



ANNUAL HIGHLIGHTS 2022/23

| 20 years of a
firm foundation



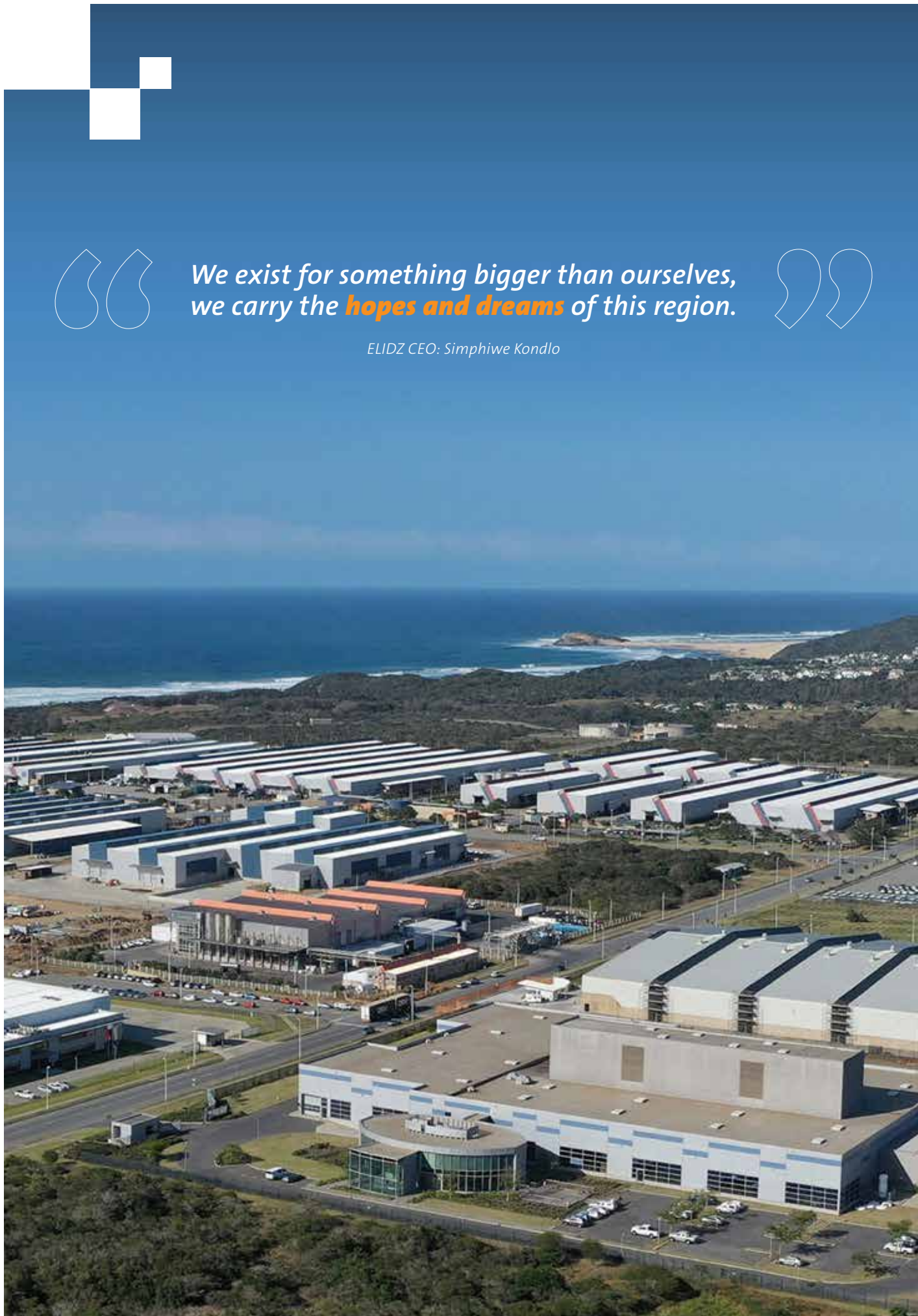
east london idz
business streamlined



*We exist for something bigger than ourselves,
we carry the **hopes and dreams** of this region.*



ELIDZ CEO: Simphiwe Kondlo



CONTENTS

OUR CORE EXISTENCE	04
OUR SECTORS	05
OUR FOOTPRINT & INVESTORS	06
OUR BOARD	08
OUTLOOK BY THE ELIDZ CHAIRMAN	10
ORGANISATIONAL STRUCTURE	13
KEY PERFORMANCE HIGHLIGHTS	16
AERIAL VIEW OF THE ELIDZ	18



ELIDZ CORE EXISTENCE



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.



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.

OUR MANDATE



INCREASE THE
ECONOMY OF
OUR REGION



JOB CREATION



BOOST FOREIGN
DIRECT
INVESTMENT

OUR SHARED VALUES

PASSIONATE FOR EFFICIENCY

"We respond to address the needs of customers with speed and efficiency and these needs direct and energise both our plans and actions."



