

**Mafikeng**

**Industrial Development Zone (Pty) Ltd**

**DRAFT REPORT**

on

***STRATEGIC BUSINESS WORKSHOP***

***“Towards Strategic Relationships”***

Held on

**20-21 February 2008**

at

**Tusk Mmabatho Casino Report**

Prepared by

**Eric Stillerman  
Programme Director  
CEO Natgrowth**

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MAFIKENG INDUSTRIAL DEVELOPMENT ZONE (MIDZ)  
STRATEGIC BUSINESS WORKSHOP  
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|     |  |        |
| REF | DESCRIPTION  | ACTION |

|              |  |                         |
|--------------|--|-------------------------|
| <b>1.</b>    | <b>OBJECTIVES</b>  |                         |
|              | The <b>Objectives</b> of the MIDZ Strategic Business Workshop were:  |                         |
|              |  |                         |
| <b>1.1</b>   | To facilitate <b>Stakeholder Consultation “Towards Strategic Relationships”</b>  |                         |
|              |  |                         |
| <b>1.2</b>   | To develop a <b>shared Vision and Mission.</b>   |                         |
|              |  |                         |
| <b>1.3</b>   | To review the <b>Strategic Business Model</b> towards an updated Business Plan for submission to the dti and finalisation of the IDZ application process.  |                         |
|              |  |                         |
| <b>1.4</b>   | To review the <b>Sectoral Investment Programme (SIP)</b> themes and related areas and to identify <b>High-Impact Business, Trade and Investment Opportunities and Priorities.</b>  |                         |
|              |  |                         |
| <b>1.5</b>   | To conclude on the <b>Way Forward</b> for the MIDZ with Guidelines for Action Plans  |                         |
|              |  |                         |
| <b>2.</b>    | <b>CONCLUSIONS, OUTCOMES AND WAY FORWARD</b>   |                         |
|              |  |                         |
| <b>2.1</b>   | A wide range of <b>Stakeholders</b> were invited and +/- 100 delegates participated from diverse sectors. Overall positive interest was indicated in the MIDZ. These and other role-players will continue to be consulted, in parallel with ongoing operations.  | <b>Ongoing</b>          |
|              |  |                         |
| <b>2.1.1</b> | <b>Working Groups</b> are to be set up and <b>Champions identified</b> in the key sectors and related areas to investigate the various opportunities and to proceed with action plans  | <b>Ongoing</b>          |
|              |  |                         |
| <b>2.1.2</b> | <b>Strategic Relationships and Partnerships</b> are to be pursued and structured with relevant National, Provincial, District and Local <b>Government</b> Departments, <b>SOE's, International</b> Partners, Business & Industrial Associations, Sector Specialists, Financial Institutions, Potential Investors, Tenants, Labour and Stakeholders. <b>Follow-up meetings</b> are in progress. | <b>Ongoing</b>          |
|              |  |                         |
| <b>2.1.3</b> | <b>Contracts are in progress or near completion</b> for core infrastructure such as bulk water, bulk sewer and bulk energy. <b>Funded</b> Projects amount to <b>R138m.</b>   | <b>Ongoing</b>          |
|              |  |                         |
| <b>2.1.4</b> | <b>Funding of +/- R400m is being sought</b> from Government, Development Finance Institutions (dfi's) and the Private Sector for further core infrastructure projects, such as the Integrated Transport and Logistics System, Bulk Container Depot, Customs Free Zone, Bonded Warehouse, Serviced Sites and the MIDZ Management Company  | <b>Priority</b>         |
|              |  |                         |
| <b>2.1.5</b> | <b>Requests for Proposals (RFP's)</b> are to be issued for <b>Investors, Anchor Tenants and Support Services.</b> An <b>Investor Briefing</b> is planned for May 2008.   | <b>Towards May 2008</b> |
|              |  |                         |
| <b>2.2</b>   | <b>MISSION AND VISION</b>  |                         |
|              |  |                         |
|              | The <b>MIDZ Vision, Mission, Strategic Sectors and Related Sectors and Services</b> emerged as follows as a guideline to Strategy Development and Implementation   |                         |
|              |  |                         |
| <b>2.2.1</b> | <b>Vision</b>  |                         |
|              | <ul style="list-style-type: none"> <li>• <b>A World-Class Industrial, Trade and Logistics Centre</b></li> <li>• <b>A Preferred Strategic Location for Investment and Industrial Operations</b></li> <li>• <b>A Gateway to Africa and the World</b></li> </ul>  |                         |
|              |  |                         |
| <b>2.2.2</b> | <b>Mission</b>   |                         |
|              | <ul style="list-style-type: none"> <li>• <b>Providing World-Class Infrastructure, Facilities, Systems and Services</b></li> <li>• <b>Meeting the Needs of Target Customers and Stakeholders</b></li> </ul>   |                         |

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|              | <ul style="list-style-type: none"> <li>• <b>Promoting Broad-Based Regional Economic Growth, Development and Industrialisation</b></li> </ul>  |  |
| <b>2.2.3</b> | <b>Strategic Investment Programme (SIP) Sectors</b>   |  |
|              | <ul style="list-style-type: none"> <li>• <b>Minerals Beneficiation</b></li> <li>• <b>Value-Added Manufacturing</b></li> <li>• <b>Agro-processing</b></li> </ul>   |  |
| <b>2.2.4</b> | <b>Related Sectors and Services</b>   |  |
|              | <ul style="list-style-type: none"> <li>• <b>Infrastructure and Facilities</b></li> <li>• <b>Integrated Transport Network</b></li> <li>• <b>Trade and Investment Promotion</b></li> <li>• <b>Logistics and ICT</b></li> <li>• <b>Business Process Outsourcing &amp; Offshoring (BPO&amp;O) and Call Centres</b></li> <li>• <b>Tourism and 2010</b></li> <li>• <b>Creative Sectors</b> including Arts, Crafts, Film, Music Production &amp; Entertainment</li> <li>• <b>Socio-Economic Development:</b> BBBEE, SMME, Jobs and Skills Development</li> <li>• <b>Property Development</b> in and around MIDZ</li> </ul>   |  |
| <b>2.3</b>   | <b>Strategic Business Model</b>   |  |
| <b>2.3.1</b> | <p><b>The Overall Business Model</b> is designed to</p> <ul style="list-style-type: none"> <li>• <b>Operationalise the Vision, Mission and SIP Sectors,</b></li> <li>• <b>Ensure Strategic Alignment,</b></li> <li>• Identify and develop <b>high impact projects,</b> attractive investment opportunities</li> <li>• Build on <b>competitive advantages:</b></li> </ul>  |  |
|              | <b>As follows:</b>  |  |
|              | <ul style="list-style-type: none"> <li>• <b>World-Class:</b> A State of the Art, Purpose-designed Industrial Development Zone and Management Company designed to attract global and local investors and operators, with sustainable competitive advantages, bench-marked against SA and Global best cases;</li> <li>• <b>Industrial:</b> Meeting the first purpose of an IDZ viz. <b>Facilitating Secondary manufacturing,</b> processing and industrial development;</li> <li>• <b>Trade:</b> Meeting the second purpose of an IDZ viz. <b>Facilitating Export Trade</b> and/or Import Replacement through dedicated Trade promotion services and facilities;</li> <li>• <b>Logistics:</b> Providing the necessary <b>Supply Chain Management platform</b> to attract and support world-class industrial and trading operations;</li> <li>• <b>Centre:</b> Serving as a <b>major location and catalyst</b> for regional trade and industrial development, with comprehensive services and linkages;</li> <li>• <b>A Preferred Strategic Location for Investment and Industrial Operations:</b> Capitalising on the <b>competitive advantages</b> of Mafikeng as a Strategic Location: <ul style="list-style-type: none"> <li>○ Preferred <b>access to Markets</b></li> <li>○ Preferred <b>access to Raw Materials</b></li> <li>○ Preferred <b>access to Trade and Industrial Facilities</b></li> </ul> </li> </ul> |  |

