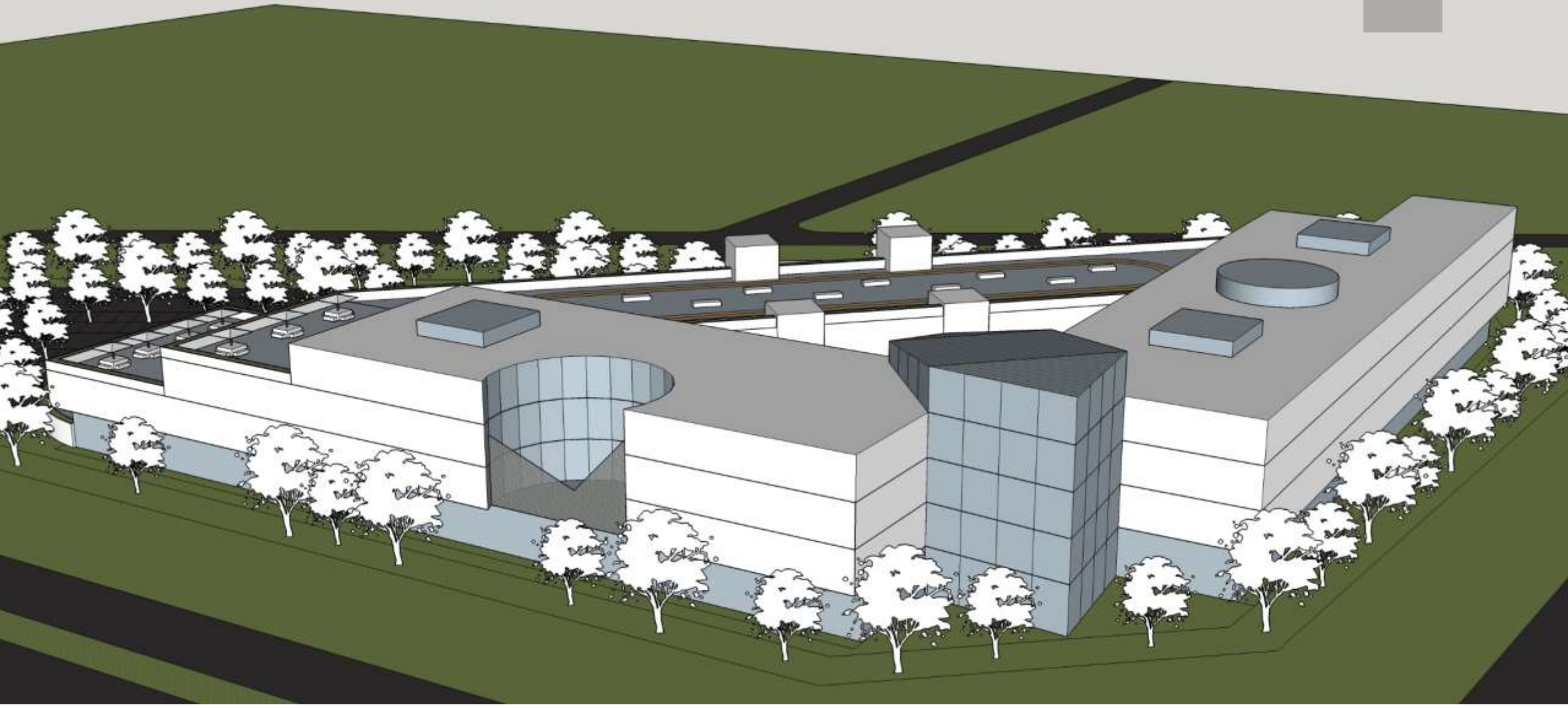
- **Secure** one or more investors in the BPO Park concept by signing a letter of intent
- **Jointly develop** the BPO Park project with the investor/s to offer a new state of the art facility taking into account design requirements from a pandemic perspective as well as remote workers
- Targeted activities of the facility can include:
 - eGovernment services
 - Smart city back office support
 - Training and skills development
 - Automotive back office support
 - ESG Governance (Environmental, Social, Governance)