SEEKERS OF SOLUTIONS

"In every situation, we seek out possibilities that foster and yield innovative and practical solutions in order to deliver superior outcomes of value to our customers, stakeholders, and ourselves."



BUILDERS OF SYNERGY

"We actively lead in building productive synergies and collective expertise with our key stakeholders, exploiting our knowledge and continuous learning."



ETHICAL BY NATURE

"We are responsible and accountable for how we do business, how diligently we utilise all resources entrusted to us and how we manage our operations in a manner that assures the safety and reliability of our industrial precinct and its services."



INSPIRED BY IMPACT

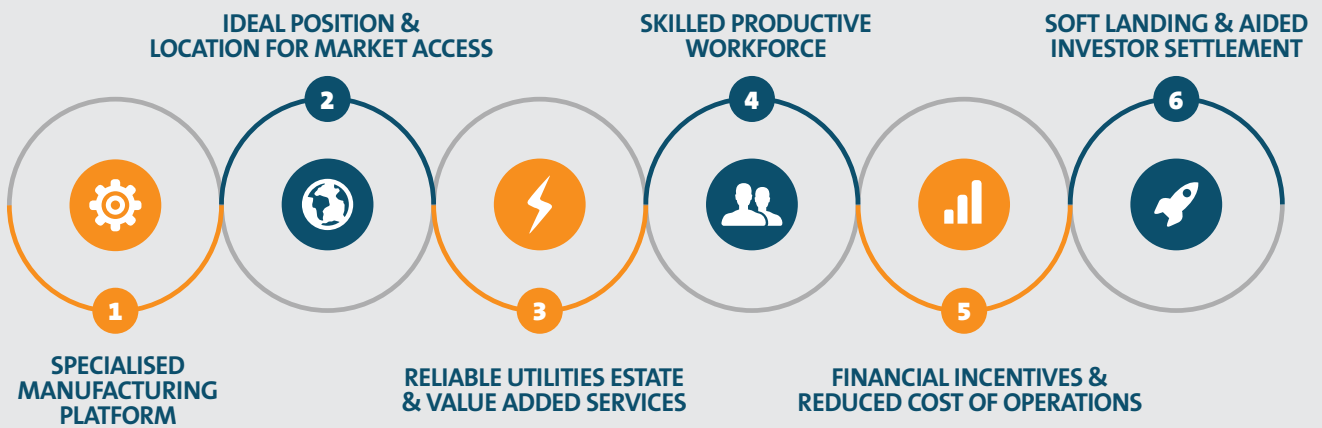
"We are not satisfied with our performance unless it has a lasting and meaningful impact in uplifting the lives and future potentials of the citizens we have been created to serve."



The ELIDZ's focused mandate:

- Promote the export competitiveness of South African manufactured products/services;
- Strengthen, expand and diversify the local / regional economy;
- Enable exploitation (via beneficiation of regional natural resources);
- Secure advanced foreign production and technology methods; and
- Encourage skills transfer and local intellectual capital development

OUR VALUE OFFERING - ENGINEERED EFFICIENCY



OUR 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 FOOTPRINT & INVESTORS





OUR BOARD OF



FRONT ROW - From left to right: Ms E. Jooste | Mr A. Kanana | Professor M.W. Makalima
Mr S. Kondlo | Ms N. Mnconywa | Mr M. Mfuleni

MR E. JOOSTE

Chairperson of the Finance Committee, Member of the Audit Committee and the Governance Committee

Current employment: Consultant at EVJ Consulting (Pty) Ltd

Skills: Supply Chain Management, Public Sector Governance and Finance

Affiliations: South African Institute of Professional Accountants (SAIPA), Institute of Internal Auditors South Africa (IASA), Member of IoDSA

MR A. KANANA

Chairperson of the Audit Committee and Member of the Governance Committee

Current employment: Chief Executive Officer – HL HALL AND SONS

Skills: Auditing, Public and Private Sector Governance, Primary Agriculture, Agricultural Finance, Global Marketing

Affiliations: Member of South African Institute of Chartered Accountants (SAICA), Member of IoDSA

COUNCILLOR MR N. KUMBACA *

Member of the Finance Committee

Current employment: Councillor at Buffalo City Metropolitan Municipality

Skills: Public Administration, Local Government Administration, Infrastructure Development and Planning, Communications.