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|       | <ul style="list-style-type: none"> <li>• <b>Gateway to Africa and the World:</b> Capitalising on the Strategic Location and competitive advantages of Mafikeng <ul style="list-style-type: none"> <li>• As a long-standing <b>access route</b> to SADC, West and Central <b>Africa</b>, and</li> <li>• Providing access to <b>Global</b> markets</li> <li>• With an <b>efficient international airport</b>, customs free zone and trade facilitation services</li> </ul> </li> <li>• <b>Providing World-Class Infrastructure, Facilities, Systems and Services:</b> Offering the entire range of state of the art industrial, logistical and trading facilities, systems and services to attract and sustain world-class operations;</li> <li>• <b>Meeting the Needs of Target Customers and Stakeholders</b>, including <ul style="list-style-type: none"> <li>• Local and International <b>Investors</b>, Industrial and Trading Companies,</li> <li>• National, Provincial, District and Local Government, Labour and Communities</li> </ul> </li> <li>• <b>Promoting Broad-Based Regional Economic Growth, Development and Industrialisation:</b> <ul style="list-style-type: none"> <li>• Serving as a <b>catalyst and base</b> for diversified <b>industrial and economic development</b> within the North West Province, surrounding Provinces, the SADC region,</li> <li>• <b>Integrating the broad population</b> in terms of job creation, BBBEE, SMME and Skills Development, backward and forward linkages.</li> </ul> </li> </ul> |  |
| 2.3.2 | <b>The Business Plan</b> will be <b>updated</b> by a service provider to be appointed in the near future, in consultation with the MIDZ, the dti, Natgrowth, and other roleplayers, and will be <b>submitted to the dti</b> to <b>finalise the IDZ</b> application within the next six months.   | <b>MIDZ, Dti, Service Providers</b>                      |
| 2.3.3 | <b>The Business Plan</b> will require further investigation of the strategic, competitive, operational, management, organisational, financial and other issues. <b>Institutional Relationships, Roles, Responsibilities and Funding</b> Commitments will need to be defined and structured.  | <b>National, Provincial District, Local role players</b> |
| 2.3.4 | <b>Strategic Alignment:</b> The Business Model and Sector Investment Programme are aligned with and contribute towards <b>National, Provincial, District, Local and Industrial</b> Policies and Strategies, including:   |  |
|       | <ul style="list-style-type: none"> <li>• National Industrial Policy Framework (<b>NIPF</b>)</li> <li>• Industrial Policy Action Plan (<b>IPAP</b>)</li> <li>• Industrial Development Zone (<b>IDZ</b>) Enabling Legislation and Guidelines</li> <li>• Accelerated and Shared Growth Initiative for SA (<b>ASGISA</b>)</li> <li>• Regional Industrial Development Strategy (<b>RIDS</b>)</li> <li>• Provincial Growth and Development Strategy (<b>PGDS</b>)</li> <li>• District Growth and Development Strategy (<b>DDGS</b>)</li> <li>• Local Economic Development (<b>LED</b>) Strategies</li> <li>• <b>NEPAD</b> and <b>SADC</b> Strategies</li> <li>• N West Strategic Development Initiatives (<b>SDI's</b>): <ul style="list-style-type: none"> <li>○ <b>The Western Frontier</b> including Mineral Beneficiation and Agro-processing</li> <li>○ <b>The Platinum Corridor</b> including Mineral Beneficiation and Manufacturing</li> <li>○ <b>The Treasure Route</b> including Mineral Beneficiation and Agro-processing</li> </ul> </li> </ul>  |  |
| 2.4   | <b>Infrastructure and Facilities:</b> The Infrastructure Requirements will continue to be  | <b>Priority</b>  |

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|              | expedited and proposed for funding to all relevant National, Provincial, District and Local <b>Government</b> Departments including: dti, DBSA, DEDT, DME, DOC, DOT, DPW, DWA, Finance, Eskom, OTP, NT, NMMDM, <b>SOE's</b> , Dev. Fin Institutions ( <b>dfi's</b> ), Public Private Partnerships ( <b>PPP's</b> )  | <b>Meetings</b>   |
| <b>2.4.1</b> | <b>Funded Projects +/- R138m</b> completed or in progress, including: <ul style="list-style-type: none"> <li>• <b>Bulk Water</b></li> <li>• <b>Bulk Sewer</b></li> <li>• <b>Bulk Energy</b></li> </ul>  | <b>Ongoing</b>  |
| <b>2.4.2</b> | <b>Projects +/- R400m to be funded by Government, Dfi's and/or PPP's</b> , include: <ul style="list-style-type: none"> <li>• <b>Bonded Warehouse</b></li> <li>• <b>Customs Free Zone</b></li> <li>• <b>Bulk Container Depot</b></li> <li>• <b>Serviced Sites</b></li> <li>• <b>Logistics Platform</b></li> <li>• <b>ICT Systems and Facilities</b></li> <li>• <b>MIDZ Management Company Organisation, Systems and Facilities</b></li> </ul>  | <b>Priority Meetings:</b><br>Gov,<br>Dfi's,<br>DBSA,<br>Private Sector,<br>Aviation Cluster |
| <b>2.5</b>   | <b>Integrated Transport Network:</b> Requirements for the effective implementation of the MIDZ, the PGDS, DGDS, LED's, SDI's and Transport Strategies, include the following:   | <b>Priority Meetings</b><br>18/3/08 HO<br>Transport   |
| <b>2.5.1</b> | <b>International Airport License approval</b> by the Minister of Transport <b>to be expedited</b> and followed up by MIDZ, the dti and N West Dept of Transport;  | <b>Priority Transport, Dti</b>  |
| <b>2.5.2</b> | <b>Internal and External Roads Construction and/or Upgrading: To be expedited</b> and followed up by MIDZ, the dti and N West Dept. of Transport, in consultation with the National and Gauteng Departments of Transport, SANRAL, and SANROADS including: <ul style="list-style-type: none"> <li>• <b>Internal Roads</b> within the MIDZ</li> <li>• <b>Regional Roads and Linkages</b> eg. Vryberg</li> <li>• <b>The N14: an imperative</b> link within the Province and to Gauteng</li> <li>• <b>Link Roads</b> to the N14, N4, N12, Botswana and Namibia Roads</li> </ul> | <b>Priority National, N West, Gauteng Dept's of Transport, Dti, DBSA, SANRAL</b>            |
| <b>2.5.3</b> | <b>Rail Networks and Facilities</b> <ul style="list-style-type: none"> <li>• To be <b>upgraded, restored and/or constructed</b></li> <li>• In cooperation with the National and NW Departments of Transport and Transnet/Spoornet</li> </ul>  | <b>Priority Transport, Spoornet</b>   |
| <b>2.6</b>   | <b>Strategic Investment Programme (SIP) Sectors:</b>  |   |
| <b>2.6.1</b> | <ul style="list-style-type: none"> <li>• <b>The (SIP) Sectors</b> and related areas were reviewed, indicating significant potential for industrial development, trade, investment and socio-economic development.</li> </ul>  |   |
| <b>2.6.2</b> | <ul style="list-style-type: none"> <li>• Potential <b>High-Impact Business, Trade and Investment Opportunities</b> were identified within these sectors and related areas.</li> </ul>   |   |
| <b>2.6.3</b> | <ul style="list-style-type: none"> <li>• These opportunities need to be elaborated and packaged for <b>Requests For Proposals (RFP's)</b></li> </ul>  |   |

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| 2.6.4 | <ul style="list-style-type: none"> <li>• <b>Target Roleplayers</b> include: Investors, Tenants, Champions and Working Groups:</li> </ul>   |   |
| 2.7   | <b>Mineral Beneficiation</b>   |   |
| 2.7.1 | <p><b>Beneficiation</b> of different minerals at various stages, including:</p> <ul style="list-style-type: none"> <li>• <b>Diamond</b> cutting, polishing, jewellery and a Regional <b>Diamond Exchange</b>, sourcing of Diamonds through the State Diamond Trader (<b>STD</b> set up March 2008) and other sources;</li> <li>• <b>Platinum</b> Group Metals: Catalytic Converters and Jewellery</li> <li>• <b>Gold</b> Jewellery and Industrial products</li> <li>• <b>Ferrous and Non-ferrous</b> metals,</li> <li>• <b>Industrial</b> Minerals and Chemicals,</li> <li>• <b>Cement</b> and Granite processing</li> <li>• <b>Petroleum</b> Bulk-storage &amp; Value-add products</li> <li>• <b>Energy-related</b> Chemicals and Minerals</li> </ul>   |   |
| 2.7.2 | <p><b>Target Role-players</b> include:</p> <ul style="list-style-type: none"> <li>• <b>DME:</b> Department of Mineral and Energy Affairs – committed as a Champion and Driver</li> <li>• <b>MBP:</b> Mineral Beneficiation Park due to start construction by June 2008 – Consortium including EC Harris, Zenprop and others</li> <li>• <b>STD:</b> State Diamond Trader – now set up in March 2008</li> <li>• <b>Diamond</b> Traders, Cutters and Polishers</li> <li>• <b>COM:</b> Chamber of Mines</li> <li>• <b>Mining and Beneficiation</b> Companies: Large, Medium and Small</li> <li>• <b>Mintek</b></li> <li>• <b>Jewellery Council of SA</b> and other operators</li> <li>• <b>Platinum Beneficiation</b> companies eg. Johnson and Matthey</li> <li>• <b>Energy</b> Companies: Eskom, Solar companies and others</li> <li>• <b>Cement and Granite</b> Manufacturing companies</li> <li>• <b>Petroleum and Energy-related</b> Chemicals and Minerals and Bulk Fuel Storage companies eg. <ul style="list-style-type: none"> <li>• BP-Shell,</li> <li>• Caltex,</li> <li>• Engen,</li> <li>• Elf-Total,</li> <li>• Petro-SA</li> <li>• Sasol</li> </ul> </li> <li>• <b>BBBEE and SMME</b> Operators</li> <li>• <b>SEDA</b> and Chambers of Business</li> <li>• <b>Skills Development:</b> Training Centre Operators, SETA, Service Providers</li> </ul> | <b>Meeting with DME &amp; Mintek:</b> to set up cluster |
| 2.8   | <b>Value-added Manufacturing</b>   |   |
|       | <b>Opportunities and Target Role-players</b> include:  |   |
| 2.8.1 | <p><b>Role-players</b></p> <p><b>Dti Group</b> Divisions - to facilitate planning, approvals, incentives, linkages, financing etc. on various manufacturing sectors and sub-sectors</p> <ul style="list-style-type: none"> <li>○ <b>IDZ:</b> Industrial Development Zones - Gomolemo Baepi is driving the IDZ application process, planning and linkages</li> <li>○ <b>EIDD:</b> Enterprise and Industrial Development Division</li> <li>○ <b>TEO:</b> The Enterprise Organisation</li> <li>○ <b>TISA:</b> Trade and Investment SA - Trade and Investment promotion</li> <li>○ <b>SEDA:</b> Small Enterprise Development Agency – committed rolepalyer</li> <li>○ <b>Dti</b> and other Manufacturing and Sector Specialists</li> </ul>   | <b>Ongoing</b>  |

