

***Elevating Investment
Possibilities*** *Your launchpad to Africa*

EAST LONDON IDZ INVESTMENT OPPORTUNITIES

PRESENTED BY: *Mr Thembela Zweni, ELIDZ Chief Executive Officer*




east london idz
business streamlined

**ABOUT
ELIDZ**

LOCATION

**OFFERING
TO INDUSTRY**

**OUR
SECTORS**

**OUR
IMPACT**

BENEFITS

**ECO-
INDUSTRY
PARK**

**PRE-
PACKAGED
PROJECTS**

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Possibilities** *Your launchpad to Africa*

www.elidz.co.za



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.

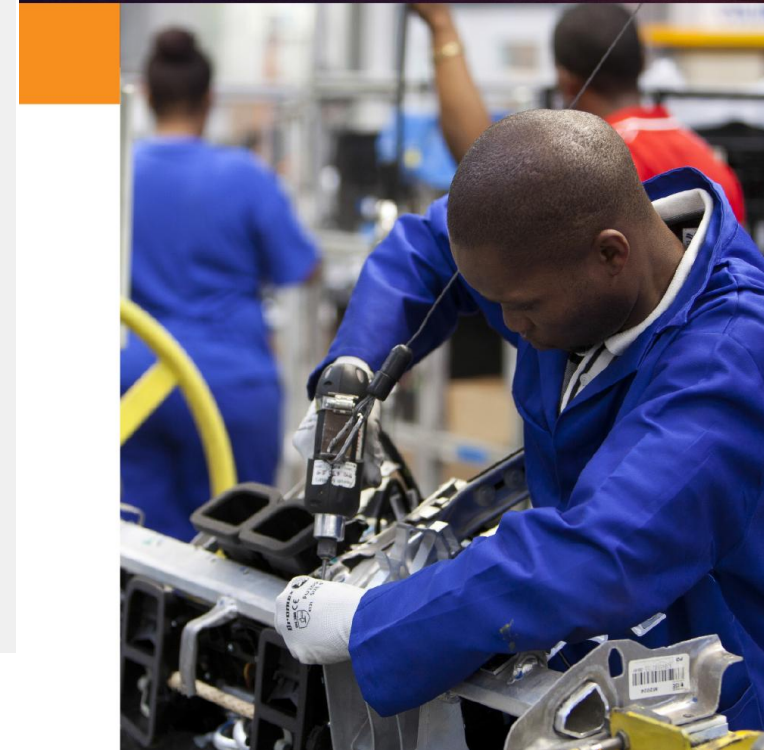
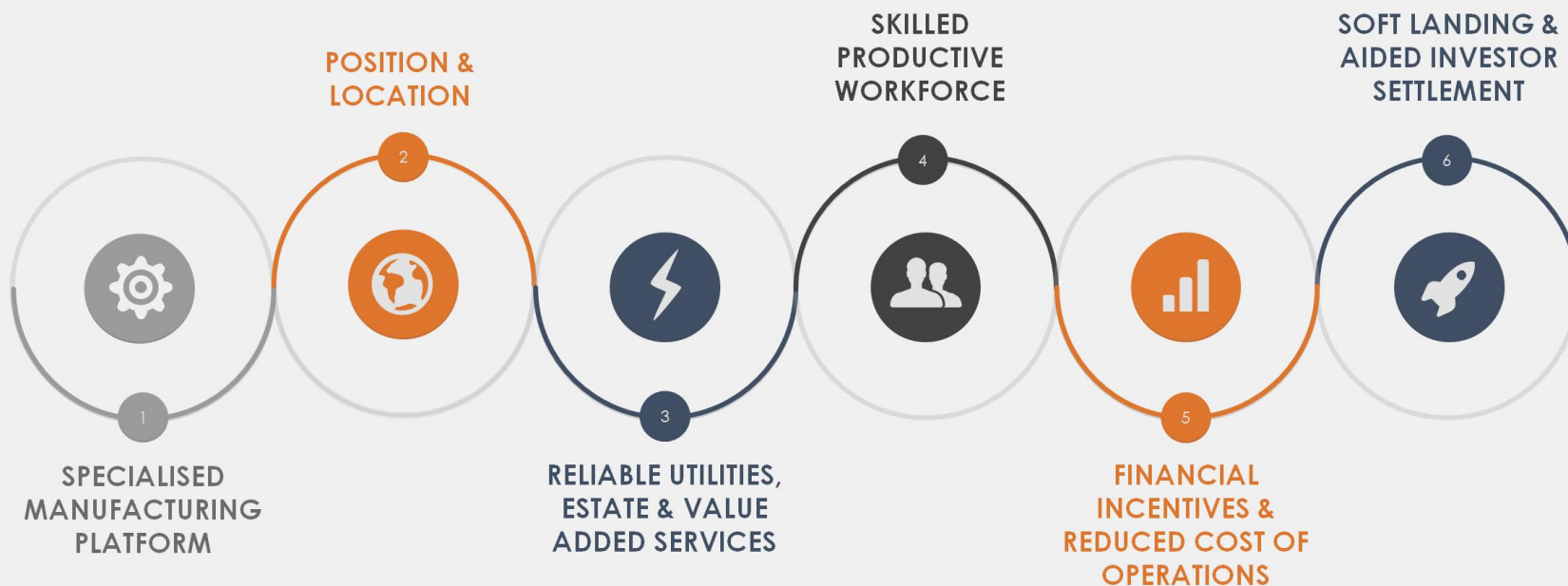
SEZs are designed to be conduits for the creation of an appropriate environment for foreign direct and domestic investment and the development of strategic industrial capabilities. Companies that locate in the SEZ have access the following incentives:

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



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*.



VISION 2030

OUR VISION

A globally recognised hub of innovative industries and technologies that

- transform the Eastern Cape industrial base and
- drive the sustainable development of enterprises and communities

MISSION

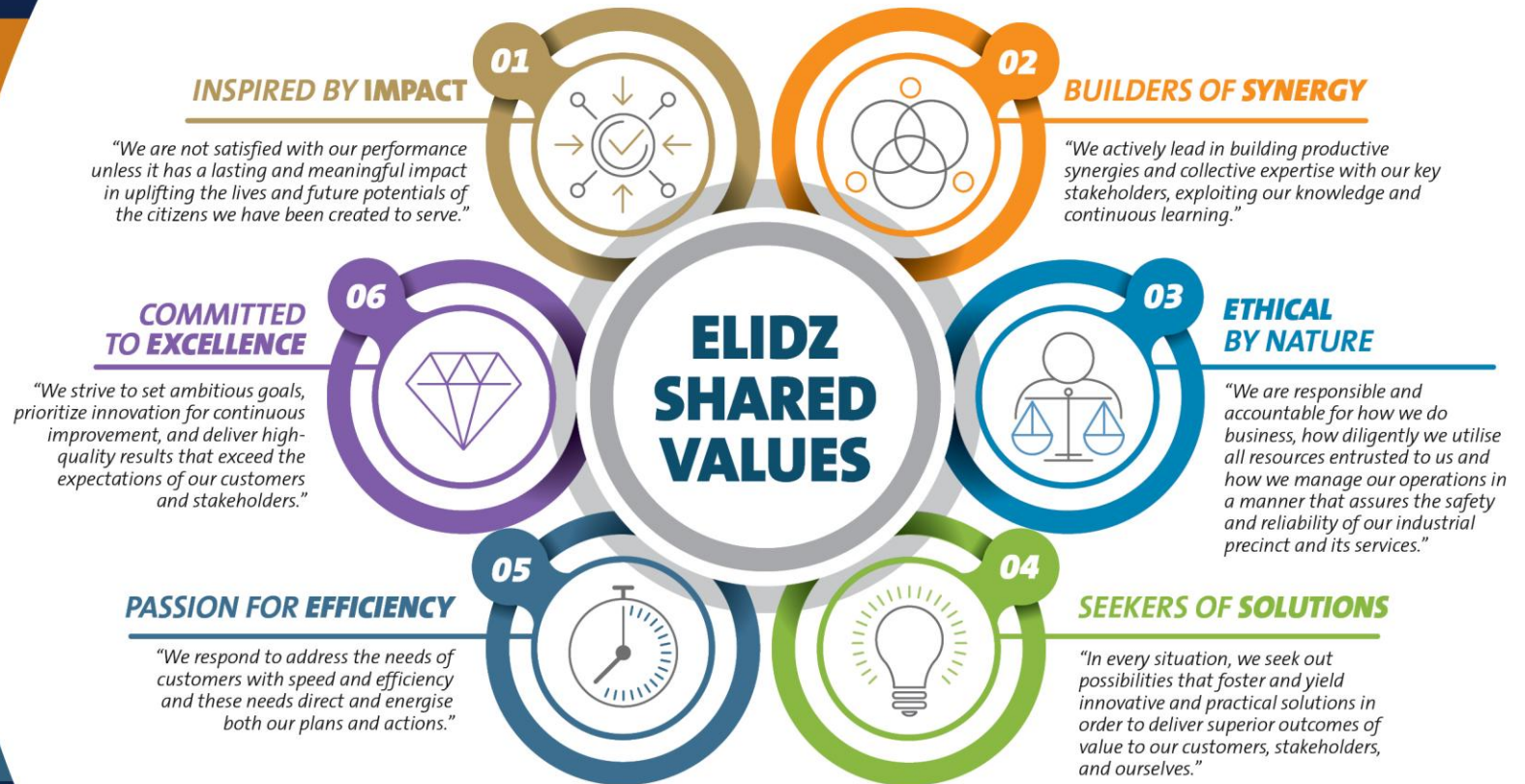
To attract and sustain investment activities that grow the region's industrial productivity through:

- the operation of a world-class investment location and the optimisation of a supportive innovative ecosystem.

OUR CORE VALUES

Core values express **what is important to the organisation and its members**. The corporate Statement of Values informs how the members of the company **make decisions, prioritise and plan strategies and interact** with each other (and with stakeholder partners).