Affiliations: Member of IoDSA

PROFESSOR M.W. MAKALIMA

Chairperson of the ELIDZ Board and Chairperson of the Governance Committee

Current employment: Private Academic Research

Skills: Academic, Public Administration, Social and Economic Development, International Relations, Leadership and Project Management

Affiliations: Member of IoDSA

MS C. KONGWA

Member of the Audit Committee

Current employment: Administrator of the National Gambling Board

Skills: Legal and Public Sector Governance

Affiliations: Member of IoDSA

DIRECTORS



BACK ROW - From left to right: Cllr N. Kumbaca | Ms C. Kongwa | Mr B. Mpondo | Mr A. Skenjana

MR S. KONDLO

Executive Director - Ex Officio

Current employment: Chief Executive Officer of the ELIDZ

Skills: Engineering, Public Sector Governance, Business Management, Project Management; SEZ Development

Affiliations: SAIIE, WISA, Board Member of Rand Water, Member of IoDSA

MR B. MPONDO

Member of the Operations and Risk Committee; Member of Finance Committee

Current employment: Founder & Managing Director of Safiri (Pty) Ltd; Director of InnateSafiri; Director of Originate Capital Founder and Director of Tembo Investments

Skills: Business Strategy Development and Execution, Corporate Governance, Turnaround Strategies; Infrastructure and Property Development; Project Management and Transport Planning, Development Planning, Project Management

Affiliations: Member of IoDSA

MS N. MNCONYWA

*Chair of Ops and Risk Committee
Member of the Finance Committee*

Current employment: Senior lecturer in Accounting at the University of Fort Hare

Skills: Public Sector Governance and Finance

Affiliations: Member of South African Institute of Chartered Accountants (SAICA), The Independent Regulatory Board for Auditors (IRBA), Member of IoDSA

MR A. SKENJANA

Member of the Operations and Risk Committee

Current employment: Director: Agro-Processing at DEDEAT

Skills: Agriculture, Agro-Processing, Project Management

Affiliations: Member of the South African Council of Natural Scientists, Member of the South African Society for Animal Science, Member of IoDSA

MR M. MFULENI

Member of the Audit Committee and the Operations and Risk Committee

Current employment: Chief Executive Officer of Imbizo Group

Skills: Manufacturing and Development, Telecoms and IT Consulting

Affiliations: Member of IoDSA, Chairman BayTV, President Black Technology Forum (BTF)



Professor M.W. Makalima
ELIDZ Board Chairperson

OUTLOOK BY THE ELIDZ CHAIR- PERSON

In the period under consideration, the ELIDZ commemorated a significant milestone—20 years since its official designation by the Department of Trade and Industry and Competition (the dtic) in September 2003. While the primary focus of this Annual Report is to provide an overview of the organization's endeavours throughout the 2022/23 financial year, it would be remiss not to acknowledge and reflect upon the two decades of the ELIDZ's existence.

Reviewing the organization's historical literature, it's evident that the accomplishments we enjoy today are a direct result of the visionary efforts of individuals like the late Des Halley, the inaugural Chairman of the ELIDZ, who championed the development and impact of the ELIDZ. Presently, we commemorate two decades of a steadfast state-owned entity, built upon the foundations established by exceptional figures such as my predecessor, Mr. Zolile Tini, and the men and women who, though no longer with the ELIDZ, contributed to establishing a stable and focused institution, renowned for its professionalism and integrity. Their enduring contributions continue to pave the way for our current board as we carry forward this significant legacy.

A cornerstone of the factors that have upheld the entity's stability is not only a commitment to its core business, but also the profound impact this business has on the surrounding communities. In line with this legacy, this preface delves into several elements that have influenced the ELIDZ's core operations during the 2022/23 financial year. Furthermore, it dissects the effect of ELIDZ's activities and establishes key priorities for the organization throughout the remainder of the ongoing five-year cycle.

Investment Attraction, Settlement and Retention

In the 2022/23 financial year, the ELIDZ and its tenant industries navigated a complex operational landscape. Marking the third year of the ELIDZ's 5-year strategy, this period was marked by global economic sluggishness, uncertainty, and heightened investor risk aversion. Despite challenges encountered since adopting Vision 2025, significant strides have been made toward achieving the organization's Vision 2025 targets.

Over the initial years of the five-year cycle, the ELIDZ successfully attracted investments totalling R3.9 billion, surpassing the R3 billion target. While the initial two years experienced

substantial investments, particularly in the automotive sector, attracting investments has proven more challenging in the current fiscal year. Nevertheless, during the 2022/23 period, the ELIDZ operationalised three new investment facilities. Noteworthy among them is Drager Safety Zenith (Pty) Ltd, a manufacturer of safety and medical equipment. This facility not only serves South Africa but also exports to the broader African market. Additionally, Bushveld Electrolyte, a venture specialising in vanadium beneficiation for commercial energy storage solutions, invested R535 million in equipment and infrastructure. Furthermore, by the end of 2022/23, the ELIDZ board approved four new investment projects valued at R1.9 billion, including two renewable energy projects for the establishment of 100MW Solar Photovoltaic farms.