Phase 2 - BPO Concept 3000 Seats



Phase 2 - BPO Concept 3000 Seats



CURRENT BPO CLIENTS



PILOTED BPO CLIENTS



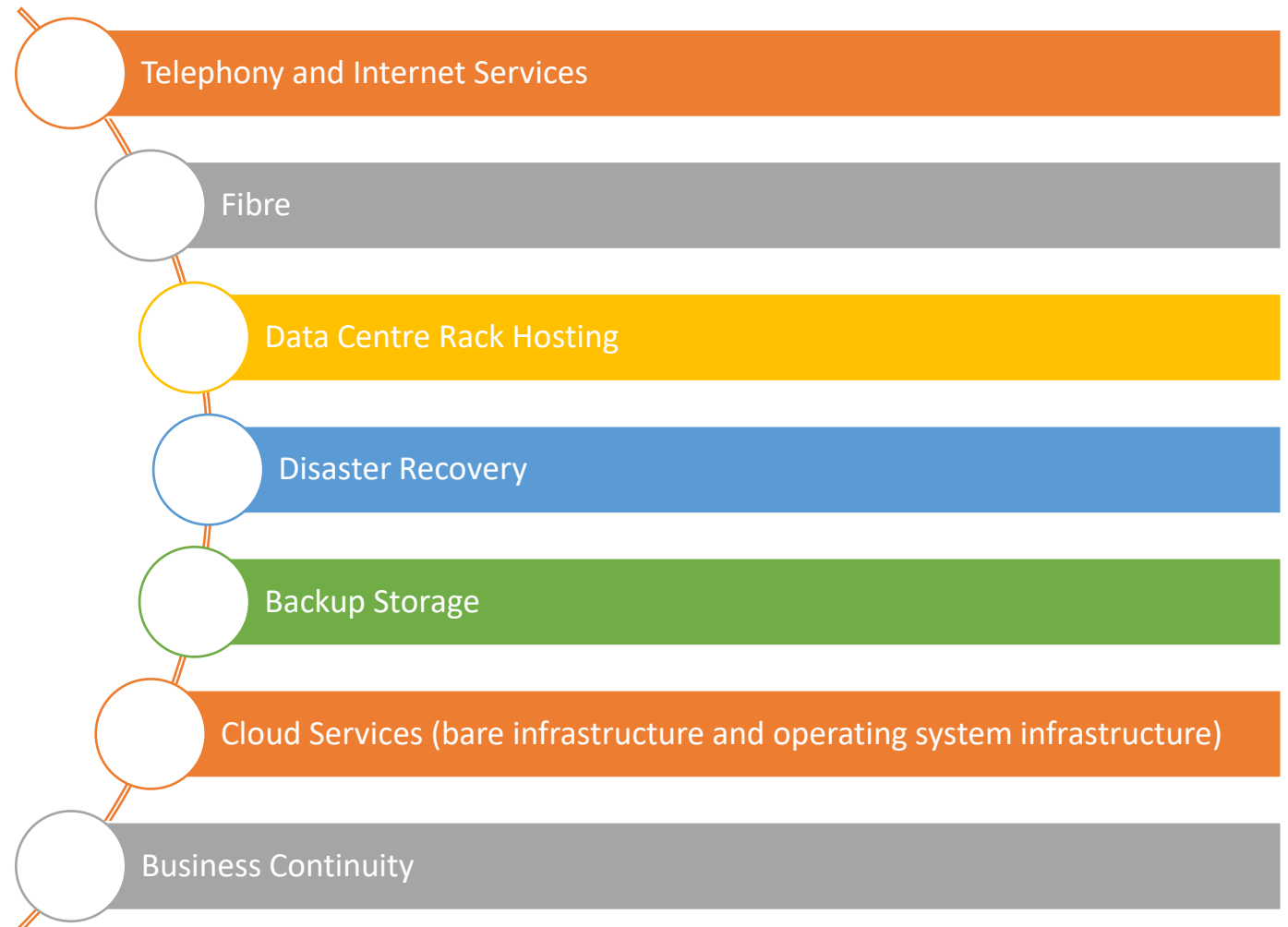


THE ELIDZ ICT SERVICES AND ECOSYSTEM

46

THE ELIDZ ICT SECTOR SERVICES

- The ELIDZ has, for more than 5 years, been providing ICT services to a number of clients inside and outside the industrial zone.
- As part of its Vision 2025 strategy, the ICT sector has been identified as one of the ELIDZ's major growth sectors and the ELIDZ is targeting to grow and diversify it's customer portfolio particularly when it comes to services such as Disaster Recovery, Connectivity, BPO and Data Hosting.
- The ELIDZ already operates two data centres with ISO27001 accreditation.
- We are now pursuing ISO 27017 and 27018 accreditations with the new data centre being planned for Tier 3 status