Our Core Ideology



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ELIDZ LOCATION & ACCESS TO MARKETS

SHIPPING ROUTES FROM EAST LONDON





ELIDZ OFFERING TO INDUSTRY



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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

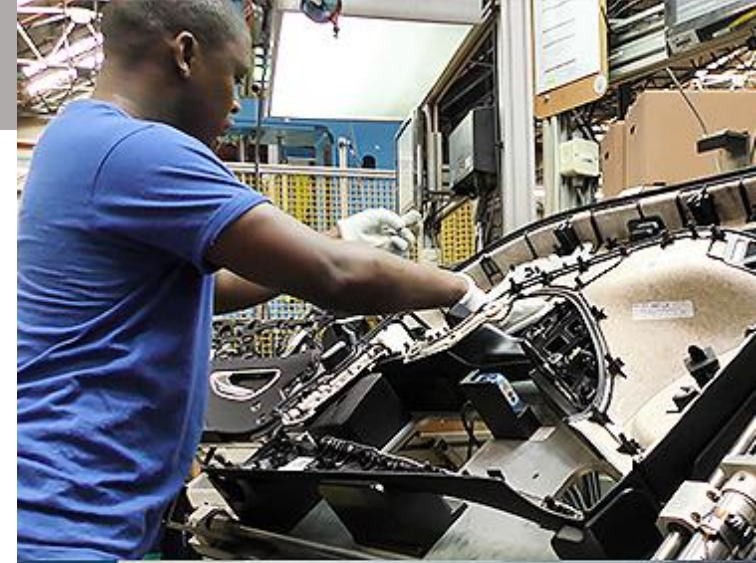
Investors that locate in the zone can take advantage of:

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*
- *2.4m 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:

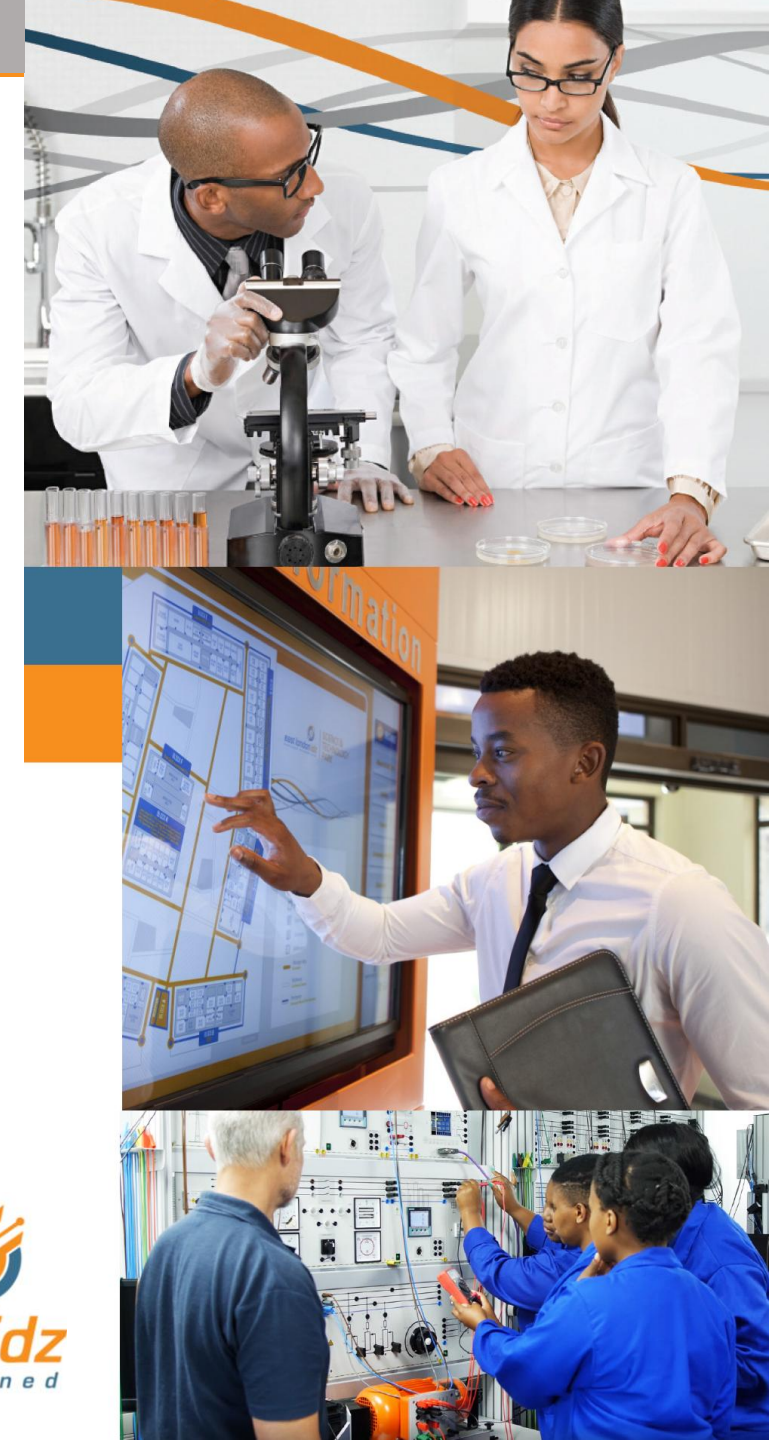
- ***Enabling sector specific infrastructure (reduces set up and operational costs)***
- ***A cluster-driven servicing approach (shared services for economies of scale)***
- ***Sourcing and localising of production inputs (value chain enhancement)***

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***
- ***SANAS Accredited CAS Laboratory***



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 (15%) 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.***





EAST LONDON IDZ STP



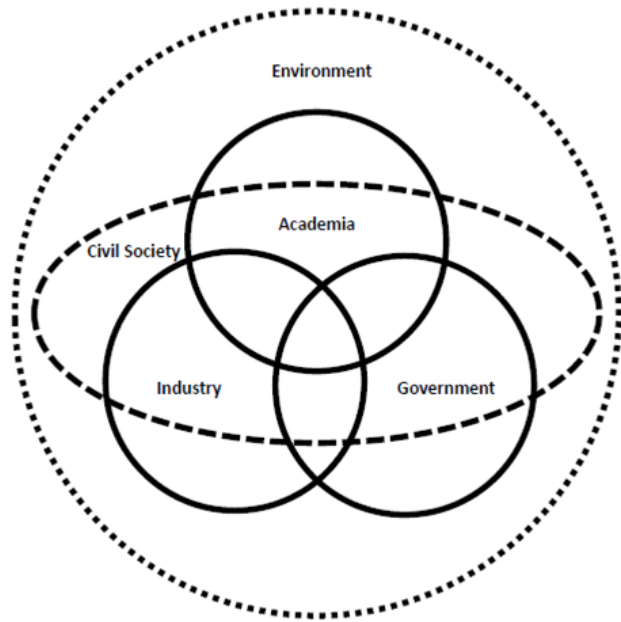
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THE ELIDZ SCIENCE AND TECHNOLOGY PPARK (ELIDZSTP)

- ELIDZ's mandate is to contribute towards a **strong regional industrial base where local industries have improved global competitiveness** and there is broadened and inclusive participation of communities in economic activity leading to growing a transformed economy.
- The Science and Technology Park plays a fundamental role in delivering this mandate. The STP is focused on **driving technology-led innovation and industrial modernisation that will assist in advancing technology and skills required to improve the competitiveness of local industries.**
- Key to the ELIDZ STP vision is the creation of a **conducive environment for the development, adaptation and exploitation of knowledge** and the further transformation of this knowledge into marketable technologies ultimately creating high technology firms.
- This is achieved by stimulating and driving budding innovation ecology



ELIDZ STP Innovation Ecology

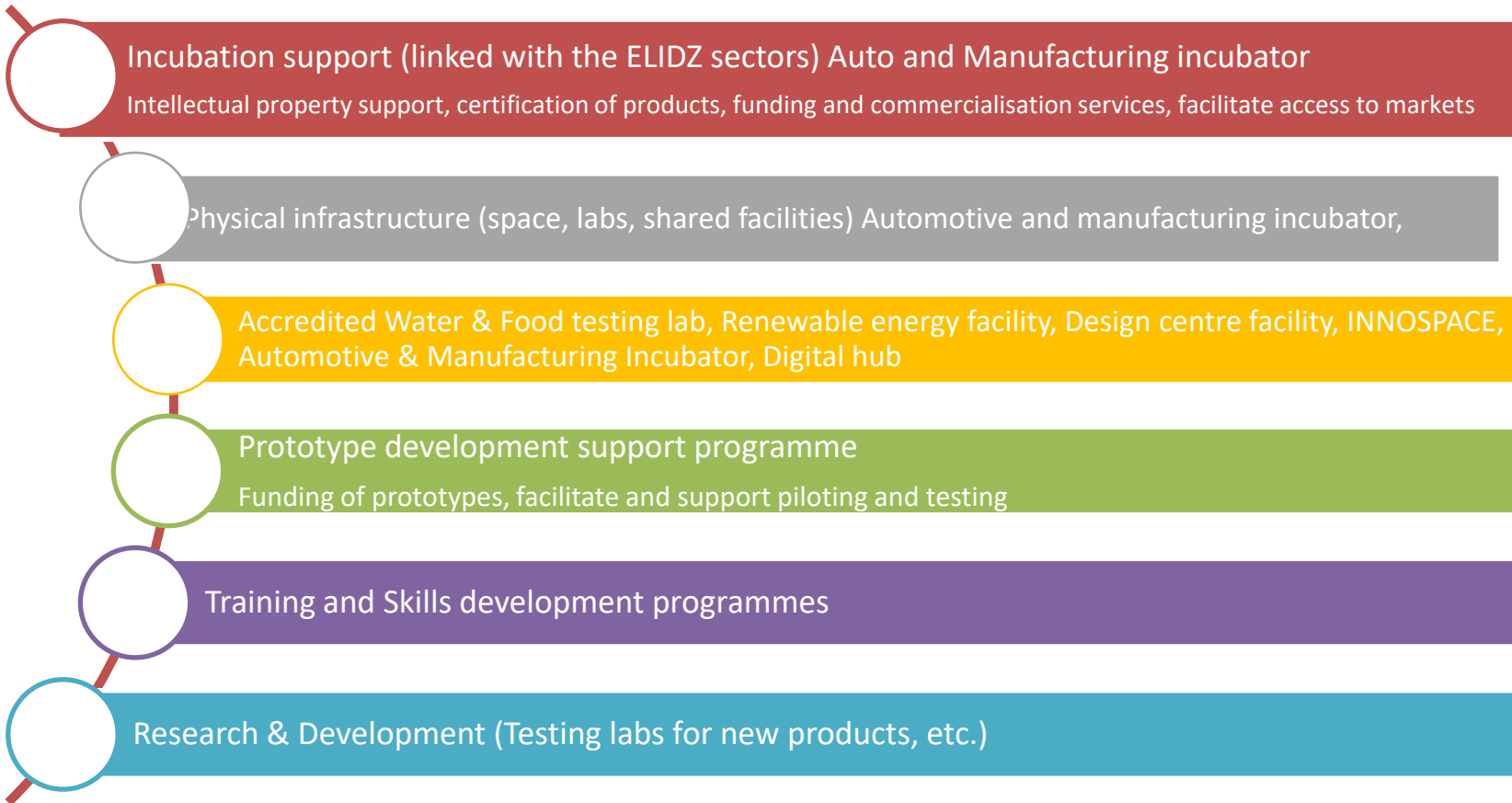


- ELIDZSTP drives innovation using the multiple helix model ensuring that all spheres of the economy are represented and considered in order to try and gain maximum efficiencies
- The STP leads and coordinates a Regional Innovation Forum where the following players are represented:
- Academia - bringing the scientific, technology and research elements
- Industries - producing commercial goods, they bring markets and opportunities for new entrants. Also may require research.
- Government - regulating markets, support tools for entrepreneurship and support for technology development
- Civil society - This component focuses on the role of society and the public as the end users of innovation and the sources of skilled talent. It further highlights interrelations between technological and social innovations.



