

The Logistics Sector & Investment Opportunities in the Eastern Cape, South Africa



Rory Haschick Investment & Trade Promotion - ECDC

Inspiring new ways



Proximity to markets by sea

- Liverpool 25 days
- Bremerhafen 16 days
- New York 20 days
- Buenos Aires 11 days
- Jeddah 20 days
- India 10 days
- Singapore 12 days
- Hong Kong 25 days



The Eastern Cape Development Corporation (ECDC)

The ECDC is the Economic Development Agency of the Eastern Cape Provincial Government

ECDC's mandate is to:

- Be the Provincial Investment and Trade Promotion Agency
- Provide loan/equity funding for businesses in the Eastern Cape
- Provide Non Financial support to SME's



Recent Investment Highlights in the Eastern Cape

- Renewable Energy Wind Farms. EC has attracted in excess of 60% of the current successful wind farm applications in South Africa
- Energy manufacturing (Solar Ikwezi, Wind Towers, New wind farms being erected).
- Defy third production added line fridge line expansion for export
- Provincial Dairy Industry growth (gearing for export)
- Mercedes New C Class now in production in East London
- VW expansion in Port Elizabeth
- GM & FAW Coega



Opportunities in Energy

- Wind farms EC has attracted in excess of 60% of the current successful wind farm applications in South Africa
- Shale Gas Fracking the Eastern Cape has initiated a Baseline study in the Karoo where prospecting for shale gas has been proposed.
- In doing so the province aims to establish a solid data set from which to evaluate impacts by fracking, should it go ahead in the future.
- Offshore Oil and Gas multiple offshore prospecting exercises underway all the way out to the EEZ boundary of South Africa





Introduction to Coega Industrial Development Zone

Coega Development Corporation is a fully operations IDZ near Port Elizabeth with access to the new deep water Port of Nqura.

- Purpose-built IDZ & moving toward SEZ
- Focus on heavy industry
- FAW automotive operational
- One Steel Smelter under construction and 1 planned Coega
- Steel Cluster growing well with Agni Steel operational
- DCD state of the art Wind Tower manufacture operational



COEGA INVESTORS















PE Cold Storage



MEDITERRANEAN SHIPPING COMPANY

















right PLACE • right TIME • right CHOICE

BBBEE LEVEL 1 CONTRIBUTOR 150 9001 14000 18000

Introduction to East London Industrial Development Zone



East London Industrial Development Zone in close proximity to the Port of East London / East London Airport and Auto Supplier park (and Mercedes Benz

- Automotive supplier park
- Solar Energy products
- ELIDZ Auto supplier park expanding in East London
- Science & Technology Park opened August 2014



ELIDZ Investors



KEY SECTORS RELEVANT TO INTERMODAL TRANSPORT



Automotive & Transport Components

- Manufacturing base in the Eastern Cape is currently dominated by the automotive sector
 - The automotive industry accounts for 32% of gross added value in EC.
 - Half of South Africa's passenger vehicles are made in the province and 51% of the country's motor exports originate from the province
 - The province is a major supplier of automotive components and parts, even in global terms
 - At present, the majority of the Eastern Cape's exports of motor vehicles, parts and accessories are destined for the European market.
- The automotive value chain in the Eastern Cape is extensive and wellestablished
 - As many as 150 companies are involved in the production of components and sub-components, as well as replacement of parts and accessories.
 - 70% of the country's automotive component manufacturers are based in the province.



Mercedes Plant and car terminal

Port of East London



AUTOMOTIVE INVESTMENTS ATTRACTED BY CDC

a mine and a size of the state



Port of Nqura

GM South Africa

Biofuels

Crops proposed:

- Bioethanol Sugar Cane & Sugar Beet (Maize excluded food security concerns)
- Biodiesel Sunflower, Canola & Soya Beans
- October 2013 announcement:
- Mandatory fuel blending to start October 2015
- Fuel producers required to blend a minimum of 5% biodiesel in diesel and between 2% and 10% of bioethanol in petrol.