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|              | <ul style="list-style-type: none"> <li>○ <b>NEF:</b> National Empowerment Fund - expressed interest</li> <li>○ <b>IDC;</b> Industrial Development Corporation – expressed interest and indicated specific opportunities</li> <li>○ <b>Khula:</b> Small Business Financing</li> </ul> <p><b>Industry</b> Associations, Members, SETAs etc.</p>  | <p><b>Meeting</b></p> <p><b>Meeting</b></p>                                  |
| <b>2.8.2</b> | <p><b>NWU-AMC:</b> N W University Advanced Manufacturing Centre - Nelson Mongale</p> <ul style="list-style-type: none"> <li>○ <b>MIDZ</b> proposed as a Centre of Excellence as part of a dti Contract</li> <li>○ <b>A wide range</b> of consumer and industrial products for export and/or import replacement, as indicated by Nelson Mongale</li> <li>○ <b>Mining, Energy and Industrial</b> Supplies</li> <li>○ <b>A Study</b> is proposed to identify existing manufacturing capacity and potential for the MIDZ, N West and the District</li> </ul>   | <p><b>Ongoing</b></p> <p>Follow-up meetings</p>                              |
| <b>2.8.3</b> | <p><b>Automotive</b> and Components: Providing Linkages into Global Supply Chains in this major high growth sector, leveraging the new MIDP: Motor Industry Development Programme expected this year:</p> <ul style="list-style-type: none"> <li>○ <b>AIDC:</b> Automotive Industry Development Centre – new CEO to be contacted, to synergise with existing NW DED Contract</li> <li>○ <b>NAAMSA:</b> National Automotive Assembly Manufacturers of SA – Nico Vermeulen Executive Director; Norman Lamprecht Executive Manager</li> <li>○ <b>NAACAM:</b> National Automotive Components Manufacturers Association – Clive Williams Executive Director, Roger Pitot</li> <li>○ <b>OEM's:</b> Original Equipment Manufacturers eg. BMW, Fiat, Ford, GM, Honda, Hyundai, Kia, Mercedes, Nissan, Peugeot, Thata, Toyota etc. Others</li> <li>○ <b>Component</b> Manufacturers - thousands of components in the chassis, engine, interiors from axles, batteries, seats, glass to tyres</li> </ul> | <p><b>Meetings</b></p> <p>to set up</p>                                      |
| <b>2.8.4</b> | <p><b>Electronic</b> components and systems – a major sector serving many industries from aviation, automotive, computers and ITC to defence, energy and security</p> <ul style="list-style-type: none"> <li>• <b>EIF:</b> Electronic Industries Association – Roger Dawes Chairperson</li> <li>• <b>Other Industry</b> and Sub-sector Associations</li> <li>• <b>Member</b> companies ranging from Altech and Intel to Siemens</li> </ul>   | <p><b>Meetings</b></p> <p>to set up</p>                                      |
| <b>2.8.5</b> | <p><b>Avionic</b> products, components, systems and services leveraging on the existing airport facilities and maintenance equipment - a number of companies have expressed interest including</p> <ul style="list-style-type: none"> <li>• <b>Denel Aviation</b> has requested a meeting</li> <li>• <b>Aviation</b> Cluster which could include suppliers, partners and companies such as BAE: British Aerospace, Boeing, BA-Comair, Khalula.com, Nationwide, SAA, Star Alliance, the Russian Aerospace Industry, and a UN SADC Logistics Centre at MIDZ</li> </ul>   | <p><b>Avionic</b></p> <p>Cluster emerging</p> <p><b>Meetings</b> ongoing</p> |

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| 2.8.6  | <b>Appliances and White Goods:</b> an ASGISA, dti and IPAP priority sector for local and export markets  |   |
| 2.8.7  | <b>Chemicals and Pharmaceuticals:</b> an ASGISA, dti and IPAP priority sector for local and export markets   |   |
| 2.8.8  | <p><b>Energy</b> products and systems such as</p> <ul style="list-style-type: none"> <li>• <b>Energy:</b> Demand and Supply Management, Generation and Distribution Equipment – Eskom, others</li> <li>• <b>Alternative and Renewable Energies</b> – DEAT, Eskom, NECSA, others</li> <li>• <b>Solar Heaters:</b> Several Brazilian companies have offered cooperation to the District and MIDZ to manufacture solar water heaters on a pilot contract, initially for 12 000 existing RDP houses, thereafter as standard.</li> <li>• <b>Technology</b> suppliers include Israel and other key countries</li> </ul>  | Liaise: Adv Tshepiso Ramphela District MM |
| 2.8.9  | <b>Plastics, Latex and Condoms:</b> A Brazilian company has proposed a joint venture pilot project to supply latex for condom packaging and branding, to be followed by manufacturing, to be approved by Department of Health  | Liaise: Adv Tshepiso Ramphela District MM |
| 2.8.10 | <b>Other:</b> A Diverse range of products including ICT equipment, digital decoders, Appliances, Capital and Transport Equipment, Packaging, Healthcare Equipment, Water Treatment etc   |   |
| 2.9    | <b>Agro-processing</b>   |   |
|        | Agro-processing opportunities and role-players include:  |   |
| 2.9.1  | <p><b>Government</b></p> <ul style="list-style-type: none"> <li>• <b>DACE:</b> N West Department of Agriculture, Conservation and Environment</li> <li>• <b>DOAL:</b> Nat Dept of Agriculture and Land Affairs</li> <li>• <b>DEDT:</b> N West Department of Economic Development and Tourism</li> <li>• <b>DM and LM:</b> District and Local Municipalities including Greater Taung District, Vryberg, de la Reyville, Lichtenburg, Mafikeng and Zeerust</li> </ul>  | <b>Cluster meetings</b>                   |
| 2.9.2  | <p><b>Industry Role-players</b></p> <ul style="list-style-type: none"> <li>• <b>Agriculture and Agro-processing</b> associations, cooperatives and stakeholders, and other parties including ABSA, Agri-SA, CSIR, IDC, NWK: N West Kooperatief, Senwes, AGRI-SETA etc.</li> <li>• <b>Food Processing,</b> Packaging, Cold Storage, Distribution, and related companies</li> </ul>  | <b>Cluster meetings</b>                   |
| 2.9.3  | <p><b>Bio-fuels</b></p> <ul style="list-style-type: none"> <li>• <b>Driven by</b> DACE, DEDT, DME, DM's and LM's in terms of the new Bio-fuels Policy for a 2% blend by 2015, focusing on <b>Bio-Diesel</b> with a range of feedstocks, primary production and processing technologies</li> <li>• <b>Bio-Ethanol</b> selected feedstocks currently excluding Maize, due to issues of food security, surpluses and price stability. <b>Ethanol Africa</b> was planning Bio-Ethanol from yellow maize plants: 3 in N. West, 4 in F State and 2 in Mpumalanga. Johann Hoffman CEO, has indicated that the policy should be reviewed as yellow maize is not used for food, regular surpluses prevail, farmers have indicated support for long-term supply contracts with stable prices and substantial investment has already been committed to R&amp;D and plant establishment. This expertise and initiative are also offered to the Bio-diesel</li> </ul> | <b>Cluster meetings</b>                   |