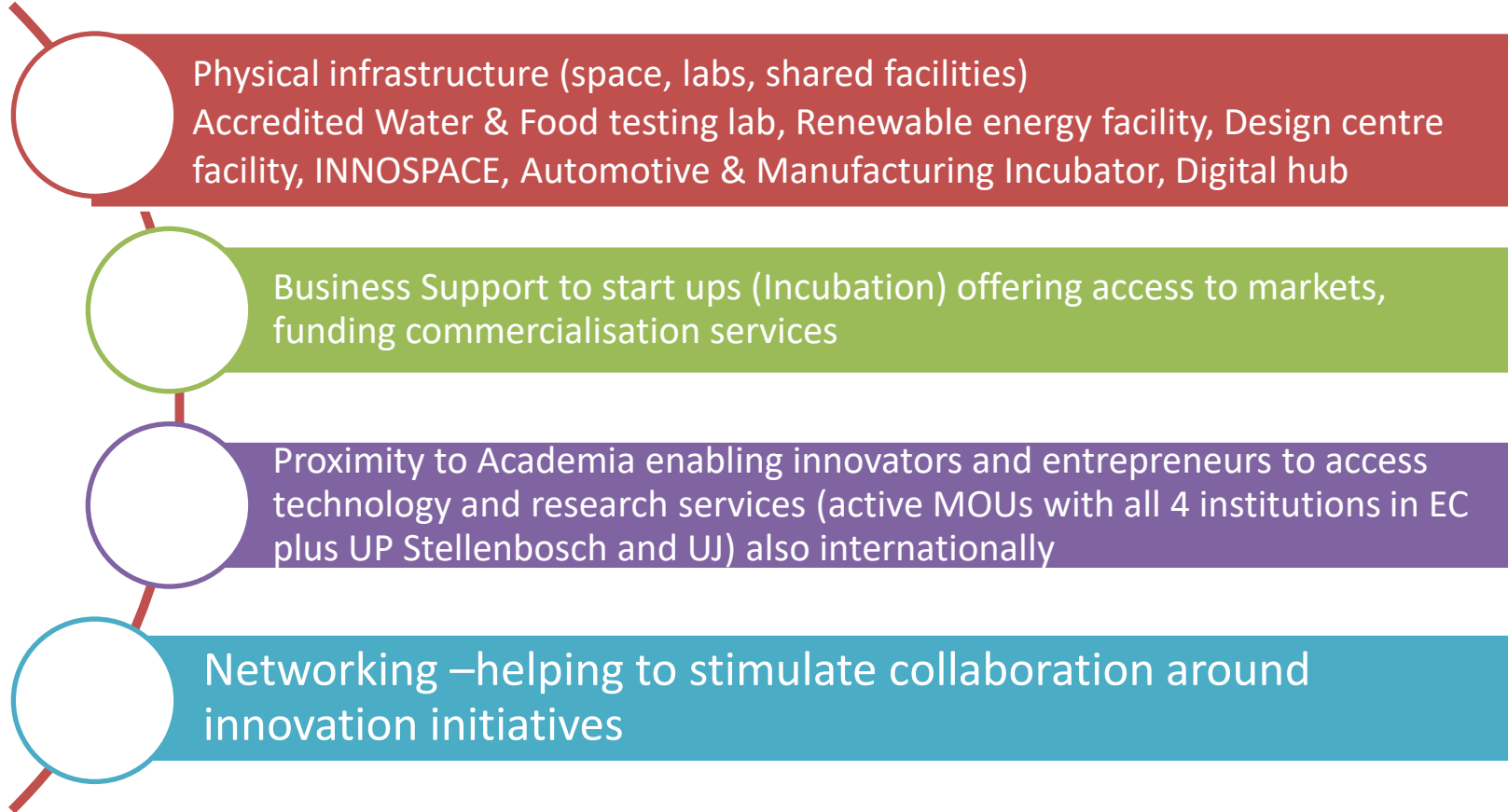
Science & Technology Park

Support to SMMEs and Youth



Science & Technology Park

Value Proposition



STP Highlights

- Over **523 entrepreneurs supported** in partnership with STP located incubators
- Just over **3000 people have been trained** on various skills programmes focusing amongst others on 4IR activities, CAD and Additive manufacturing, Digital Forensics, Cloud Computing, Renewable energy, Electric Vehicles, Design thinking, Intellectual Property, etc.
- Hosting **Internship programmes** in various areas linked to the manufacturing
- Has hosted **Learnership programmes** on Electrical engineering, Automotive component manufacturing & Assembly in partnership with industry players, etc.
- Over **20 prototypes have been supported** with the intention of commercialising
- Supported over **300 entrepreneurs** on Intellectual Property matters



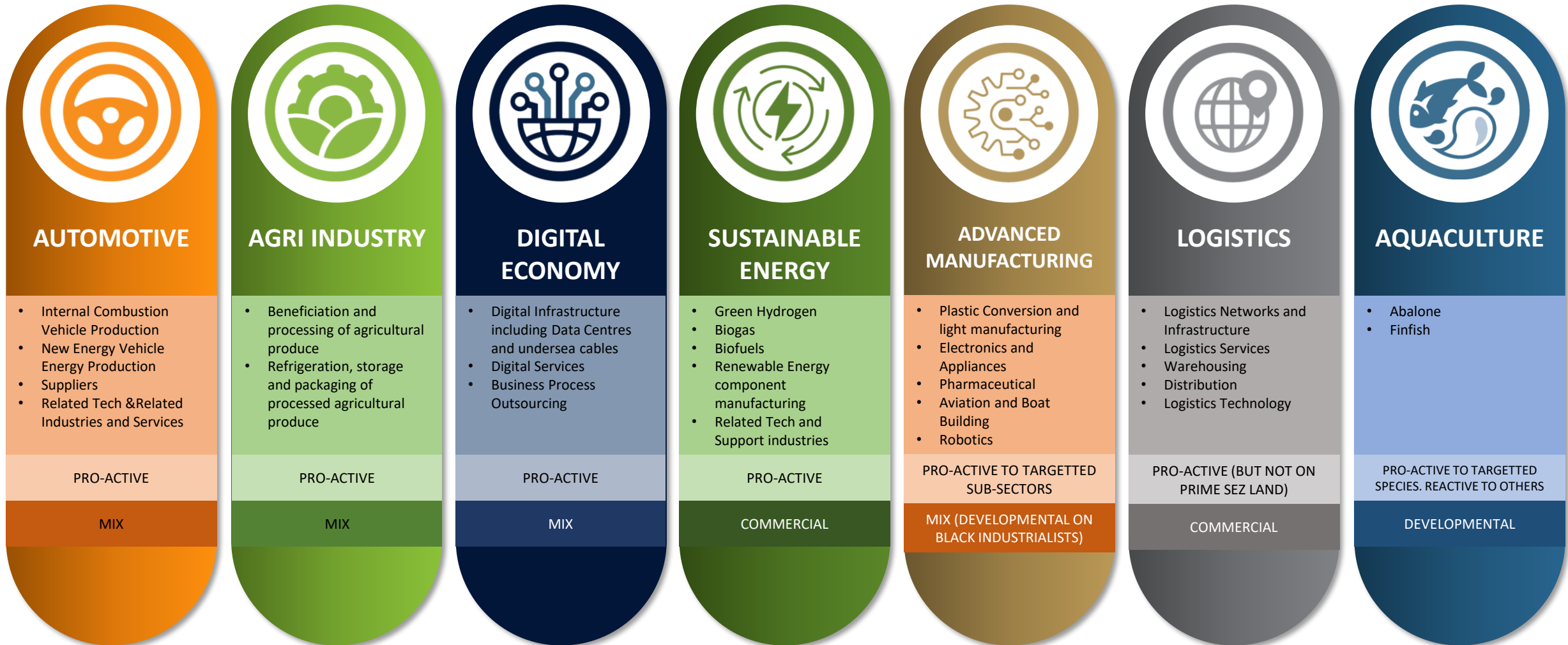


ELIDZ SECTORS AND CUSTOMERS



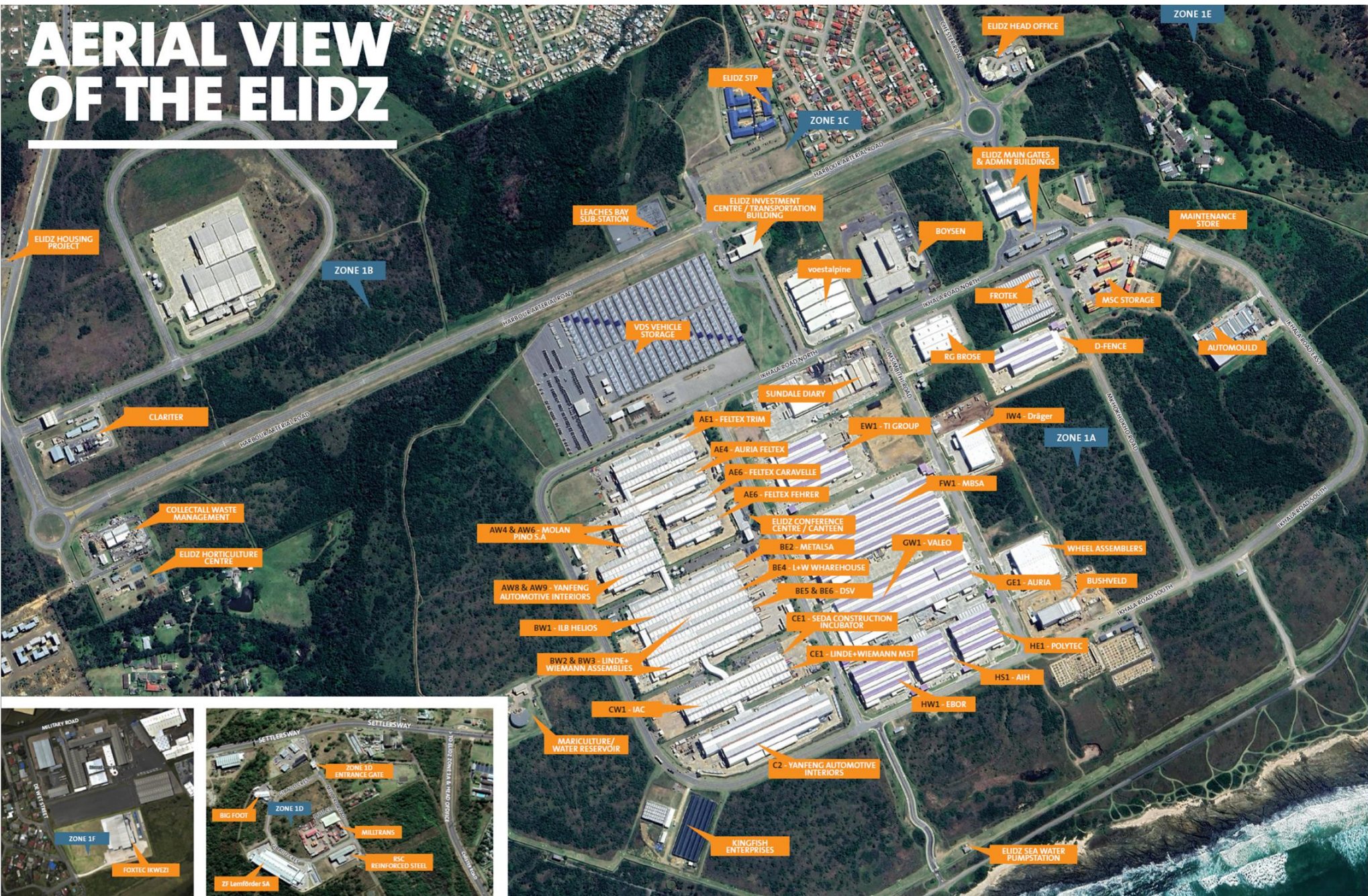
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ELIDZ SECTOR PRIORITISATION AND ALIGNMENT OUTCOMES