Biofuels land requirement (national) to achieve 5% blend:

- 125 000ha (Soya Beans: Yield 4t/ha, excluding crop rotation)
- Strategic Environmental Assessment underway





Other Key Sectors for Exports

- Fresh fruit and processed fruit products
- Wool and mohair
- Ostrich Products and Wild game meat
- Manufactured Components (auto)
- Milk Products



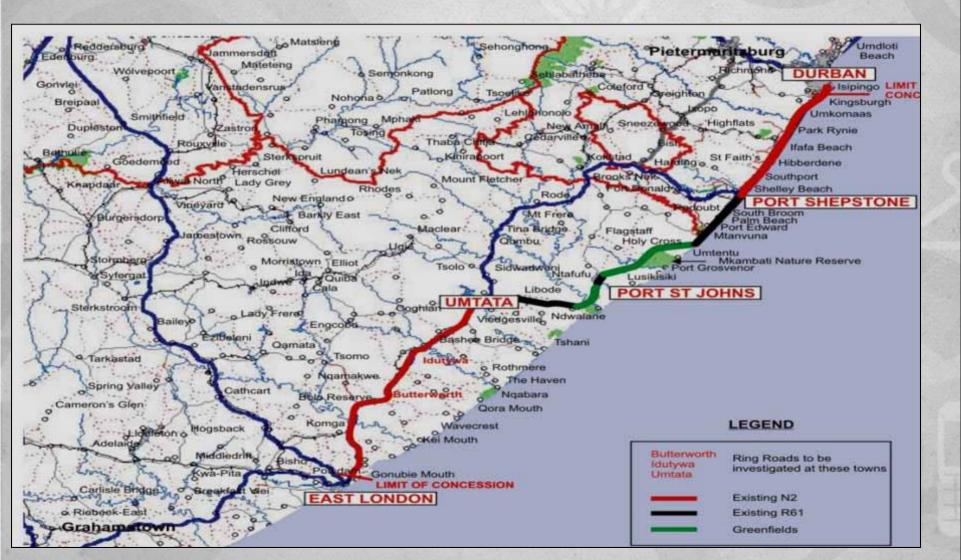


Key Mega Projects in the EC

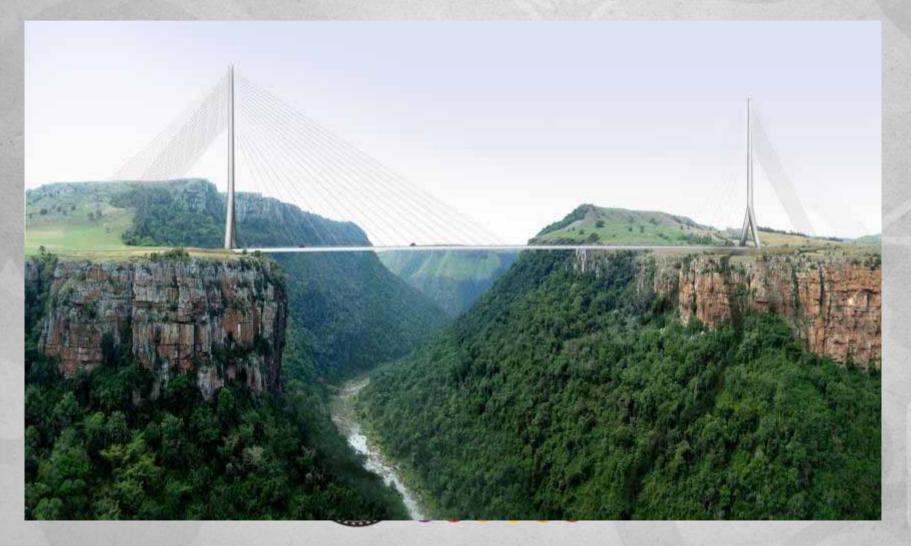
- N2 and Mzimvubu Dam Developments
- Sishen Coega Rail line
- Mthatha Airport Refurbishment
- SEZ Mthatha and Queenstown
- Mthombo Oil Refinery R90 billion by Petro SA (pending)
- Ngqura Deep Sea Water Port expansion (expansion)
- Nuclear Energy project (not yet officially announced)
- Gas Fracking (not yet approved)



Corridor Development - Proposed N2 Wild Coast Highway



N2 Wild Coast Msikaba River Bridge



Eastern Cape value proposition

The Place to make money and live well

- Access to sub-Saharan African market
- Multi-modal logistics (rail, road, air and port)
- Logistics costs advantages
- Two operational IDZ's
- Existing multinationals doing business in the Eastern Cape cant be wrong





Contact details

For more information contact: Rory Haschick +27 43 7045710 rory@ecdc.co.za www.ecdc.co.za