Infrastructure Planning and Delivery

Throughout the first two years of the five-year cycle, the ELIDZ prioritized constructing tenant facilities tailored for use, facilitating targeted investor settlement. However, recent challenges include swiftly securing funding for critical sector-enabling projects like the data centre and Phase 2 infrastructure expansion. Moving forward, the ELIDZ's focus centres on designating Ntabozuko as a Special Economic Zone (SEZ), particularly in light of the growth in the renewable energy sector. Key infrastructure needs within the precinct will be addressed, with investigations into potential funding options aligned with strategic activities. Emphasis will also be placed on developing, testing, and packaging catalytic projects necessitating public and private sector support. These encompass the Fort Jackson upgrade, packaged renewable energy projects, and the Alexander Golf Course Commercial project.

Addressing Challenges and Environmental Sustainability

Challenges related to sustainable utility supply and the impact of climate change have amplified the significance of environmental sustainability efforts for the ELIDZ. In the current year, the organization formulated a companywide Environmental, Social, and Governance (ESG) Roadmap and value proposition. Focus shifted to investigating and packaging critical projects for urgent green energy provision within the zone. In the upcoming year, the ELIDZ prioritizes executing renewable energy generation initiatives within the zone, alongside long-term plans for water security, including exploration of a desalination plant.

SEZ Incentives and Industrial Support Eco System

While the ELIDZ effectively negotiated and facilitated access to Special Economic Zone (SEZ) incentives for eligible entities, lobbying for SEZs to administer the incentive package is crucial. This approach would furnish SEZs with essential investor impact data and enhance the efficiency of the SEZ program. Despite challenges, such as those faced by the Aquaculture sector, strategic efforts continue. The ELIDZ was approved by DTIC to house a satellite One Stop Shop within the IDZ precinct, which will be operationalised in the coming year.

A Catalyst for Growth

Central to ELIDZ's role is the contribution of its platform industries to export-oriented growth and provincial economic output. At the close of the 2022/23 financial year, industrial turnover in zone enterprises



experienced a 27.5% growth due to the operationalisation of new factories. Moreover, export-oriented production by ELIDZ enterprises increased by 20% year-on-year, attributed to growth in the automotive sector.

Focusing on Community Development and Skill Advancement

Aligned with its Sustainable Development Agenda, the ELIDZ prioritizes community development and skills advancement, extending support not only to immediate surroundings but also to both urban and rural communities in the Eastern Cape. This year, 15 bursaries were awarded to Math and Science university students facing financial difficulties. Additionally, 17 Corporate Social Investment (CSI) initiatives were implemented, spanning sports, education support, and enterprise development. The ELIDZ's Science and Technology Park (STP) continues to emphasize innovation support and incubation, benefiting 112 beneficiaries through training.

Future Priorities

Over the five-year strategic cycle, the ELIDZ will focus on sectors likely to catalyse growth and bolster national momentum. Renewable Energy stands out as a key opportunity, with a strong pipeline for private sector investment nearing R2.5 billion at advanced negotiation stages. A significant objective for the 2023/24 fiscal year includes solidifying key investments within the pipeline while fostering an enabling environment, establishing suitable institutional arrangements, and cultivating the necessary skills for swift investment operationalisation. This approach diversifies the ELIDZ's investment portfolio and positions it as a pioneer in providing green and sustainable energy to investors.

The importance of the agro-processing sector grows as climate change impacts food security. Collaboration with government stakeholders remains a priority for scaling efficiency within this sector. The Information and Communications Technology (ICT) sector, identified as a major growth sector, aims to expand its customer portfolio in services such as Disaster Recovery, Connectivity, Business Process Outsourcing (BPO), and Data

Hosting. Plans for a multi-Purpose ICT Hub, encompassing a scalable data centre and BPO facility, are underway. To support these endeavours, the ELIDZ is actively planning the construction of a Tier 3 data centre and promoting it to potential users. Additionally, the organization continues its efforts to overcome challenges in the Aquaculture sector.

Given significant changes since the implementation of Vision 2025, such as the pandemic, geopolitical events, and energy crises, adjustments to tactics are imperative. The ELIDZ aims to intensify its efforts in collaborating with strategic stakeholders, acquiring and designating strategic land parcels for key sectors, and addressing energy crises with innovative solutions. In this pursuit, several opportunities are being explored.

Stakeholder Support

As we celebrate another successful year for the ELIDZ, it's important to recognize that our achievements are the result of dedication, courage, and resilience of all of our customers, our funders the dtic and DEDEAT, our shareholders DEDEAT and BCMM as well as our employees who have worked hard to create a conducive and enabling environment for growth.



Professor MW Makalima

Board Chairperson
Accounting Authority.