INTERNATIONAL FOOTPRINT AND *CUSTOMERS IN THE ZONE*





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KEY SECTORS: AUTOMOTIVE



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AUTOMOTIVE INVESTMENT SCHEME

- *The AIS is a non-taxable, reimbursable cash grant in respect of qualifying investment in productive assets used in South African operations by:*
- *Original equipment manufacturers (OEMs) with a qualifying investment greater than R50 million and a minimum production volume of 50 000 units per annum per plant (20% grant);*
- *Automotive component manufacturers (CMs) with a qualifying investment greater than R2 million and a local or international OEM supply chain turnover of at least 25% of total entity turnover or R10m in OEM supply chain invoicing per annum;*
- *Automotive tooling manufacturers (25% grant);*
- *New energy vehicle (NEV) manufacturers (30% grant); and*
- *Energy efficient (EE) vehicle manufacturers (30% grant).*



Automotive Production and Development Programme (APDP)

- *The APDP is a production incentive scheme for the motor industry*
- *The APDP is aimed at promoting production volumes in the specified motor vehicle industry, promoting added value in the automotive component industry thus creating employment across the automotive value chain*
- *The incentive is aimed at increasing employment opportunities in the automotive sector*
- *The APDP is legislated in Rebate item 317.03 of Schedule No. 3 to the Customs and Excise Act, No. 91 of 1964.*
- The APDP provides support in the form of a Volume Assembly Localisation Allowance (VALA) and a Production Incentive (VALA was introduced as part of the amended APDP in 2021)



Revised BBBEE AIS Guidelines

- Original Equipment Manufacturers (OEMs): At least B-BBEE level 6 as of July 2021, and at least B-BBEE level 4 by 31 December 2022;
- Components Manufacturers (CMs): At least B-BBEE level 8 as of July 2021, at least B-BBEE level 6 by 31 December 2022, and at least B-BBEE level 4 by 31 December 2023.
- New Manufacturing Entities: At least B-BBEE level 8 for the initial 36 months after incorporation; thereafter, at least B-BBEE level 4.
- The South African Automotive Masterplan 2035 (SAAM35) is a primary driver for industry growth and development. Its objectives clearly focus on increasing local manufacturing by 60%. Secondly, it looks at prioritising increasing broader access to previously excluded groups.30 Jun 2023
- Replacement of the Volume Assembly Allowance (VAA) with a Volume Assembly Localisation Allowance (VALA), implemented on a phased basis over the period 2021 to 2026



Automotive Industry Transformation Fund (AITF)

- **Facilitating the Financing** of broad based black economic ownership transactions, capital investments, access to working capital, product development and commercialisation of strategic automotive components and technologies.
- **Facilitating Access to Market** of beneficiaries through two avenues:
 - Direct procurement from funded entities by one or more of the Automotive OEMs;
 - Facilitation of procurement by Tier 1 or Tier 2 or Tier 3 suppliers within the Automotive OEMs supplier base. This facilitation would occur through the conclusion of tripartite agreements between the Automotive OEM, direct procurement of the Tier 1 or Tier 2 or Tier 3 supplier and the funded and;
 - Sales related to and approved by one or more of the Automotive OEMs in sidestream or downstream parts of the automotive value chain.
- **Facilitating Access to Non-Financial Capability Development** (i.e. training and development, mentorship and similar) required to improve sustainability and competence of entities funded by the AITF or qualifying beneficiaries with the potential for future funding by the AITF.



THE PROVINCIAL AUTO SECTOR PROFILE AND PROSPECTS

- The automotive sector is a highly strategic sector for the Eastern Cape economy and features prominently in the provincial industrial strategy. The automotive sector is also one of the priority sector outlined in the country's Industrial Policy and Action Plan.
- The Eastern Cape province produces half of all motor vehicles made in South Africa, and is home to five of the country's seven Original Equipment Manufacturers (OEMs).
- There are some 400 000 people employed in the automotive value chain in the province, of which 10 000 are employed in the OEMs.
- Approximately, 50% of the country's motor exports originate from the province and 70% of the country's automotive component manufacturers based in the Eastern Cape.
- The sector has important multiplier linkages to other sectors such as finance, retail, logistics, tooling and engineering, metals, chemicals, electronics, textiles and leather and capital goods.





Labour and Skills Availability



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Mercedes-Benz Learning Academy

"Building the people who build our products"

Advanced Technology Training

Technologies:

- Sealer, Tox, clinching, mig brazing, Avo-stud, PLC, basic robotics, IW6, Conveyors

- New model ramp-up: Trained **93**

Current Training:

- Internal (plant)
- External **~30** trainees (monthly)

Shopfloor Skills

- Basic production, quality system & shopfloor skills

- New Model Ramp-up : **670** trainees

- ~**300** trainees (yearly)

-  50:50 

Apprenticeships

- **3000** apprentices to date
- National Accredited Trade Test Center
- 6 Trades : Millwright, Electrician, Automotive Electrician, Motor Mechanic, Fitter & Turner
- Current Training: **80** apprentices
- Target (yearly): **~30** apprentices
-  50:50 



Mercedes-Benz

Talent Pipeline Planning

- Graduate & Learnerships
[Development for recent graduates]
- Bursary Programme
[Outstanding Gr12 and tertiary levels]
- Student internships
[experiential learning - on-the-job]

Critical and Leadership Skills Development for Specialists



Team Manager Dev



Women in Leadership



Customized LSR Journey



Bertha's Daughters



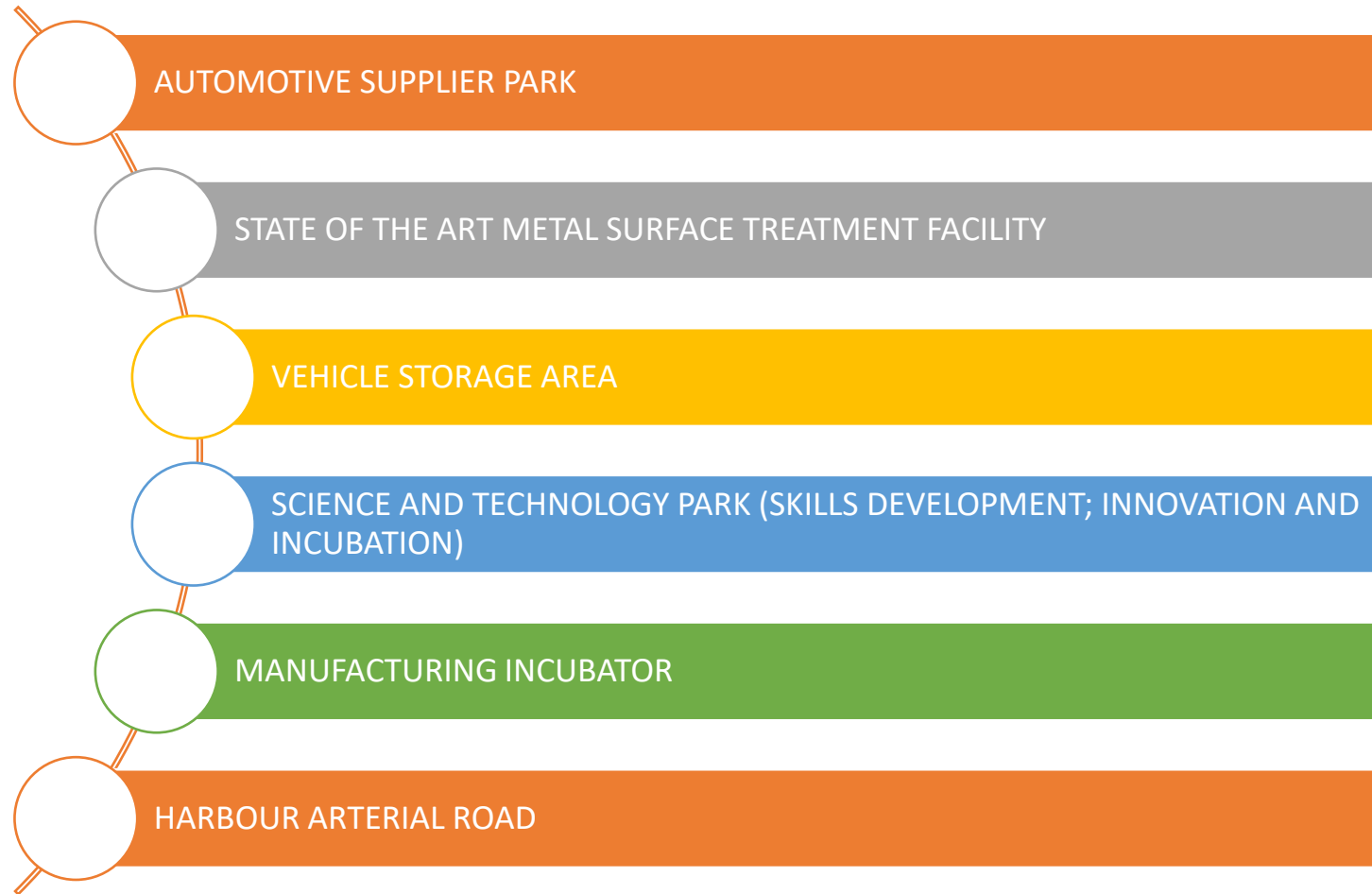
InterCultural Training

THE ELIDZ AUTO SECTOR PROFILE AND PROSPECTS

- The automotive sector is one of the anchor sectors in the ELIDZ. The first automotive supplier park was developed by the ELIDZ in 2006 and due to growth of suppliers locating in the park and further localisation of components, the ELIDZ expanded its auto supplier park footprint and currently there are 407 682 sqm under roof.
- There are a total of 30 suppliers located in the ELIDZ's Automotive Supplier Park and these produce a number of automotive components and services for the sector. The suppliers in the ELIDZ supply various OEMs both locally and globally.
- The ELIDZ has over the past 15 years built a strong automotive sector ecosystem which not only enabled the localisation of new technologies and capabilities in the automotive sector, but it has also assisted the ELIDZ to build some residual research and development capacity in this sector.



