



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

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Inspiring new ways

The Eastern Cape



South Africa





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 Ngqura.

- 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



right PLACE • right TIME • right CHOICE

BBBEE LEVEL 1 CONTRIBUTOR
ISO 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



FOXTEC-IKHWEZI



TI Automotive

TI Automotive
Fuel Systems SA



BOYSEN
INNOVATIONEN ABGASTECHNOLOGIE



RG brose



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 well-established
 - 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

GM

Port of Ngqura



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



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