|               |   |                           |
|---------------|---|---------------------------|
|               | <p>sector.</p> <ul style="list-style-type: none"> <li>• <b>Bio-fuel Industry:</b> other role-players are invited to participate, such as the Bio-Fuel Association. <b>A Bio-Fuel Workshop</b> was hosted by DEDT on 20 Feb with selected role-players; the outcomes should provide useful insights and contacts.</li> </ul>   |                           |
| <b>2.9.4</b>  | <b>Cattle Beneficiation</b>   |                           |
|               | <p><b>Cattle Beneficiation</b> is part of the PGDS, the Western Frontier SDI, the Greater Taung District GDS, Vryberg and other LM LED Strategies. These strategies include increasing production in N West as the “<b>Texas of SA</b>”, and primary processing including at existing and/or new abattoirs. The beneficiation opportunities at MIDZ include:</p> <ul style="list-style-type: none"> <li>• <b>Meat</b> Processing, Packaging, Branding and Distribution</li> <li>• <b>Leather</b> Tanning and Products,</li> <li>• <b>Milk and Dairy</b> Products,</li> <li>• <b>Game farming</b>, Trading, Meat and Leather</li> </ul>  | <b>Cluster meetings</b>   |
| <b>2.9.5</b>  | <b>Other Agriculture and Agro-processing</b>  |                           |
|               | <p><b>Other Agriculture and Agro-processing</b> existing and potential opportunities include:</p> <ul style="list-style-type: none"> <li>• <b>Primary Agriculture:</b> Commercial and emerging farmers, cooperatives, Education and Training institutions, SETA’s</li> <li>• <b>Floriculture</b>, Horticulture and Cut Flowers,</li> <li>• <b>Aquaculture</b>,</li> <li>• <b>Hydroponics</b>,</li> <li>• <b>Fruit and Vegetables</b>, Production, Processing and Marketing</li> <li>• <b>Food</b> Processing, Canning, Packaging, Branding and Distribution;</li> <li>• <b>Major Industry Role-players</b> could be attracted to MIDZ including <b>I&amp;J</b>, <b>Premier Foods</b>, <b>Pioneer Foods</b>, <b>Tabeletop</b>, <b>Tiger Foods</b>, <b>Pasta co’s</b> etc.</li> </ul> | <b>Cluster meetings</b>   |
| <b>2.10</b>   | <b>Related Sectors and Support Services</b>   |                           |
|               | Related Sectors and Support Services to be elaborated on below and in the detailed business plan include  |                           |
| <b>2.10.1</b> | <p><b>Trade and Investment Promotion</b> including project packaging, investment facilitation, trade promotion and marketing in Africa and Global markets;<br/><b>Target Roleplayers</b> include:</p> <ul style="list-style-type: none"> <li>• <b>Invest North West:</b> planning to open an office in Mafikeng / MIDZ</li> <li>• <b>TISA:</b> Trade and Investment South Africa</li> <li>• <b>Trade and Investment</b> service providers</li> </ul>  | <b>Follow-up meetings</b> |
| <b>2.10.2</b> | <p><b>Logistics and Supply Chain Management</b>, including Support Systems Electronic Order, Processing and Tracking systems;<br/><b>Target Roleplayers</b> include companies such as:</p> <ul style="list-style-type: none"> <li>• <b>Barlowworld</b></li> <li>• <b>Bidvest Freight</b></li> <li>• <b>Grindrod</b></li> </ul>  | <b>Set-up meetings</b>    |

|               |  |                                    |
|---------------|--|------------------------------------|
|               | <ul style="list-style-type: none"> <li>• <b>Imperial Logistics</b></li> <li>• <b>Supergroup Logistics</b></li> </ul>   |                                    |
| <b>2.10.3</b> | <p><b>Information and Communication Technologies (ICT)</b> products and systems;<br/>Target Role-players include:</p> <ul style="list-style-type: none"> <li>• <b>Dimension Data</b> indicated interest</li> <li>• <b>DOC:</b> Department of Communications</li> <li>• <b>ICT Charter</b> members</li> <li>• <b>ICASA:</b> Information &amp; Communications Authority</li> <li>• <b>SITA:</b> State Information Technology Agency</li> <li>• <b>Other</b> Major and SMME ICT Companies</li> </ul>  | <b>Set-up meetings</b>             |
| <b>2.10.4</b> | <p><b>Business Process Outsourcing and Offshoring (BPO&amp;O)</b> and Call Centres;<br/>Contacts:</p> <ul style="list-style-type: none"> <li>• <b>DOC and dti</b> for new incentives eg. +/- R40 000 per seat; +/- 3 jobs per seat</li> <li>• <b>SACCCOM:</b> SA Call Centre and Communications Association</li> <li>• <b>Potential clients:</b> Government, Financial Services, Travel, Cell companies and others</li> </ul>  | <b>Set-up meetings</b>             |
| <b>2.10.5</b> | <p><b>Tourism towards and beyond 2010</b> including:</p> <ul style="list-style-type: none"> <li>• <b>Domestic</b></li> <li>• <b>African</b></li> <li>• <b>International</b></li> <li>• <b>Leisure,</b></li> <li>• <b>Sports,</b> towards and beyond 2010</li> <li>• <b>Business</b></li> <li>• <b>Shopping</b> tourism;</li> </ul> <p><b>Roleplayers</b> eg.</p> <ul style="list-style-type: none"> <li>• <b>NWTPB:</b> Tourism and Parks Board</li> <li>• <b>DEDT:</b> Dept of Economic Development &amp; Tourism</li> <li>• <b>Provincial</b> Tourism Working Group</li> <li>• <b>DEAT:</b> Tourism Directorate</li> <li>• <b>Dti:</b> Tourism Directorate</li> <li>• <b>Tourism SA</b></li> <li>• <b>TWBCSA:</b> Tourism Business Council</li> <li>• <b>Tour Operators</b></li> <li>• <b>TEP:</b> Tourism Enterprise Programme</li> <li>• <b>THETA:</b> Tourism SETA</li> <li>• <b>FEDHASA</b></li> <li>• <b>Other</b> Industry Associations</li> </ul> | <b>Liaise with Working Group</b>   |
| <b>2.10.6</b> | <p><b>Creative Sectors</b> including</p> <ul style="list-style-type: none"> <li>• <b>Arts and Crafts,</b></li> <li>• <b>Culture,</b></li> <li>• <b>Film,</b></li> <li>• <b>Sound Production:</b> reviving the world-class “BOP” recording studio</li> <li>• <b>Entertainment</b> services and facilities</li> </ul> <p><b>Roleplayers</b> eg.</p> <ul style="list-style-type: none"> <li>• <b>DACSR:</b> NW Dept of Art, Culture, Sports &amp; Recr.</li> <li>• <b>DAC:</b> National Dept of Arts and Culture</li> <li>• <b>Dti</b> Creative Sector Directorate</li> <li>• <b>Industry Associations:</b> <b>MAPP Seta etc.</b></li> </ul>  | <b>Liaise with Working Group</b>   |
| <b>2.10.7</b> | <p><b>Socio-economic Development</b> including</p> <ul style="list-style-type: none"> <li>• <b>SMME Development</b></li> <li>• <b>BBBEE</b></li> <li>• <b>EPWP:</b> Expanded Public Works Programme</li> <li>• <b>Job Creation</b></li> <li>• <b>Skills Development</b></li> </ul>   | <b>Set up meetings and cluster</b> |