ORGANISATIONAL STRUCTURE

ELIDZ EXECUTIVE MANAGEMENT



CEO *CHIEF EXECUTIVE OFFICER*

SIMPHIWE KONDLO

Mr Simphiwe Nicholas Kondlo is a highly experienced engineer with a distinguished career. He holds a Masters in Engineering Management and boasts over 23 years of professional experience, which spans a wide spectrum of fields, including civil and agricultural engineering.

Notably, Mr Kondlo has served as the former Chief Executive Officer of Amatola Water, where he achieved significant milestones. One of his career highlights was leading a team in establishing a water utility and forging profitable partnerships with numerous municipalities.

In 2004, Mr Kondlo assumed the role of Chief Executive Officer at the ELIDZ. Under his leadership, the ELIDZ embarked on an extensive infrastructure development programme that transformed a greenfield site into a fully-fledged industrial development hub. During his tenure, the ELIDZ successfully attracted more than R7 billion worth of investments, and it has since evolved into a leading multi-sector Industrial Development Zone.

Mr Kondlo's impact extends beyond the ELIDZ. As the CEO, he played a pivotal role in shaping the policy framework of the South African Industrial Development Zone (IDZ) programme. His leadership was instrumental in the ELIDZ becoming the first of the existing IDZs in South Africa to be gazetted as part of the new Special Economic Zones dispensation, a testament to his visionary leadership and dedication to economic development.



COO *CHIEF OPERATIONS OFFICER*

TEMBELA ATWELL ZWENI

Mr Tembela Zweni is the Chief Operations Officer. He is a seasoned business professional with a strong business management and economics background. His working career spans a wide variety of public and private institutions such as Corporate Banker at Standard Corporate and Merchant Bank; Asset Finance at Wesbank and CEO of the Uitenhage-Dispatch Development Initiative. As a CEO of UDDI he oversaw development and implementation of the mega projects such as the Automotive Logistics Park, the Science Park and various Agricultural and Manufacturing projects in Nelson Mandela Metropolitan Municipality.

He is one of the first black professionals to be involved in the electrification of townships directly by Eskom in the early 1990s. Zweni holds a Honours degree in Economics, Master's degree in Business Administration and has vast experience in various sectors including Pharmaceuticals, Tourism, Leather, Timber and Automotive.

His current responsibilities at the ELIDZ include the management of the organisation's infrastructure development programme, property, investment promotion, investor settlement and post settlement after-care.



EM: CA EXECUTIVE
MANAGER:
CORPORATE AFFAIRS

NOMSA MAKHOBA

Ms Nomsa Makhoba holds the position of Executive Manager: Corporate Affairs at the ELIDZ. She oversees one of the largest Business Units within the organisation, namely the Corporate Affairs Business Unit. With an impressive career spanning 29 years, Ms Makhoba has contributed her expertise to various organisations, both in the private and public sectors, where she has held a range of leadership roles. These roles include her initial position as a Departmental Manager at Woolworths (Pty) Ltd, as well as her roles as General Manager: Corporate Services at Qinisa Construction, Corporate Services Director, Business Development Executive, and Executive Manager: Corporate Services at Johannesburg City Parks and Zoo, providing just a glimpse into her illustrious managerial journey.

Ms. Makhoba's extensive experience in Corporate Affairs is supported by her academic qualifications and professional development. She holds a B.Comm Degree, B.Tech in Marketing, and has achieved a Masters Degree in Business Leadership.

Within her current role at the ELIDZ, Ms Makhoba is responsible for a range of critical functions, including the strategic and operational management of the human resources sub-unit, ensuring efficient and effective oversight of the legal function, operationalising excellence in the Information Communication and Technology (ICT) sub-unit, managing marketing and corporate communications, overseeing Safety, Health, Environment, and Quality (SHEQ), as well as the administration of records management.



CFO CHIEF
FINANCIAL
OFFICER

GIFT HAPPYMORE MATENGAMBIRI

Mr Gift Matengambiri, a Chartered Accountant (South Africa), serves as the Chief Financial Officer (CFO). With nearly two decades of professional experience, he has made significant contributions in the fields of auditing, financial accounting, taxation, and financial management. Mr Matengambiri's extensive expertise in finance is underpinned by his impressive academic qualifications, including a B. Compt (Honours), Certificate in Theory of Accounting (CTA), Chartered Global Management Accountant (CGMA), and the esteemed Chartered Accountant (South Africa) designation.

Throughout his career, he has shared his knowledge and skills with diverse organisations. Notably, he has worked with Auditor-General South Africa, AMG Global Chartered Accountants, and Morar Chartered Accountants, where he held the position of Director responsible for the Polokwane Branch. In his role as CFO, he has played a crucial role in enhancing the organisation's financial management controls and reporting, contributing to its financial strength and stability.