THE ELIDZ AUTO SECTOR ECOSYSTEM

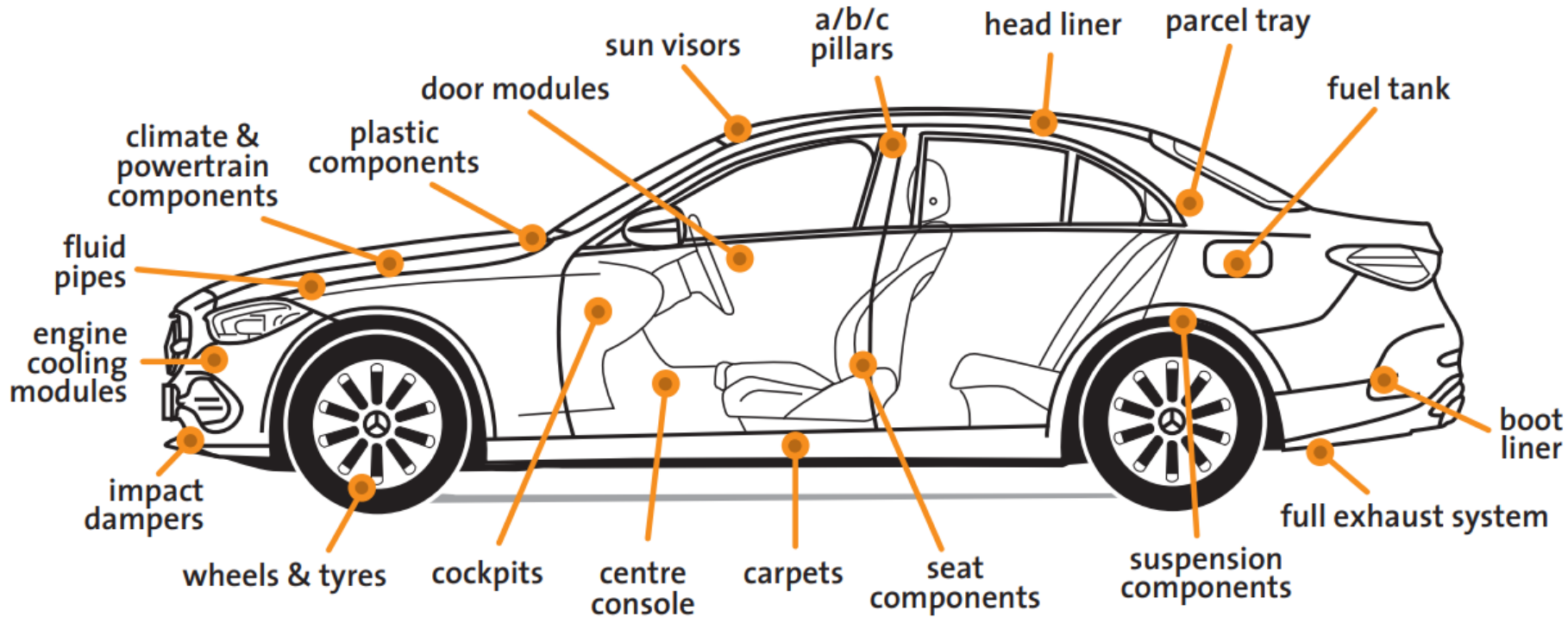


GEARING UP FOR ELECTRIC VEHICLE MANUFACTURING

- South Africa has released an EV white paper and is currently soliciting inputs from the auto sector to ensure that a conducive enabling environment is provided for EV manufacturing.
- The ELIDZ's existing automotive sector ecosystem makes the ELIDZ an ideal location for manufacturers of electric vehicles and related components. The ELIDZ is already actively marketing opportunities for :
 - Battery and cell manufacturing** : Batteries make up about 40% of the EV's value and there is currently an existing opportunity for the localisation of this component for the existing automotive industry and for future players in this sector.
 - Manufacturing of charging infrastructure components and parts:** There will be a need for government to roll out charging infrastructure as part of enabling the use of Evs in South Africa. The roll out is currently being piloted by various private and public sector players.
 - Commercial Vehicles, Public Transport and Government Fleet conversion** (government's 80% local content requirements provide an opportunity for local assembly for ECV)
 - Vehicle development and testing centre**



Automotive Component Suppliers



PORT OVERVIEW

Port Characteristics & Layout

PORT OF EAST LONDON



BERTHS	2 Container ; 2 Auto; 1 Dry Bulk 4 Break Bulk ; 1 Liquid Bulk ; 1 Repair Quay
ASSET BASE	R3.3bn
CAPACITY	Containers 93 000 TEUs; Dry Bulk 1,0m Tons; Auto 159,000 Units Liquid Bulk 3,0m Tons; Break Bulk 570 000 Tons
VOLUMES	2.140 Million tons (2021/22)

EMPLOYMENT
Direct TPNA 141





CAR TERMINAL

- Terminal Operator: Transnet Port Terminals
- Capacity:
 - 5 054 parking bays (+ 1 411 quayside bays)
 - (5054 = 3472 undercover + 1582 open)
 - 159 000 units (design dwell - 11 days/unit)
- Terminal Access:
 - Road and Rail
- Depth: 10.5m / Draft: 10.2m

2021/22 Statistics

- Throughput: 56 182 Units RoRo
- Vessel Calls: 72
- Average Parcel Sizes: 780 Units
- Handling Rate: up to 180 Units per SWH
- Average Vessel Turnaround: 17 Hours



Elevating Investment Possibilities

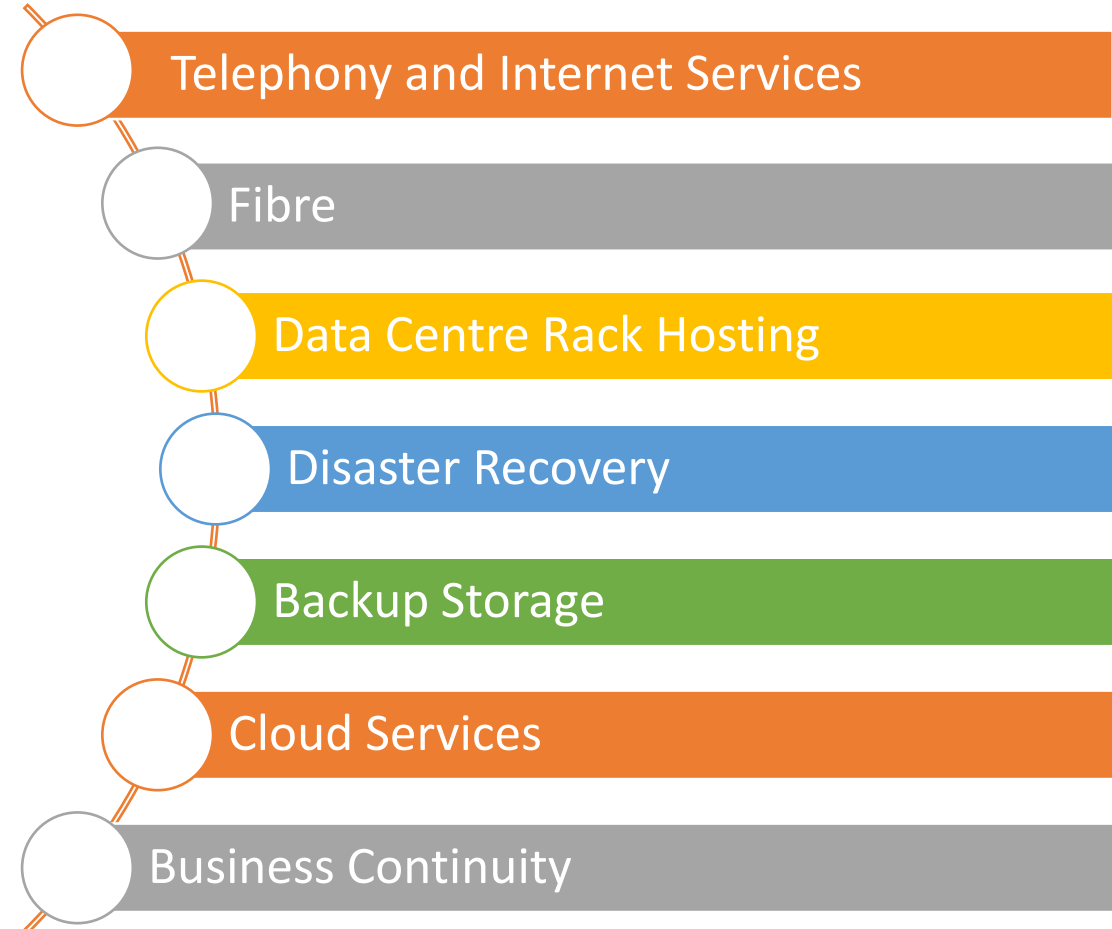
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KEY SECTORS: **DIGITAL ECONOMY (ICT)**

EXISTING ICT SERVICES

- The ELIDZ has, for more than *10 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, ISO 27017 and ISO 27018 accreditation*.
- Our new scalable data centre is near completion and is planned to be certified as per *Uptime's Tier III* standard.
- Offer ICT services with a minimum *98% uptime*
- Offer *customisable* local services at a *competitive rate*.



ELIDZ Data Centre Location Information

ELIDZ Primary DC

IronForge

East London IDZ Zone 1A

Corner of Ikhala and Mkhokhokho

GPS Latitude -33.051550° Longitude 27.855163°

New DC Build

Stormwind

East London IDZ Zone 1A

Ikhala Road

GPS Latitude -33.0501496° Longitude 27.8554470°

Secondary DC

Dalaran

East London Head Office

Lower Chester Road

Sunnyridge

East London

GPS Latitude -33.048440° Longitude 27.853809°

New Data Centre Project



New Data Centre Project



New Data Centre Design Attributes

The East London IDZ is expanding its carrier neutral colocation data centre footprint in a phased approach, Phase 1 includes the overall building with six data centre halls, data center operational facilities and an office area with minimal infrastructure to meet expected demand.