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|               | <p><b>Roleplayers eg.</b></p> <ul style="list-style-type: none"> <li>• <b>SEDA</b> National and Provincial Committed</li> <li>• <b>UYF:</b> Umsobomvu Youth Fund</li> <li>• <b>NEF:</b> National Empowerment Fund committed</li> <li>• <b>KHULA</b> expressed interest</li> <li>• <b>SETAS</b></li> <li>• <b>Services Providers</b></li> <li>• <b>Banks:</b> ABSA and FNB expressed interest</li> </ul>   |                             |
| <b>2.10.8</b> | <p><b>Property Development</b> including a number of planned and proposed developments such as:</p> <ul style="list-style-type: none"> <li>• <b>Mixed-use</b></li> <li>• <b>Residential</b></li> <li>• <b>Commercial</b></li> <li>• <b>Industrial</b></li> <li>• <b>Urban renewal</b></li> </ul> <p><b>Roleplayers eg:</b></p> <ul style="list-style-type: none"> <li>• <b>Local and District Municipalities</b></li> <li>• <b>Property Developers</b> eg. Resilient and Zenprop active in Mafikeng</li> <li>• <b>Chamber of Commerce:</b> various projects</li> <li>• <b>SAPOA:</b> SA Property Owners Association</li> </ul>  | <b>Set up meetings</b>      |
| <b>2.11</b>   | <b>Investment and Trade Promotion Strategy</b>  |                             |
|               | <b>The Investment and Trade Promotion Strategy</b> is designed as follows:  |                             |
| <b>2.11.1</b> | <p><b>To secure Public and Private Sector Investment</b> in the MIDZ, including</p> <ul style="list-style-type: none"> <li>• <b>Budget Allocations</b> from various National, Provincial, District and Local Government Departments and Public Enterprises;</li> <li>• <b>Investor Meetings and Requests for Proposals (RFP's): Target Investors, Tenants, Operators</b> and other role-players are to be listed and invited to submit proposals for all key and related sectors and support services;</li> <li>• <b>Investment Briefings</b> are planned from May 2008 to invite, consider and proceed with structured projects and investment proposals.</li> </ul> | <b>Priority Meetings</b>    |
| <b>2.11.2</b> | <p><b>To attract major industrial investment</b> by</p> <ul style="list-style-type: none"> <li>• Promoting the MIDZ as a <b>World Class Trade, Industrial and Logistics Centre</b></li> <li>• <b>Ensuring the necessary support services</b>, international cooperation and service agreements</li> </ul>   | <b>Priority Meetings</b>    |
| <b>2.11.3</b> | <p><b>To promote Broad-based Participation and Partnerships</b> including:</p> <ul style="list-style-type: none"> <li>• <b>BBBEE,</b></li> <li>• <b>SMME's</b></li> <li>• <b>Job Creation</b></li> <li>• <b>Provincial and Local</b> participation</li> <li>• Serving in <b>working groups</b> and as <b>champions</b></li> </ul>   | <b>Set up Working Group</b> |
| <b>2.11.4</b> | <p><b>To provide appropriate Investment Structures</b> for</p> <ul style="list-style-type: none"> <li>• <b>Substantial Public and Private investment</b></li> <li>• <b>PPP's</b></li> <li>• <b>Business partnerships</b></li> <li>• <b>Broad-based participation</b></li> </ul>   | <b>Set up structures</b>    |
| <b>2.11.5</b> | <p><b>Role-players</b> who expressed interest in assisting the MIDZ with Trade and Investment Promotion include:</p> <ul style="list-style-type: none"> <li>• <b>Invest North West:</b></li> </ul>  | <b>Priority meetings</b>    |

|               |  |                   |
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|               | <ul style="list-style-type: none"> <li>As the primary provincial trade and investment promotion agency</li> <li>To open an office in Mafikeng</li> <li>To enter into a service level agreement</li> </ul> <ul style="list-style-type: none"> <li><b>ABSA</b></li> <li><b>Business Chambers</b></li> <li><b>Capitec</b></li> <li><b>DBSA</b></li> <li><b>dti</b></li> <li><b>FNB</b></li> <li><b>IDC</b></li> <li><b>NEF</b></li> <li><b>NW Provincial Growth Fund</b></li> <li><b>Natgrowth</b></li> </ul>         |                   |
| <b>2.12</b>   | <b>Financial Model</b>   |                   |
|               | An “ideal” target <b>Financial Model</b> was presented & will be investigated and refined to unlock the potential for:   | <b>Investigat</b> |
| <b>2.12.1</b> | <b>Government and Private Investment</b> in infrastructure and set up costs, targeting <b>R1.5b</b> on a 50:50 basis with appropriate <b>Public Private Partnerships (PPP’S)</b>   |                   |
| <b>2.12.2</b> | <b>Private Investment</b> in Business Operations, targeting <b>R15b</b> on a 10 X multiplier   |                   |
| <b>2.12.3</b> | <b>Job Creation</b> of several thousand jobs on a normal R1m per job multiplier  |                   |
| <b>2.12.4</b> | <b>BBBEE</b> and <b>SMME</b> Development within the MIDZ and the supply chain, generating several thousand jobs  |                   |
| <b>2.12.5</b> | Attractive <b>Financial Returns on Investment</b> , targeting 20-40% depending on the sector, scale of operations and financial structuring  |                   |
| <b>2.12.6</b> | Attractive <b>Socio-economic Returns on Investment</b> , targeting a 10 x investment multiplier and high impact on job creation, SMME’s and Skills Development   |                   |
| <b>2.12.7</b> | <b>Sustainable Revenue</b> Generation and Cost Management to sustain operations and plough back into further development   |                   |
| <b>2.13</b>   | <b>Operations, Revenue and Cost Management:</b>  |                   |
|               | <ul style="list-style-type: none"> <li>The Business Model includes guidelines for the MIDZ <b>Operations, Organisation, Value Chain, Revenue and Cost Management.</b></li> <li>These activities and associated revenue and costs will need to be <b>managed and staffed by the MIDZ</b>, and may be partly <b>outsourced</b> to service providers.</li> <li>The aims will be to <b>deliver</b> World Class services, and to <b>maximise value and minimise costs</b> along the value chain, as follows:</li> </ul> |                   |
|               | <b>Direct Activities: Adding Value and Reducing Cost,</b>  |                   |
|               | <ul style="list-style-type: none"> <li><b>To increase customer margins</b> by 10-25%</li> <li><b>To provide a basis for revenue</b> generation of 5-10% of turnover on commission &amp;/or rental basis</li> </ul>   |                   |
| <b>2.13.1</b> | <b>Inbound Logistics</b> including Bonded Warehouse, Customs Free Zone, Bulk Container Depot, Customs Clearing etc.  |                   |
| <b>2.13.2</b> | <b>Operations:</b> Serviced Sites, Break Bulk Facilities, Facilities Management, Electronic Ordering and Tracking Systems etc.   |                   |
| <b>2.13.3</b> | <b>Outbound Logistics:</b> Distribution and Transport Systems, Electronic Ordering,  |                   |

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|               | Tracking Systems etc.  |                                  |
| <b>2.13.4</b> | <b>Sales and Marketing:</b> Trade and Investment Promotion and processing Systems, Business Development and Financial Services   |                                  |
| <b>2.13.5</b> | <b>Support Services:</b> One-Stop-Shop Investment, Trade and Aftercare support systems, including BBBEE, SMME and Skills Development services  |                                  |
|               | <b>Indirect Activities:</b> Adding value and reducing cost to direct activities across the value chain:  |                                  |
| <b>2.13.6</b> | <b>Infrastructure and Facilities</b> refer above   |                                  |
| <b>2.13.7</b> | <b>Management:</b> Services and Systems for the MIDZ and its various activities  |                                  |
|               | <b>Human Resources:</b> Including Staffing, Remuneration, Training, Development and Performance Management   |                                  |
|               | <b>Procurement:</b> Including access to goods and services for MIDZ and operating entities on a competitive basis  |                                  |
|               | <b>Technology:</b> Development and Maintenance of the ICT, Logistics Platforms and Sector Competitiveness  |                                  |
|               |  |                                  |
|               |  |                                  |
|               |  |                                  |
| <b>2.14</b>   | <b>Target Financial Model:</b> to be investigated and refined  | <b>Investigat</b>                |
| <b>2.14.1</b> | <b>Revenue Generation</b> aims to sustain operations and plough back into development, not as a “cash cow”. <b>Management of Revenue</b> and Costs for all activities adding value and/or reducing cost along the value chain will be required by means of an integrated electronic management system.   |                                  |
| <b>2.14.2</b> | <b>Sources of Revenue</b> including a combination of <ul style="list-style-type: none"> <li>• <b>Rentals</b> of serviced sites,</li> <li>• <b>Sale</b> of serviced sites,</li> <li>• <b>Rental</b> of Facilities</li> <li>• <b>Service fees</b></li> <li>• <b>Commissions</b> on turnover generated by the operation of services and facilities logistics above</li> </ul> |                                  |
| <b>2.14.3</b> | <b>Costs</b> to be managed, may be incurred <ul style="list-style-type: none"> <li>• <b>Directly</b> by MIDZ within its operating budget, for which it will be justified to recover revenue</li> <li>• <b>Indirectly</b> by Service Providers who would seek to recover appropriate revenue</li> </ul>   |                                  |
| <b>2.14.4</b> | <b>Target Margins</b> aim to equal or exceed industry norms <ul style="list-style-type: none"> <li>• <b>Operating Companies</b> increase margins</li> <li>• <b>Service Providers and / or MIDZ</b> margins</li> </ul>  | <b>10-25%</b><br><b>5-10%</b>    |
| <b>2.14.5</b> | <b>Target Investment</b> over 5 years:   |                                  |
| <b>2.14.6</b> | <b>MIDZ BALANCE SHEET</b>  |                                  |
|               | <b>Capital Employed:</b> 50:50 PPP; 50:50 Gearing <ul style="list-style-type: none"> <li>• <b>Government and DFI Investment</b></li> <li>• <b>Private Sector Investment</b></li> </ul>   | <b>R1.50</b><br>R0.75b<br>R0.75b |
|               | <b>Employment of Capital</b>   | <b>R1.50</b>                     |
|               | • <b>Land</b> at Valuation on a 20% ROI  | R0.50b                           |
|               | • <b>Infrastructure:</b> Bulk Services, Sites and Facilities   | R0.50b                           |