ELIDZ ORGANISATIONAL STAFF COMPLIMENT

CHIEF EXECUTIVE OFFICER

MANAGER: OFFICE OF THE CEO					
OFFICE OF THE CHIEF EXECUTIVE OFFICER					
Functional Area	EM	MG	SP	AS	T
Office of the CEO	1	1	1	1	4
Company Secretarial Support	-	-	1	-	1
Corporate Strategy and Planning	-	-	1	-	1
Project Portfolio Management	-	1	-	-	1
Assurance	-	-	1	-	1
Total Filled Positions	1	2	4	1	8
Performance Monitoring	-	-	1	-	1
Total Vacant Positions	-	-	1	-	1
Total Positions	1	2	5	1	9

CHIEF FINANCIAL OFFICER					
FINANCIAL MANAGEMENT					
Functional Area	EM	MG	SP	AS	T
Financial Management	1	-	-	2	3
Financial Control & Reporting	-	-	1	2	3
Financial Management, Reporting & Administration	-	-	1	2	3
Management & Cost Accounting	-	1	1	-	2
Supply Chain Management	-	1	3	-	4
Total Filled Positions	1	2	5	6	15
Financial Management, Reporting & Administration	-	1	-	-	1
Total Vacant Positions	-	-	-	-	-
Total Positions	1	3	5	6	16

CHIEF OPERATIONS OFFICER					
OPERATIONS					
Functional Area	EM	MG	SP	AS	T
Zone Operations	1	-	-	3	4
Sector Development & Investment Promotion	-	4	-	-	4
Project Management & Coordination	-	1	3	-	4
Property Portfolio Management	-	1	-	1	2
Maintenance & Facilities Management	-	1	3	1	5
Investor Support Services Management	-	1	3	2	6
Science & Technology Park	-	1	1	2	4
Laboratory	-	-	5	2	7
Total Filled Positions	1	9	15	11	36
Sector Development & Investment Promotion	-	2	-	-	2
Maintenance & Facilities Management	-	-	3	-	3
Investor Support Services Management	-	-	-	1	1
Science & Technology Park	-	-	4	-	4
Total Vacant Positions	-	2	7	1	10
Total Positions	1	11	22	12	46

EXECUTIVE MANAGER: CORPORATE AFFAIRS					
CORPORATE AFFAIRS					
Functional Area	EM	MG	SP	AS	T
Corporate Affairs	1	-	-	2	3
Human Capital	-	-	3	-	3
Legal Services	-	1	1	-	2
Marketing & Corporate Communications	-	1	2	1	4
Information Communication & Technology Management	-	1	4	-	5
Safety, Health & Environmental Management	-	1	3	1	5
Records Management	-	1	1	1	3
Total Filled Positions	1	5	14	5	25
Human Capital	-	1	1	-	2
Marketing & Corporate Communications	-	-	1	-	1
Information Communication & Technology Management	-	-	-	2	2
Total Vacant Positions	-	1	2	2	5
Total Positions	1	6	16	7	30

EM: Executive Manager | MG: Management | SP: Specialist | AS: Admin / Support | T: Total