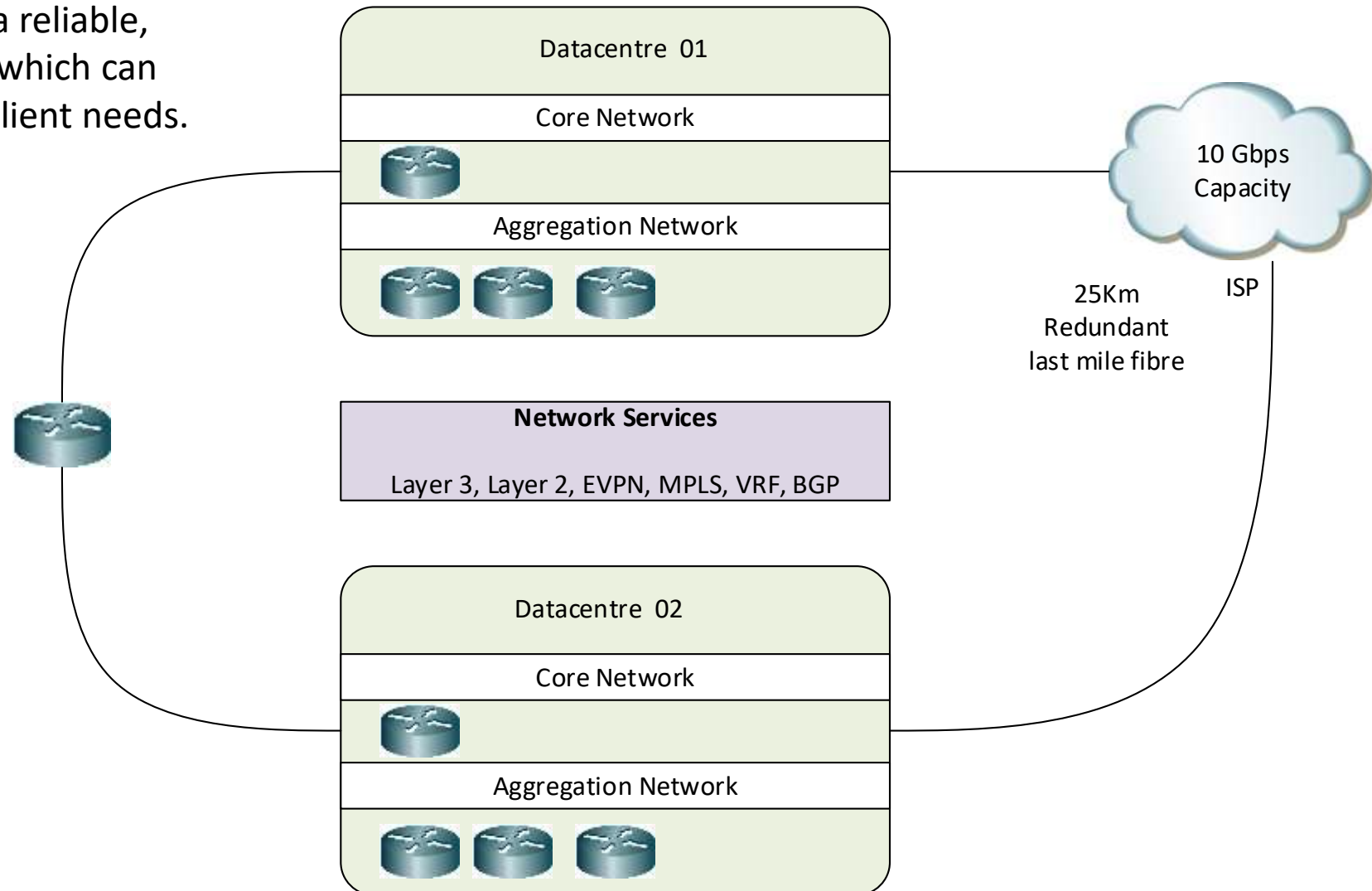
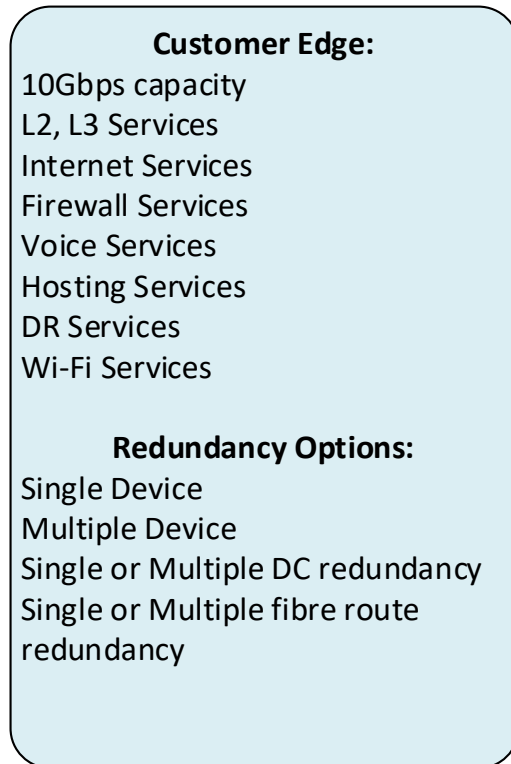


THE ELIDZ DATA CENTRE CLIENTS



ICT NETWORK LAYOUT

The ELIDZ has implemented a reliable, robust network architecture which can be customized according to client needs.



ELIDZ CLOUD STRATEGY

The ELIDZ has adopted a hybrid approach to cloud, with a local private cloud offering coupled with backup and replication services.

Services include:

IaaS | BaaS | DRaaS

ICT OPERATIONS

The ELIDZ has a mature approach to ICT operations and governance, which is backed by third-party ICT integrators and OEMs.

The ELIDZ already operates two data centres with ISO27001 certification and is now pursuing ISO 27017 and 27018 accreditations with the new data centre being planned for Tier 3 certification.



THANK YOU

EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC Ltd

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