|                                 |  |  |
|---------------------------------|--|--|
|                                 | <ul style="list-style-type: none"> <li><b>Working Capital:</b> 5 years x minimum R100m pa.</li> </ul>  | R0.50b   |
| <b>2.14.7</b>                   | <b>MIDZ Income Statement</b> <ul style="list-style-type: none"> <li><b>Turnover:</b> Target 10% X Operator Turnover R15b</li> <li><b>Net Profit:</b> Target 20% of Turnover</li> </ul>   | <b>R1.50</b><br><b>R0.30</b>   |
| <b>2.14.8</b>                   | <b>INVESTOR BALANCE SHEETS:</b> MIDZ x 10 multiplier   | <b>R15.00</b>  |
| <b>2.14.9</b>                   | <b>INVESTOR INCOME STATEMENTS</b> <ul style="list-style-type: none"> <li><b>Turnover:</b> Minimum 1 X Turnover Ratio</li> <li><b>Net Profit Margin:</b> Target 10%</li> </ul>  | <b>R15.00</b><br><b>R1.50</b>  |
| <b>2.14.10</b>                  | <b>Target Returns on Investment</b> aim to equal or exceed industry norms for Investors, Operating Companies, Service Providers and the MIDZ, as follows: <ul style="list-style-type: none"> <li><b>20%</b> Return on Capital Employed</li> <li><b>40%</b> Return on Equity</li> <li><b>50%</b> Gearing: Debt/Capital Employed</li> </ul>  |  |
| <b>2.14.11</b>                  | <b>Socio-Economic Target Returns</b> include <ul style="list-style-type: none"> <li><b>Investment Multiplier:</b> R15b / R0.75b</li> <li><b>GDP-R Contribution:</b> R15b / R100b pa</li> <li><b>Direct Job Creation:</b> Min 1 Job per R1m</li> <li><b>Indirect Jobs:</b> Smme's in the Supply Chain</li> <li><b>Beneficiaries:</b> 30 000 Jobs x 4 per household</li> </ul>   | <b>20</b><br><b>15% p</b><br><b>15 00</b><br><b>15 00</b><br><b>120 00</b> |
| <b>PRESENTATIONS AND THEMES</b> |  |  |
| <b>3.</b>                       | <b>OPENING ADDRESS</b><br>MIDZ Chairperson, Dr Sophia Mosime   |  |
| <b>3.1</b>                      | The broad <b>Vision</b> is for a buoyant and vibrant Mafikeng around the MIDZ, embracing SADC and beyond.  |  |
| <b>3.2</b>                      | The Workshop <b>Aims</b> to clarify the issues in travelling the journey towards the MIDZ goals.   |  |
| <b>3.3</b>                      | <b>Monitoring and Evaluation</b> is taking place this year. The Bulk Sewer is complete, Bulk Water 76% and the Energy system is being handled by Eskom.  | <b>Follow-up</b>   |
| <b>3.4</b>                      | <b>The Workshop</b> was well received with many opportunities and action plans to be followed-up.  | <b>Follow-up</b>   |
| <b>3.5</b>                      | <b>SMME and Skills</b> Development programmes are planned for communities in the surrounding areas.  | <b>Follow-up</b>   |
| <b>4.</b>                       | <b>OBJECTIVES, VISION, MISSION AND INFRASTRUCTURE REQUIREMENTS</b><br>MIDZ CEO, Mr Tebogo Kebotlhale   |  |
| <b>4.1</b>                      | <b>WORKSHOP OBJECTIVES</b> <ul style="list-style-type: none"> <li>To Mobilise Stakeholders towards Strategic Partnerships &amp; Investment</li> <li>To Develop a Shared Vision, Mission and Business Model for MIDZ as a <i>World-Class Trade, Industrial and Logistics Centre</i></li> <li>To Develop Globally Competitive Investment Strategies for: <ul style="list-style-type: none"> <li>Value-Added Manufacturing</li> <li>Agro-Processing</li> <li>Mineral Beneficiation <ul style="list-style-type: none"> <li>Related Infrastructure, Sectors and Support Services</li> <li>Regional, Industrial and Socio-Economic Development Impact</li> </ul> </li> </ul> </li> <li>To Identify High-Impact Business Projects for Investment</li> <li>To Launch MIDZ Implementation Roll-out Plan, DVD and Website</li> </ul> |  |

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| 4.2   | <p style="text-align: center;"><b>MIDZ VISION</b></p> <p style="text-align: center;"><b>A WORLD-CLASS INDUSTRIAL, TRADE AND LOGISTICS CENTRE:</b></p> <p><b>A MULTI-MODAL HIGH-TECH HUB FOR</b></p> <ul style="list-style-type: none"> <li>• Value-Added Manufacturing</li> <li>• Mineral Beneficiation</li> <li>• Processing of Agricultural products</li> </ul> <p><b>PREFERRED STRATEGIC LOCATION FOR</b></p> <ul style="list-style-type: none"> <li>• Trade and Logistics</li> <li>• Industrial Operations</li> <li>• Investment</li> </ul> <p><b>GATEWAY TO AFRICA AND THE WORLD</b></p> <ul style="list-style-type: none"> <li>• SADC, Africa</li> <li>• Global Markets</li> </ul> |  |
| 4.3   | <p style="text-align: center;"><b>MIDZ MISSION</b></p> <p style="text-align: center;"><b>PROVIDING WORLD-CLASS INFRASTRUCTURE, FACILITIES, SYSTEMS AND SERVICES</b></p> <ul style="list-style-type: none"> <li>• <b>Meeting the Needs</b> of Target Customers And Stakeholders</li> <li>• <b>Promoting Broad-Based</b> Regional Economic Growth, Development and Industrialisation</li> </ul>  |  |
| 4.3.1 | <p><b>INTEGRATED, EFFICIENT AND WELL MANAGED</b></p> <ul style="list-style-type: none"> <li>• <b>Infrastructure</b> and Facilities</li> <li>• <b>Export-oriented</b> Operational Support <b>Systems</b></li> <li>• <b>Logistics</b> &amp; Supply Chain Management <b>Services</b></li> <li>• <b>Trade and Investment</b> Promotion Services</li> </ul>   |  |
| 4.3.2 | <p style="text-align: center;"><b>FIXED INFRASTRUCTURE.</b></p> <ul style="list-style-type: none"> <li>• <b>Roads:</b> Internal, Linkages, Provincial</li> <li>• <b>Rail:</b> Revival of Railway lines and facilities</li> <li>• <b>Dry Port</b></li> <li>• <b>Transshipment</b> Point</li> <li>• <b>Office</b> Complex</li> <li>• <b>Inland Container</b> Park</li> <li>• <b>Industrial Park</b></li> </ul>   |  |
| 4.3.3 | <p style="text-align: center;"><b>SERVICES</b></p> <ul style="list-style-type: none"> <li>• <b>Bulk</b> Cargo, Container &amp; Breakbulk Services</li> <li>• <b>Project</b> Management</li> <li>• Hub for Non-Scheduled <b>Air Cargo</b> Services</li> <li>• <b>Investment</b> and Project Promotion</li> <li>• <b>Business Development</b> Facilitation</li> <li>• <b>MOU's</b> &amp; Co-operation Agreements</li> <li>• <b>Information</b> Centre</li> <li>• <b>Outsourcing</b> Services</li> </ul>  |  |
| 4.3.4 | <p style="text-align: center;"><b>TRADE FACILITATION</b></p> <ul style="list-style-type: none"> <li>• <b>Global Trade</b> Promotion and Marketing</li> <li>• <b>Bonded Warehouse</b></li> </ul>  |  |