KEY PERFORMANCE HIGHLIGHTS

112 **SKILLS DEVELOPMENT**
BENEFICIARIES TRAINED in the ELIDZ STP

8 **CONSECUTIVE CLEAN AUDITS**

5123 **JOBS**
CURRENTLY
ACTIVE ON THE ELIDZ'S PLATFORM

750 **CONSTRUCTION JOBS CREATED**
IN THE ZONE IN
2022 / 2023

55 **INTERN OPPORTUNITIES**
WERE CREATED IN THE ELIDZ

15 **BURSARIES AWARDED**
TO NEIGHBOURING
COMMUNITIES

4 **NEW INVESTMENTS ATTRACTED**
TO THE VALUE OF **R1.9 BILLION**

41 **OPERATIONAL INVESTORS**
CURRENTLY ON OUR PLATFORM

2 **PROTOTYPES DEVELOPED**
THROUGH THE ELIDZ STP

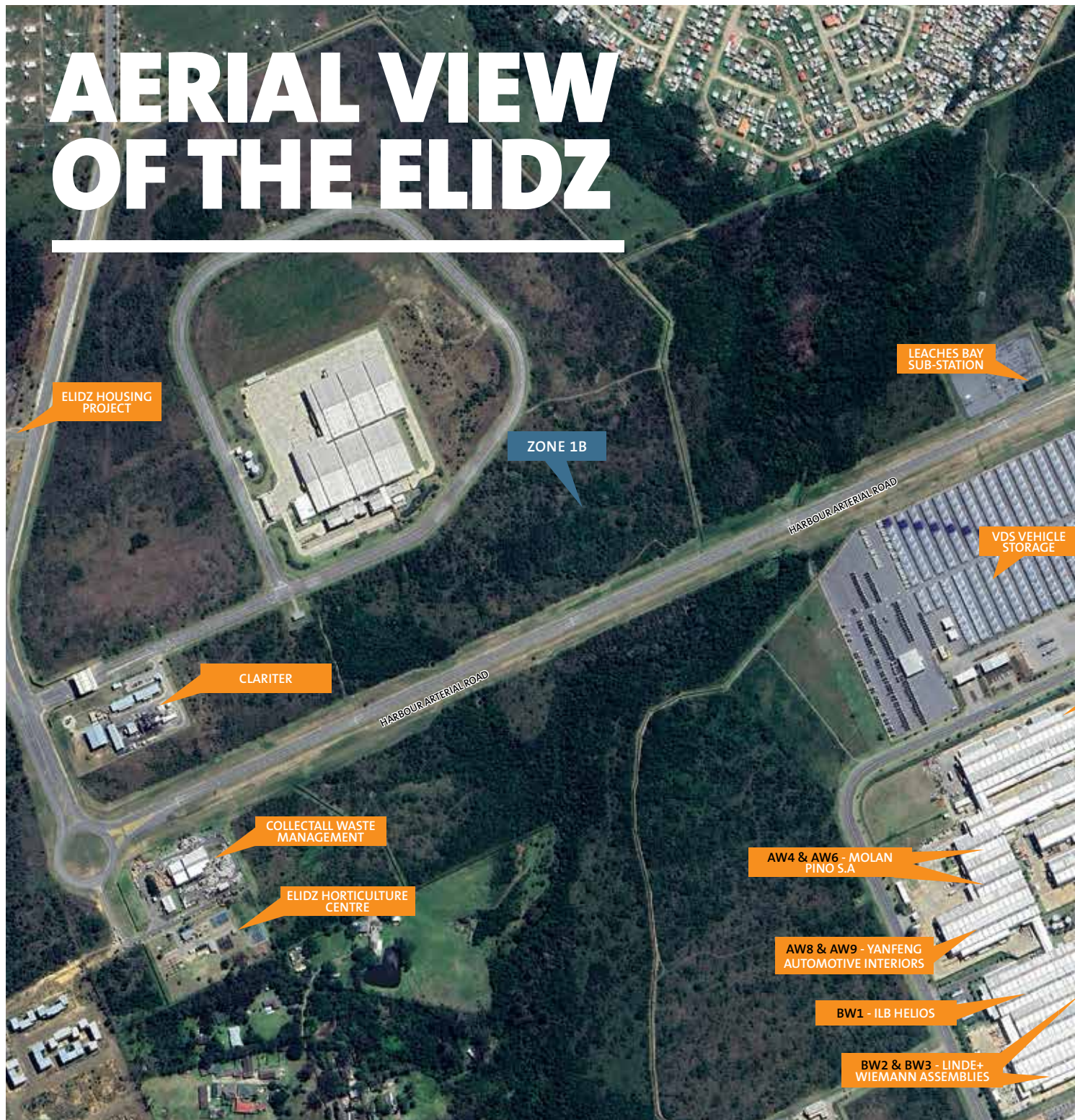
TWO **INCUBATORS**
ACTIVE ON ELIDZ
PLATFORM