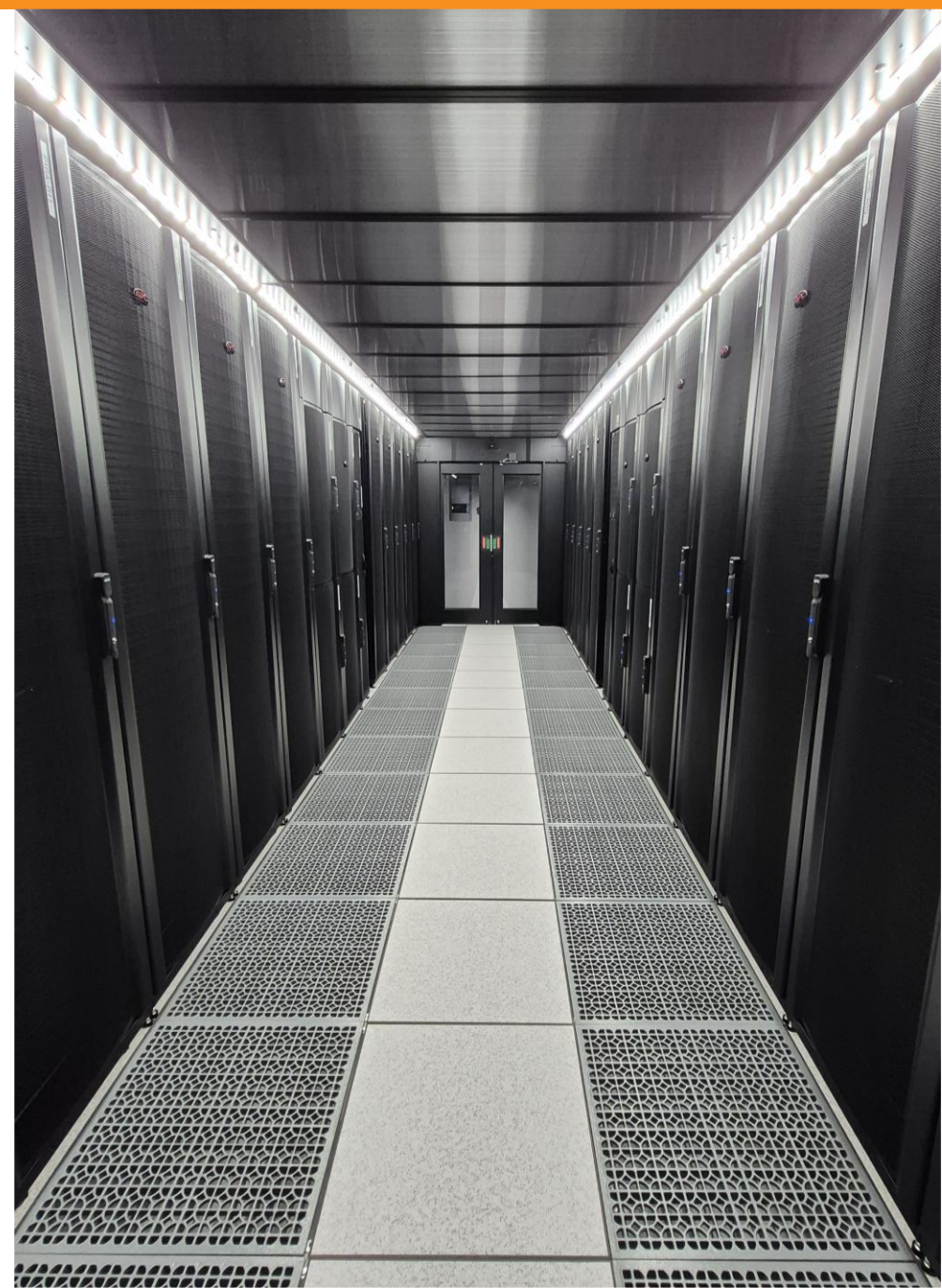
A single data centre hall will be fully equipped and operational to support initial client demand. This includes 48 Racks and a critical load or 144 KW.

The initial concept design would allow the ELIDZ to scale to a 1 MW critical load facility with +/- 900 SQM of White Space before constructing additional buildings.

Phase 1	Complete data centre facility together with mechanical, electrical and ICT infrastructure equipping the following areas:	
	Data Centre Hall 2 (+- 137 m ²)	<ul style="list-style-type: none">• Power• Cooling• Power and Fibre Cabling Routes• Meet-me Rooms• Security and Fire Protection
	Administration Offices & General Facilities	<ul style="list-style-type: none">• Reception• Gatehouse• Storage Areas• Staging Area• Mixed Open Plan and Private Offices• Bathrooms, Kitchen Area• Waste Disposal• Boardrooms• Delivery Area

Data Centre Hall 2





ELIDZ Infrastructure Benefits



POWER



SECURITY



ISO / TIER 3 COMPLIANCE



CONNECTIVITY



LOCATION

With access to state-of-the-art, reliable utilities and advanced telecommunications networks, our clients within the ELIDZ enjoy the following benefits:

- **Achieving high electricity supply uptime** with a 40 MW grid supply, and the potential incorporation of energy storage systems and other sustainable energy solutions to mitigate grid supply risks and enhance redundancy.
- **Water supply systems** tailored to accommodate diverse industries.
- **Secure facility** located within a highly protected industrial zone.
- **Well-maintained premises** and effectively managed utilities and amenities.
- **Customized Data Centre Service Offerings.**
- **Diverse** range of shared services.

As part of the expansion, the ELIDZ has made an investment in a blown fibre ring that links its current data centre facility to clients and external Fibre Network Operators (FNOs) within the ELIDZ. FNOs are encouraged to connect with the ELIDZ data centre using existing fibre ducting, reducing the FNOs costs to connect. By investing in a blown fibre ring, the ELIDZ has placed a high priority on connectivity, establishing a link between its data centre facilities and clients as well as external FNOs within the area.

ICT Ecosystem Future State Aspirations

The ELIDZ has the following aspirations for the ICT ecosystem in the region:

<ul style="list-style-type: none">• Increase ICT sector investment to 1 Billion Rand	<ul style="list-style-type: none">• Attract Content Delivery Networks (CND)'s investment to the region
<ul style="list-style-type: none">• Increase Fibre Network Operators (FNOs) peering at the ELIDZ to at least 8	<ul style="list-style-type: none">• Attract Hyper-scale cloud providers \ investment to the region
<ul style="list-style-type: none">• Offer multiple forms of connectivity for various use cases or client needs	<ul style="list-style-type: none">• Participate in the delivery of internet services to underserved areas of the Eastern Cape by building a reliable infrastructure platform
<ul style="list-style-type: none">• Attract international subsea cable operators \ investment to the region	<ul style="list-style-type: none">• Promote SMME ISP development in the Eastern Cape
<ul style="list-style-type: none">• Establish a community for network engineers, collaboration and training opportunities	<ul style="list-style-type: none">• Be seen as a technology leader and reference site in the Eastern Cape. ICT platform of choice for Government Entities
<ul style="list-style-type: none">• Establish a local internet exchange (INX) with INX-SA in collaboration with Gqeberha's (Port Elizabeth) INX	

***Elevating Investment
Possibilities*** *Your launchpad to Africa*



KEY SECTORS:
AGRI-INDUSTRY

ELIDZ AGRI-INDUSTRY

- Leveraging the Eastern Cape's rich agricultural base, the ELIDZ Agri-Industry is positioned to drive agro-industrialisation through infrastructure development, innovation, and investment facilitation.
- ELIDZ's Agri-Industry focuses on transforming raw agricultural produce into globally competitive, value-added products. This transformation supports food security, enhances rural development, and contributes to economic diversification.
- The sector is characterised by high labour absorption potential and strong linkages to rural and township economies, making it a key enabler of ELIDZ's broader mandate to promote inclusive industrial development.
- Through its dedicated industrial park, export-ready infrastructure, and access to innovation ecosystems, the ELIDZ offers a compelling platform for investors seeking to participate in Africa's growing agri-food economy.



TOP 10 REASONS TO INVEST IN THE ELIDZ's AGRI-INDUSTRY

1. Strategic Agricultural Base

- The Eastern Cape's fertile land and active farming communities provide a consistent supply of raw materials, forming a solid foundation for agro-industrialisation.

2. Dedicated Industrial Park

- ELIDZ offers a specialised precinct with SEZ benefits, designed to support agro-processing and beneficiation, enabling efficient production and scaling.

3. Infrastructure for Export Readiness

- Cold chain logistics and smart packaging capabilities are in place, with ongoing support to enhance compliance with international food safety standards.

4. Inclusive Growth & Rural Linkages

- The sector promotes job creation and economic participation in rural and township economies, directly supporting ELIDZ's inclusive development mandate.

5. Innovation & Technology Enablement

- Through the ELIDZ Science and Technology Park, investors access R&D, prototyping, and innovation support, driving competitiveness and industrial modernisation.



TOP 10 REASONS TO INVEST IN THE ELIDZ's AGRI-INDUSTRY (continued)

6. Commitment to Climate-Resilient Agriculture

- ELIDZ supports sustainable farming practices, regenerative agriculture, and smart climate technologies, ensuring long-term food security and environmental resilience.

7. Diverse Investment Opportunities

- Opportunities range from agro-processing plants to agri-tech incubators and rural cooperatives, offering scalable and impactful ventures across the value chain.

8. Supportive SEZ Ecosystem

- Investors benefit from SEZ incentives, customs relief, industrial land, utilities, and logistics connectivity, creating a low-risk, high-potential environment

9. Skills Development & Institutional Partnerships

- ELIDZ collaborates with agricultural colleges and TVETs to ensure a skilled workforce and continuous talent development aligned to sector needs.

10. Market Access & Trade Facilitation

- ELIDZ enables access to global markets through trade support services, certification partnerships, and international buyer networks to boosting export competitiveness.





ELIDZ MILESTONES & IMPACT



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1998

- Formation of the East London Industrial Development Zone Corporation – a section 21 entity entrusted with the development of an IDZ for East London.

2003

- Start of the ELIDZ construction phase through the awarding of the first bulk infrastructure contract.
- ELIDZ transforms a greenfield site into a prime industrial land.

2005

- The ELIDZ completed its infrastructure development phase.
- The ELIDZ officially kicked off its investment settlement phase with the announcement of the first three investors with an investment value of R188 million.

2007

- Announcement of four new investors: Molan Pino, Big Foot Express, Murray & Roberts, Feltex Caravelle.
- In November 2007, the ELIDZ became the first IDZ in South Africa to be awarded a permanent operator permit by the Department of Trade and Industry.