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|               | <ul style="list-style-type: none"> <li>• <b>Central Order Board:</b> electronic trading floor</li> <li>• <b>Business Promotion</b></li> <li>• <b>Trade and Exhibition Centre</b></li> <li>• <b>Free Trade Area</b></li> <li>• <b>Customs Secure Area</b></li> </ul>   |  |
| <b>4.3.5</b>  | <p style="text-align: center;"><b>SYSTEMS</b></p> <ul style="list-style-type: none"> <li>• <b>Automated System for Customs Data (ASYCUDA)</b></li> <li>• <b>Automated Cargo Information System (ACIS)</b></li> <li>• <b>Rolling Stock Information System (RSIS)</b></li> <li>• <b>National Traffic Information System (NATIS)</b></li> <li>• <b>Traffic Model</b></li> <li>• <b>Incoterms</b></li> </ul>  |  |
| <b>4.3.6</b>  | <p style="text-align: center;"><b>STRUCTURED INSTITUTIONAL RELATIONSHIPS</b></p> <ul style="list-style-type: none"> <li>• <b>Government Departments</b></li> <li>• <b>Business Organisations</b></li> <li>• <b>SDI Corridor Committees &amp; Working Groups</b></li> <li>• <b>Federation of Regional Road Freight Associations (FRRFA)</b></li> <li>• <b>Dry Ports Authority</b></li> <li>• <b>IDZ Authority</b></li> <li>• <b>Other</b></li> </ul>   |  |
| <b>4.3.7</b>  | <p style="text-align: center;"><b>PROGRAMMES</b></p> <ul style="list-style-type: none"> <li>• <b>Co-operative Governance</b></li> <li>• <b>Cross Border Initiatives (CBI)</b></li> <li>• <b>Free Trade Area (FTA)</b></li> <li>• <b>One-Stop Border Post Project</b></li> <li>• <b>Industrial Development Zone (IDZ)</b></li> <li>• <b>Mineral Beneficiation</b></li> <li>• <b>Agro-processing</b></li> <li>• <b>Hi-tech manufacturing</b></li> </ul>   |  |
| <b>4.3.8</b>  | <p><b>MEETING THE NEEDS OF TARGET CUSTOMERS:</b></p> <ul style="list-style-type: none"> <li>• <b>Investors:</b> High Return on Investment, Incentives</li> <li>• <b>Industrial Operators:</b> Efficiency, Capacity, Support, Profitability</li> <li>• <b>Exporters:</b> Trade Promotion and Market Access</li> <li>• <b>Logistics Operators:</b> World Class Infrastructure and Facilities</li> <li>• <b>Industrial and End-User Markets:</b> Value for Money, Innovative Products</li> </ul>   |  |
| <b>4.3.9</b>  | <p style="text-align: center;"><b>MEETING THE NEEDS OF STAKEHOLDERS</b></p> <ul style="list-style-type: none"> <li>• <b>Government and State-owned Enterprises</b></li> <li>• <b>Business:</b> Small, Medium and Large Businesses and Investors</li> <li>• <b>Labour:</b> Unions, Unemployed: Job Creation and Poverty Alleviation</li> <li>• <b>Communities:</b> BBBEE, SMME's, Integration of "1st and 2nd Economies"</li> </ul>  |  |
| <b>4.3.10</b> | <p><b>LOCAL, REGIONAL, NATIONAL, AFRICAN AND GLOBAL STAKEHOLDERS</b></p> <ul style="list-style-type: none"> <li>• <b>Surrounding Local Municipalities</b></li> <li>• <b>Ngaka Modiri Molema District Municipality (NMMDM)</b></li> <li>• <b>North West Province:</b> Strategic Development Initiatives &amp; Corridors</li> <li>• <b>National:</b> Government, SOE's, Business, Institutions, Other Provinces</li> <li>• <b>African:</b> SADC, West, Central, East &amp; North</li> <li>• <b>Global:</b> North, South, East, West: Markets, Investors, Operators</li> </ul> |  |

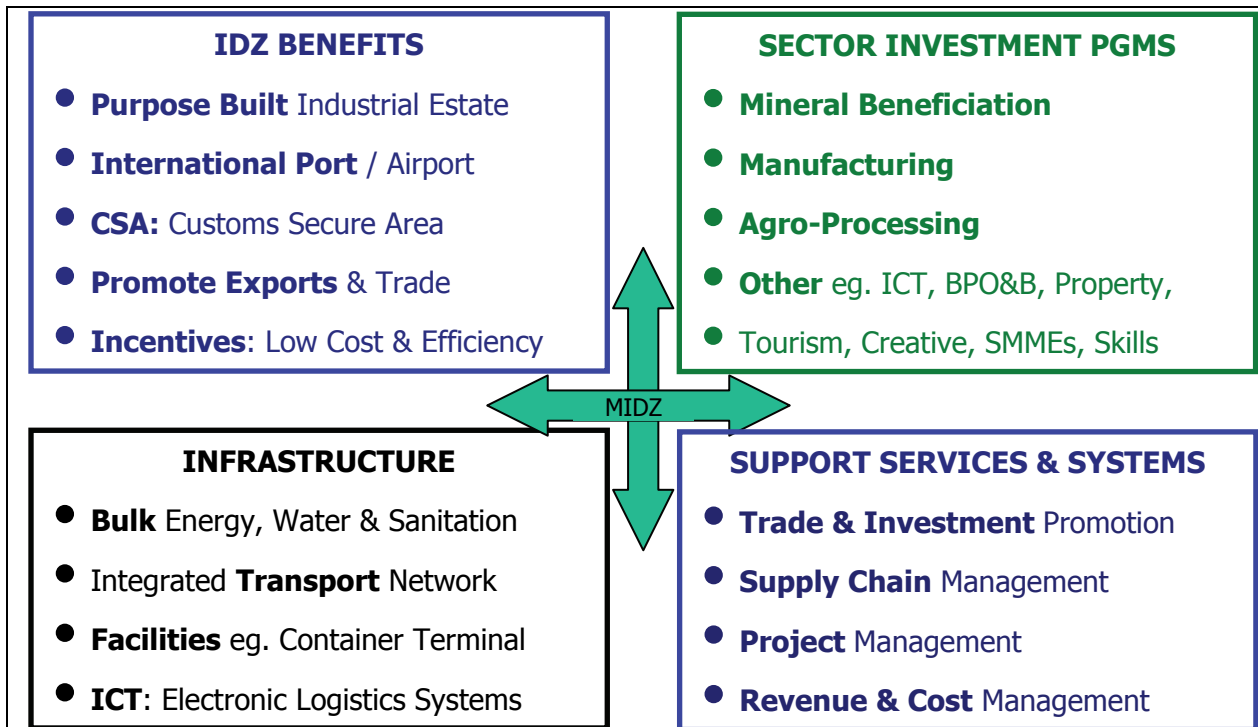
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| 4.4   | <p style="text-align: center;"><b>MIDZ STRATEGIC BUSINESS MODEL OBJECTIVES:</b></p> <ul style="list-style-type: none"> <li>• To Develop a <b>Shared Business Plan</b> with Stakeholders</li> <li>• To <b>Enhance</b> the Business Model and Strategies</li> <li>• To Identify <b>Gaps and Opportunities</b></li> <li>• To Identify High-Impact <b>Projects</b> for Investment</li> <li>• To <b>Operationalise</b> the Business Plan for <b>Implementation</b></li> </ul>   |  |
| 4.5   | <p style="text-align: center;"><b>NORTH WEST PROVINCIAL GROWTH FUND (PGF) OBJECTIVES</b></p> <ul style="list-style-type: none"> <li>• To Accelerate <b>Infrastructure Investment</b></li> <li>• To <b>Align</b> MIDZ with PGF Investment Priorities and Available Funds</li> <li>• To Facilitate <b>PPP's</b>: Public Private Partnerships</li> <li>• To <b>Leverage Private</b> Sector Funding</li> <li>• To Develop <b>Financial Models</b> and Structures for Implementation</li> <li>• To Develop <b>Guidelines</b> for MOU's</li> <li>• To Proceed Towards <b>Implementation</b></li> </ul> |  |
| 4.6   | <p style="text-align: center;"><b>MINERAL AND ENERGY BENEFICIATION OBJECTIVES</b></p> <ul style="list-style-type: none"> <li>• To Review Mineral Beneficiation <b>Policies</b>, Business <b>Strategies</b> and <b>Project Opportunities</b></li> </ul>   |  |
| 4.6.1 | <p style="text-align: center;"><b>MINERAL BENEFICIATION BACKGROUND</b></p> <ul style="list-style-type: none"> <li>• Draft <b>Mineral Beneficiation Strategy</b>: 10 Strategic Minerals</li> <li>• <b>Adding Value</b> to our Abundant Raw Materials</li> <li>• As a National and Provincial <b>Priority Sector</b></li> <li>• As The <b>Platinum Province</b> and the largest Mining Province</li> </ul>   |  |
| 4.6.2 | <p style="text-align: center;"><b>TO REVIEW OPPORTUNITIES AND CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• <b>DIAMONDS</b>: Cutting, Polishing, Jewellery, Industrial</li> <li>• <b>REGIONAL DIAMOND EXCHANGE</b></li> <li>• <b>PLATINUM GROUP METALS</b>: Catalytic Converters, Jewellery, Other</li> <li>• <b>GOLD</b>: Jewellery, Industrial, Dental, Recycling, Reclamation, Refining</li> <li>• <b>OTHER MINERALS</b>: Ferrous, Non-Ferrous, Industrial</li> <li>• <b>ENERGY</b>: Solar, Generators, Bio-fuels, Petroleum Beneficiation, Other</li> </ul>                    |  |
| 4.7   | <p style="text-align: center;"><b>TRADE AND INVESTMENT PROMOTION OBJECTIVES</b></p> <p style="text-align: center;"><b>To Identify Specific Services to Meet Customer Needs:</b></p> <ul style="list-style-type: none"> <li>• <b>IDZ BENEFITS AND INCENTIVES</b></li> <li>• <b>CUSTOMS FREE ZONE - BONDED WAREHOUSE</b></li> <li>• <b>INCENTIVES</b>: STRATEGIC, INVESTMENT, EXPORT, TAX</li> <li>• <b>NEW INCENTIVES</b>: INDUSTRIAL, SECTORS AND REGIONAL</li> <li>• <b>WORLD CLASS INFRASTRUCTURE AND FACILITIES</b></li> <li>• <b>INTERNATIONAL AIRPORT</b>: EASY EFFICIENT ACCESS</li> </ul> |  |