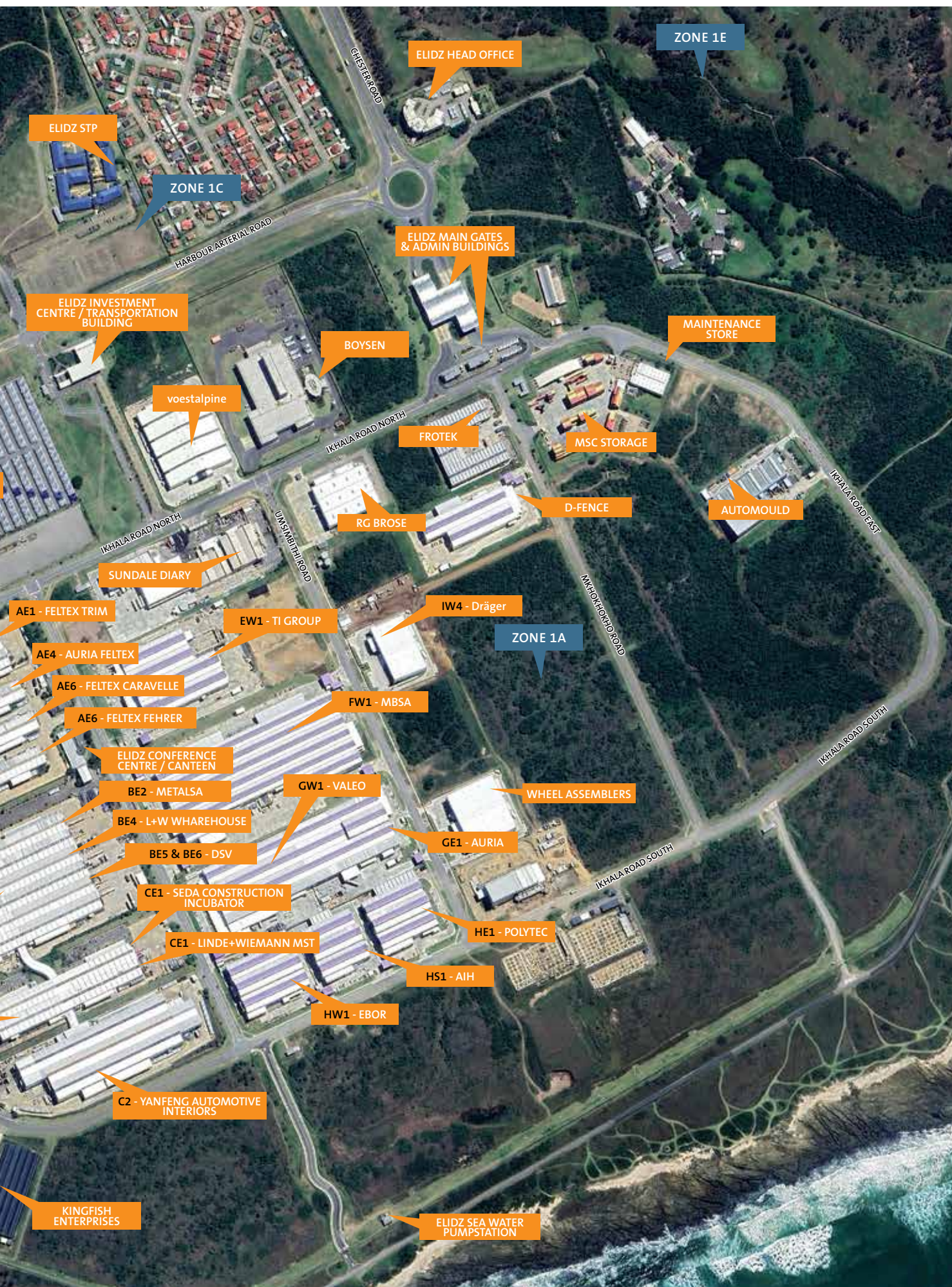
17 **CSI INITIATIVES**
IMPLEMENTED IN 2022/23

27.5%
INCREASE IN EXPORT ORIENTED PRODUCTION BY ZONE INDUSTRIES



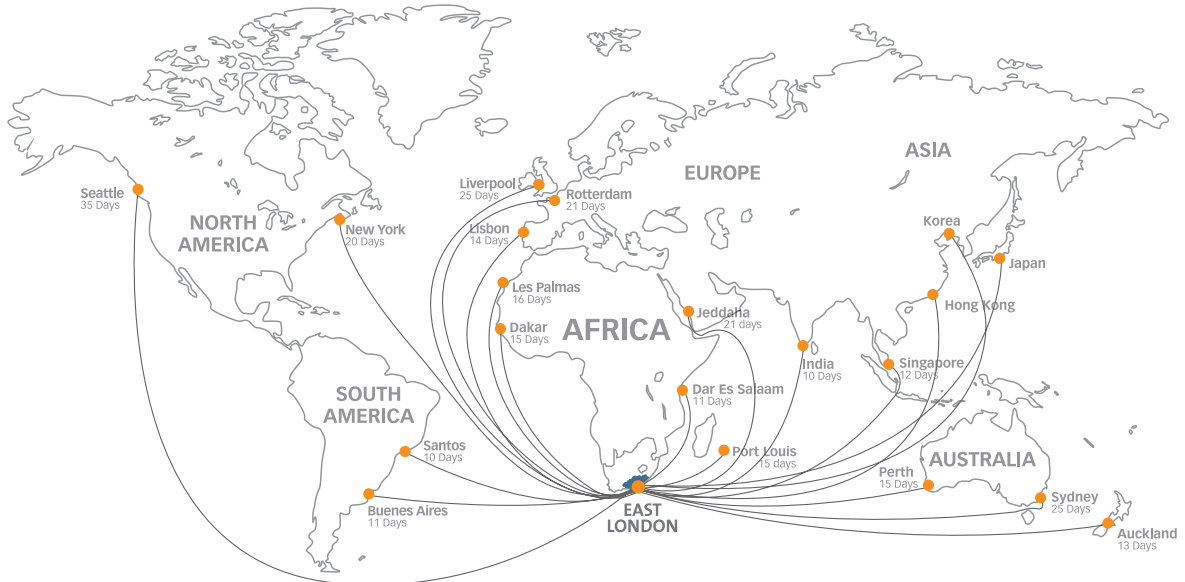
AERIAL VIEW OF THE ELIDZ





ACCESSING **GLOBAL MARKETS**

SHIPPING ROUTES FROM EAST LONDON



Lower Chester Road,
Sunnyridge,
East London, 5201
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