2002

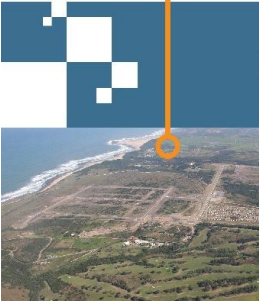
- DTI designates an IDZ for East London.
- ELIDZ granted a provisional operator's licence to develop an Industrial Development Zone in Buffalo City Municipality.
- First international external audit for ISO 14001 certification.

2004

- Launch of Leaches Bay Electrical sub-station.

2006

- Sod-turning of the Automotive Supplier Park.
- Announcement of ASP investors.



2011

- The ELIDZ trebles its value of the secured private sector investment from R1.2 billion to R3.4 billion in 12 months, signaling the highest year-on-year growth in secured investment since inception.

2013

- First IDZ in South Africa to pilot and operationalise the key incentive for the SA IDZs, the Customs Controlled Area (CCA) Incentive.

2015

- First SEZ Transition, ELIDZ the first to receive notice of Gazetting by DTI Minister.
- ELIDZ, a testing ground for SEZ new policy tools.
- 4 new investors attracted with an investment value of over R1bn. The industries from which these investments emanate include Pharmaceuticals, Advanced Manufacturing and ICT.
- Annualized increase in employment by over 35%.

2008

- ELIDZ investors hit double digits with the announcement of 7 new investors in April 2008 taking the investment value to R1.15 billion.
- Despite this period being the start of the global economic crisis, the ELIDZ increased its secured investors from 15 to 22.

2012

- R928 million worth of contracts to BBBEE enterprises and R281 million worth to qualifying SMMEs.
- 30 Investors had been secured with 22 of these already operational in the zone.

2014

- Launch of ELIDZ Science & Technology Park, to accelerate innovation and economic development in the province.
- 4 PROTOTYPES developed through the ELIDZ STP (*Twirly Street Light / Heat Raider / Safe Pass / Hot Spot*).

2016

- 28 Operationalised investors on the ELIDZ Platform.
- 1st SEZ to be Gazetted by DTI Minister on 16 September 2016.
- Foxtec-Ikwezi celebrates 10 years of operation in the ELIDZ



2017

- The ELIDZ undertook an expansion to the Yanfeng Facility in the Automotive Supplier Park.
- Clariter (A waste recycling investor), also built its manufacturing facility (Zone 1 B).
- During the year, the ELIDZ signed 5 new investment agreements valued at R1.35 billion in the general manufacturing, diamond cutting and polishing, aquaculture and agro-industry sectors.



2018

- The ICT sector was boosted by the opening of the one billion rand Yekani Manufacturing smart factory.
- ELIDZ welcomes a further 2 new investments worth R502 million (Meek Mines & Nulatex).
- 32 Operational investors since inception now operating on the ELIDZ platform.

2019

- The ELIDZ had transacted a remarkable total of 80,3 hectares of land to its strategically targeted manufacturing and services industries.
- 4794 Direct manufacturing and service jobs active in the zone.

2021

- Attracted 6 new investors with an estimate value of R 969 million.
- Opened 12 new factories.
- Sundale Schreiber joined forces to expand Agro-processing sector in ELIDZ.
- ELIDZ Recorded a 34% year on year growth in the number of manufacturing jobs, from 3945 to 5270.

2023

- 112 beneficiaries received skills training.
- 56 active SMME beneficiaries in the ELIDZ Construction Incubation programme.
- ELIDZ named the leading Eco-Industrial Park by UNIDO globally.
- ELIDZ receives its 8th consecutive clean audit from Auditor General SA.

2020

- Attracted new investments valued at R981 million.
- 2149 construction jobs created.
- 2 prototypes developed.
- 84 beneficiaries received skills training.

2022

- 4 new Investment Agreements signed (R 1,9 million).
- Drager facility opened 17th August 2022.
- Launch of CISCO Edge Incubation programme.
- 2 Incubators operationalised.

2024

- ELIDZ receives ISO Certification for ICT standards: ISO 27001, ISO 27017, and ISO 27018.
- ELIDZ announces 3 new investors in the Renewable Energy and Logistics sectors.
- ELIDZ announces new CEO, Mr Tembela Zweni - 1st July 2024.

OUR IMPACT

41 **operational**
Investors active
in the ELIDZ

R8,7 billion
worth of **Private
Sector Investment**

9 **consecutive
clean
audits**

**4 new
investors signed**
in the 2023/24 financial year

**R579,9
million** of new **private sector
investment** secured
in 2023/24

26,4%
growth in **export-oriented
production** by SEZ enterprises

21,9%
growth in industrial **turnover**
of zone enterprises

308
beneficiaries trained
through the ELIDZ STP

5205
active jobs
in the Zone

3 **active
incubator
facilities**

8 **thriving
sectors**
to invest in





ELIDZ BENEFITS



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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)
- **Sourcing and localising of production inputs** (value chain enhancement)

The ELIDZ encourages innovation in zone-based industries through the Science and Technology Park (STP). ELIDZ 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 marketplace
- Stimulate the development of young technology industries
- The ELIDZ STP currently offers:
 - ***An open innovation platform***
 - ***Centre of Excellence for Renewable Energy***
 - ***Advanced Tooling and Process Engineering support***





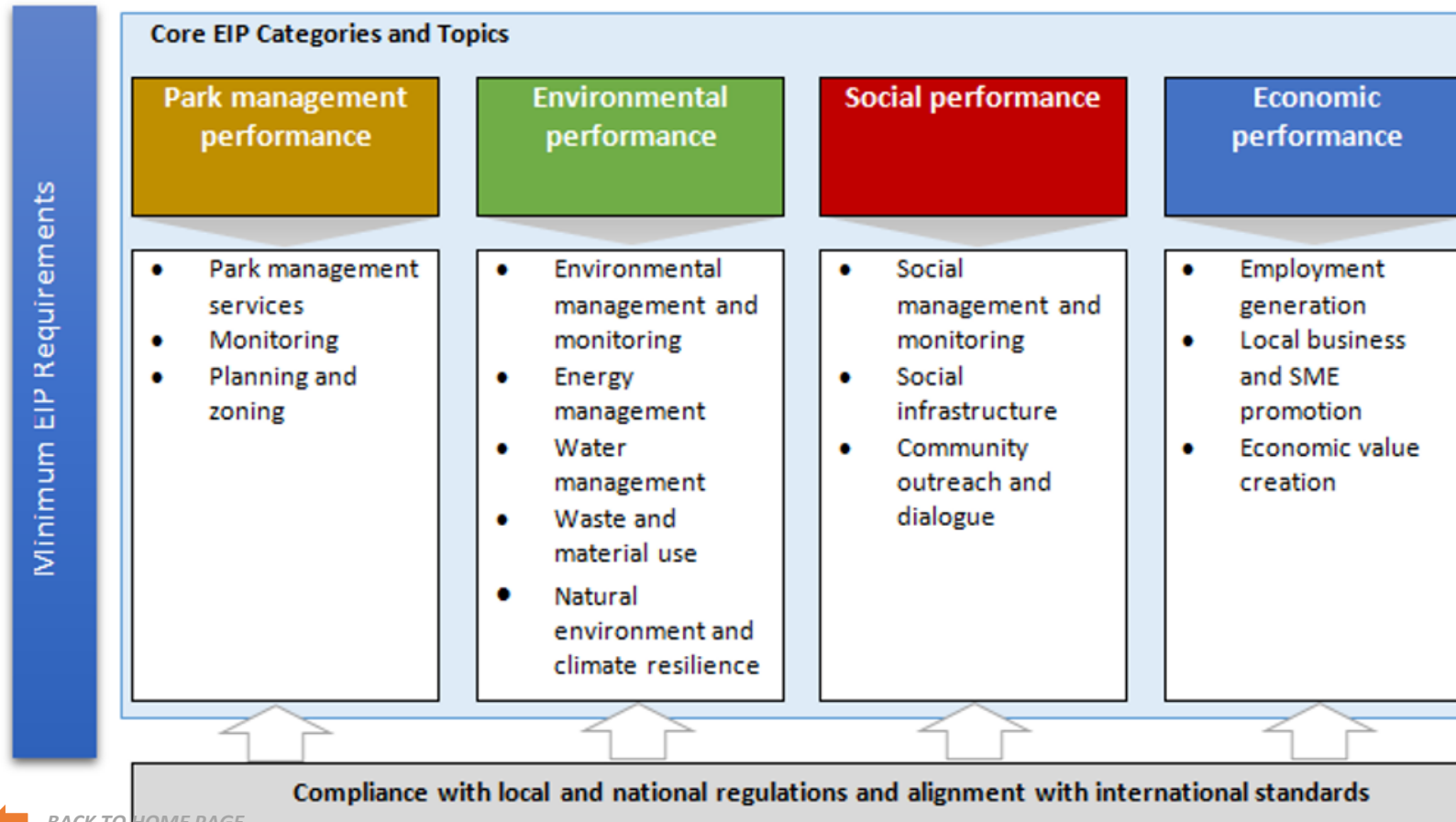
ECO-INDUSTRY PARK



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WHAT IS AN ECO-INDUSTRIAL PARK

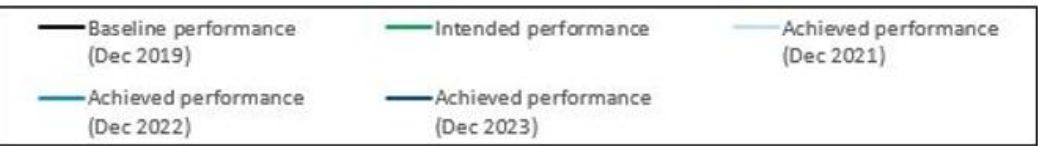
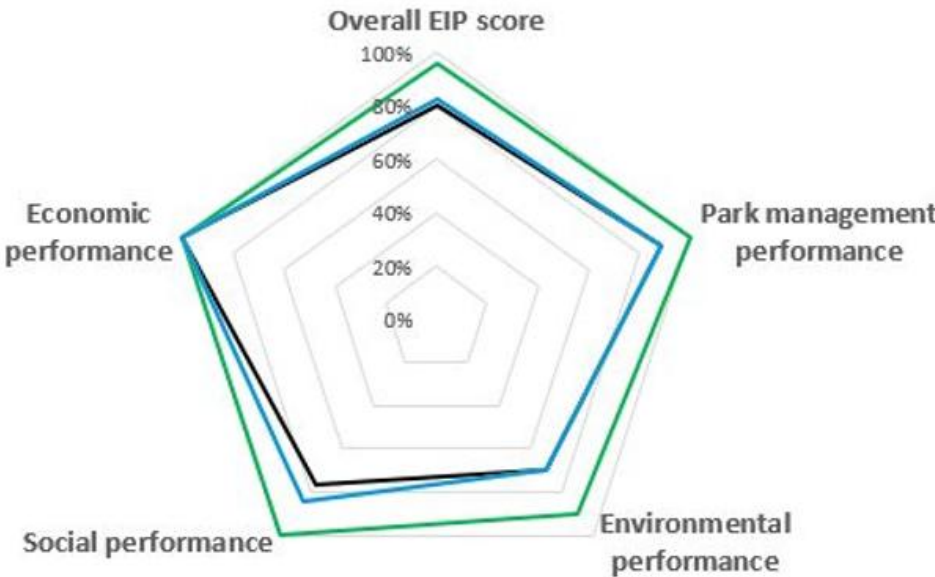
Process of continuous improvement:
Going beyond the minimum EIP requirements



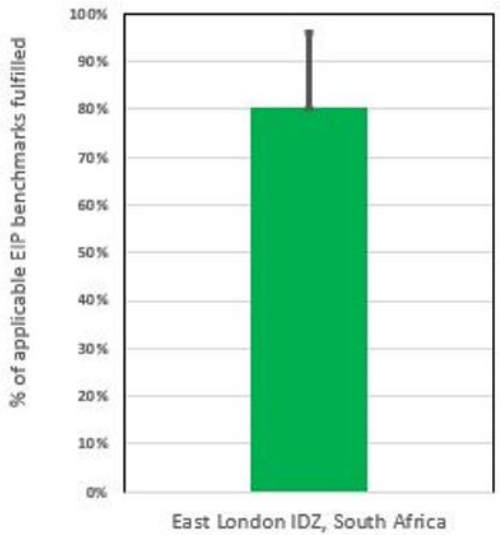
ELIDZ ECO-INDUSTRIAL PARK ASSESSMENT



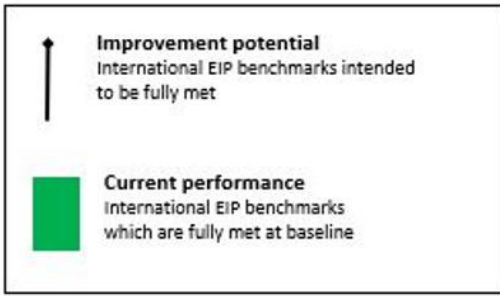
East London Industrial Development Zone (ELIDZ)
Progress against International EIP Framework



Assessment of East London Industrial Development Zone
against International EIP Framework
Baseline and intended performance
(UNIDO, WBG and GIZ, 2017)



N = 51 benchmarks
Version: 15 March 2021



Level of compliance - Analysis of "Yes" ratings.
Formula = Counts "Yes" / (Total number of responses - Counts "Not applicable")

ELIDZ				
Baseline performance (Dec 2019)	Intended performance	Achieved performance (Dec 2021)	Achieved performance (Dec 2022)	Achieved performance (Dec 2023)
80%	96%	82%	82%	0%
89%	100%	89%	89%	0%
70%	90%	70%	70%	0%
77%	100%	85%	85%	0%
100%	100%	100%	100%	0%

Overall EIP score
Park management performance
Environmental performance
Social performance
Economic performance

Last update: October 2022

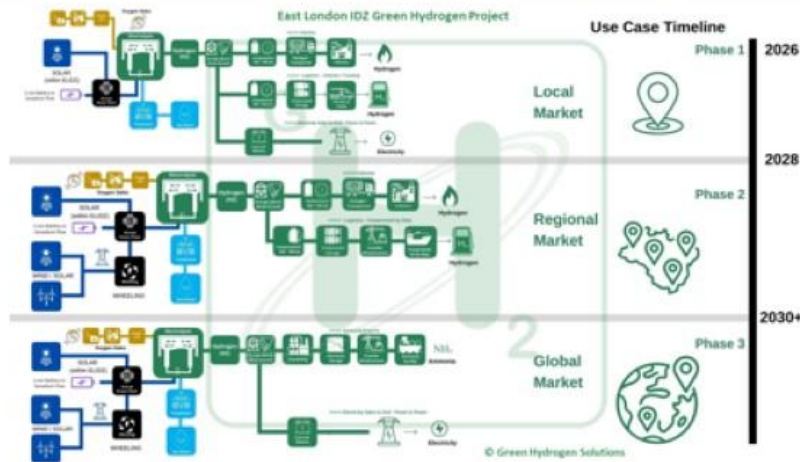


Green Hydrogen Production Project

Project Overview – East London IDZ, South Africa



Phased Green Hydrogen Project Development



Project History



Land Allocated for Pilot, and Local Offtake in and around the East London IDZ being assessed

Using an integrated approach to Green Hydrogen Production, the project aims to develop a pilot plant that will supply local industry in around the East London IDZ with Green Hydrogen, followed by exports.

Advantages

- Preferential tax rates and subsidies in East London SEZ.
- For Phase 1, water adjacent to site
- For Phase 1, land allocated in the ELIDZ
- For Phase 1, Electricity to be sourced within the ELIDZ as part of an integrated project
- For Phase 1, EIA Assessment Completed for Plant Site
- For Phase 2, availability of high voltage transmission line, providing access to grid for wheeling
- For Phase 2, availability of port location for exports
- For Phase 2, submit to TNPA RFP for Green Hydrogen – 31 January 2024
- Readily available skills from the vehicle assembly and Tier 1 and 2 suppliers to vehicle industry

Further Work

- Front End Engineering Study
- Financial Close



Green Hydrogen Solutions™



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ELIDZ ECO-INDUSTRIAL PARK

- **50 Megawatt (MW) solar farm:**

Investment in a 50 MW solar photovoltaic (PV) farm adjacent the Kemba substation, within the Berlin Industrial Area, on the outskirts of East London.

- **1.8 MW Wind farm for the ELIDZ:**

Investment in a 1.8-megawatt (MW) wind farm adjacent to the Kemba substation, within the Berlin Industrial Area, on the outskirts of East London.

- **Solar PV rooftop installations (\pm 20 MW) and/or 8MW ground-mounted solar PV installation**

within the ELIDZ boundary.

- **2x1MW Battery Storage System for ELIDZ:**

To be used for peak shaving, i.e. discharging energy stored in the batteries to supply peak period energy needs and charging the batteries during off-peak periods.



ELIDZ ECO-INDUSTRIAL PARK

- *Intelligent street lighting in ELIDZ*
including smart monitoring.
- *Securing sustainable water supply for ELIDZ*
(from rainwater harvesting and/or storm water retention), including ways to increase water reuses in ELIDZ (e.g. fix leakages, desalination and Internet of Things (IoT) or smart infrastructure to monitor water).
- *Securing sustainable water supply*
for ELIDZ (from Hoodpoint outfall).
- *Increase recycling and separation at source*
for wastes that ELIDZ manages at park management offices and the Science & Technology Park (STP) tenants (e.g. plastics, electronic waste, packaging, pallets, paper).



ELIDZ ECO-INDUSTRIAL PARK

- *Develop ELIDZ as Information and Communication Technology (ICT) Digital Hub.*
- *Provide Smart Energy Grid services*
to industrial park and tenant companies
- *Specialised communications network*
that moves power and data to balance supply and demand and maintain a reliable service
- *Real time monitoring of energy supplies*
for early detection of non-standard variables
- *Mobile ELIDZ App*
to assist tenant companies with Logistics 4.0 to optimise road, sea, air logistics to / from ELIDZ operations





ELIDZ PRE-PACKAGED PROJECTS



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ELIDZ 50MW SOLAR PV PROJECT

Sector: Renewable Energy

Location: Berlin, Buffalo City Metropolitan Municipality

Project descriptor: This 50 MW photovoltaic solar farm is part of a wider ELIDZ Eco-Industrial Park Programme. Investment in a PV solar facility will provide the ELIDZ ecosystem with a reliable alternative power supply with energy security at competitive rates.

Stages: Feasibility and bankable feasibility studies concluded

\$55m

Intervention Required



GRID ENERGY BATTERY SYSTEM

Sector: Renewable Energy

Location: East London IDZ

Project descriptor: Two off-grid energy storage (battery) systems capable of supplying a total capacity of 2 MW – 3 MW hr connected to one of the main 11 kV substations within the ELIDZ 11 kV infrastructure. The aim is to reduce their operating electrical load by 20% for the duration of load shedding cycles.

Stages: Feasibility and bankable feasibility studies concluded.

\$3,6m

Intervention Required



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ELIDZ BUSINESS PROCESS OUTSOURCING (BPO) PARK

Sector: Information and Communication Technology

Location: East London IDZ

Project descriptor: Business Process Outsourcing (BPO) facility to handle different outsourceable tasks such as call centre operations, data entry, finance, market research, information technology, software development, and disaster recovery. The BPO will be a 24,000 m² facility functioning as a disaster recovery, business continuity, call centre and research and development platform within the Smart Industrial Park and Smart City.

Stages: Feasibility and bankable feasibility studies concluded.

\$19,8m
Intervention Required



HOODPOINT WASTEWATER RECLAMATION WORKS

Sector: Recycling /Manufacturing

Location: East London IDZ

Project descriptor: An all-encompassing environmentally friendly water recycling and bio fertiliser manufacturing project.

Stages: Pre-feasibility study completed.

\$35,3m
Intervention Required



ELIDZ 1.8MW WIND FARM

Sector: Renewable Energy

Location: Berlin, Buffalo City Metropolitan Municipality

Project descriptor: 1.8 MW Wind Farm Power Generation project to be part of a wider ELIDZ smart solutions and Eco-Industrial Park Programme.

Stages: Pre-feasibility study completed.

\$4,3m

Intervention Required



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DOCUMENT STORAGE WAREHOUSE

Sector: Information Communication Technology

Location: East London IDZ, Zone 1D

Project descriptor: Document storage facility for scanning, storing and archiving the Eastern Cape provincial and local government and departments documents. The expansion is planned on an existing serviced site in the ELIDZ's Zone 1D.

Stages: Pre-feasibility study completed.

\$4,3m

Intervention Required



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BERLIN SEZ EXTENSION

Sector: Infrastructure Development

Location: Berlin, Buffalo City Metropolitan Municipality

Project descriptor: Industrial complex in Berlin that will focus on specialised fields such as agro-processing, biofuels production, general manufacturing, and renewable energy projects.

Stages: Pre-feasibility study completed.

\$7m

Intervention Required



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AQUACULTURE PILOT PROJECT

Sector: Aquaculture

Location: East London IDZ – Zone 1A

Project descriptor: Pilot a land-based seawater aquaculture facility endorsed by the Department of Environment, Forestry and Fisheries (DFFE) as a potential for commercial aquaculture to contribute to this global growth and expand the range of aquatic food products on the market, and consequently improve food security, job creation and economic development.

Stages: Pre-feasibility study completed.

\$15,7m
Intervention Required





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