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|      | <ul style="list-style-type: none"> <li>• <b>INTEGRATED LOGISTICS &amp; SCM</b>, ELECTRONIC ORDER SYSTEM</li> <li>• <b>GLOBAL MARKETING</b> AND PROMOTION</li> <li>• <b>REGIONAL COOPERATION</b> AND TRADE FACILITATION</li> </ul>   |  |
| 4.8  | <p style="text-align: center;"><b>TRANSPORT</b><br/><b>Integrated Plan &amp; Systems</b><br/><b>OBJECTIVES</b></p> <p><b>To Review the Integrated Transport Plan &amp; Systems; and</b><br/><b>To Facilitate Stakeholder Coordination and Commitment</b></p> <ul style="list-style-type: none"> <li>• <b>ROADS:</b> National, Provincial, Local, Cross-border and Internal</li> <li>• <b>RAIL:</b> Status, Facilities and Requirements</li> <li>• <b>AIRPORT:</b> Status, Facilities and Requirements</li> <li>• <b>SADC PORTS:</b> Angola, Botswana, Namibia, Zambia, Zimbabwe, Other</li> </ul>   |  |
| 4.9  | <p style="text-align: center;"><b>IDZ</b><br/><b>OBJECTIVES:</b></p> <p>TO ALIGN MIDZ WITH THE DTI'S IDZ OBJECTIVES, POLICIES, INCENTIVES,<br/>CUSTOMER NEEDS, BENEFITS AND INTERNATIONAL BEST PRACTICES</p> <p style="text-align: center;"><b>OVERALL IDZ OBJECTIVE: FREE TRADE ZONE</b><br/>TO STIMULATE INDUSTRIAL DEVELOPMENT AND EXPORT TRADE</p> <ul style="list-style-type: none"> <li>• <b>Purpose Built Industrial Estate:</b> To meet customer specifications</li> <li>• <b>Near International Port/Airport:</b> Ease of access, time and cost efficiency</li> <li>• <b>CSA: Customs Secure Area:</b> Input and Output Duty Free Zone, Zero Vat</li> <li>• <b>Promote Exports &amp; Trade:</b> Customised Support Services and Systems</li> <li>• <b>Low Cost &amp; Efficiency:</b> State of the Art Logistics &amp; Supply Chain Mgmt</li> </ul> |  |
| 4.10 | <p><b>MANUFACTURING: NORTH WEST POTENTIAL</b><br/><b>OBJECTIVES</b><br/><b>TO EXPLORE OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• <b>AUTOMOTIVE AND COMPONENTS: CATALYTIC CONVERTERS:</b></li> <li>• <b>AVIONICS:</b></li> <li>• <b>ELECTRONIC COMPONENTS AND SYSTEMS</b></li> <li>• <b>ENERGY:</b> SOLAR HEATERS, GENERATORS</li> <li>• <b>CHEMICALS AND PLASTICS:</b> eg. Cement, Latex, Fluorspar, HDP</li> <li>• <b>FOOD AND LEATHER GOODS:</b></li> <li>• <b>METAL FABRICATION:</b> See Mineral Beneficiation</li> <li>• <b>ICT:</b> Computers and Communication Equipment eg. Digital Decoders</li> <li>• <b>OTHER:</b> Appliances, Capital and Transport Equipment, Packaging, Healthcare Equipment, Water Treatment etc.</li> </ul>  |  |
| 4,11 | <p style="text-align: center;"><b>AGRO-PROCESSING</b><br/><b>OBJECTIVES</b></p> <p><b>To Explore the Specific Opportunities, Requirements, Strategies, Value</b><br/><b>Chains and Regional Linkages for Agro-Processing Businesses, including:</b></p> <ul style="list-style-type: none"> <li>• <b>MEAT:</b> Red and White Meat Processing</li> <li>• <b>LEATHER:</b> Tanning and Products</li> <li>• <b>BIO-FUEL:</b> Bio-Diesel and Bio-Ethanol</li> <li>• <b>VEGETABLES:</b> Production, Processing, Marketing</li> <li>• <b>OTHER:</b> Cut Flowers, Floriculture, Food, Fruit, Aquaculture, Hydroponics</li> <li>• <b>MIDZ FACILITIES:</b> Abattoir, Tanning, Cold Storage, Canning, Packaging, Supply Chain Management etc.</li> </ul>  |  |

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| 4.12 | <p style="text-align: center;"><b>BUSINESS AND INVESTMENT OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• <b>Chamber of Business</b> Opportunities</li> <li>• <b>Africa Gateway:</b> Regional Cooperation</li> <li>• <b>New Sector Incentives:</b> To be announced in the Budget Speech</li> <li>• <b>Entertainment:</b> To Create an Attractive Lifestyle around MIDZ</li> <li>• <b>Arts and Culture:</b> To Develop a Vibrant Creative Sector</li> <li>• <b>Tourism:</b> Maximising Local &amp; Global Business, Shopping &amp; Leisure Revenue</li> <li>• <b>FIFA World Cup 2010:</b> Maximising Opportunities Towards &amp; Beyond 2010</li> <li>• <b>Property:</b> In &amp; Around MIDZ: Industrial, Commercial, Residential</li> <li>• <b>Energy: Solar Heaters, Generators, Management Systems etc.</b></li> <li>• <b>Other opportunities</b></li> </ul> |  |
| 4.13 | <p style="text-align: center;"><b>SMME'S, BBBEE, SKILLS DEVELOPMENT OBJECTIVES</b></p> <p style="text-align: center;">To Explore Opportunities and Strategies to Maximise</p> <ul style="list-style-type: none"> <li>• <b>SMME Development:</b> Participation in MIDZ Clusters, Business Linkages, Construction, Transport, Procurement and Supply Contracts</li> <li>• <b>BBBEE:</b> Leveraging the Codes for Maximum Impact: Equity Ownership, Management, Employment Equity, Procurement, Enterprise Development, Skills Development, Socio-Economic Development, Other</li> <li>• <b>SKILLS Development:</b> Opportunities and Requirements to build capacity for a World Class Trade, Industrial and Logistics Centre</li> </ul>  |  |
| 4.14 | <p style="text-align: center;"><b>SOCIO-ECONOMIC DEVELOPMENT OBJECTIVES</b></p> <p style="text-align: center;"><b>Maximising the Impact of MIDZ:</b></p> <ul style="list-style-type: none"> <li>• <b>Job Creation:</b> <ul style="list-style-type: none"> <li>• Direct and Indirect</li> <li>• EPWP and Learnerships</li> <li>• Career Development</li> </ul> </li> <li>• <b>2nd Economy Integration:</b> <ul style="list-style-type: none"> <li>• Integrated Housing</li> <li>• Integrated Economic Activities</li> <li>• Linking Social and Economic Development Projects</li> </ul> </li> <li>• <b>Leveraging and Supporting</b> <ul style="list-style-type: none"> <li>• SMME's</li> <li>• BBBEE</li> <li>• Skills Development</li> </ul> </li> </ul>  |  |
| 4.15 | <p style="text-align: center;"><b>CONCLUSIONS AND THE WAY FORWARD OBJECTIVES</b></p> <ul style="list-style-type: none"> <li>• To Conclude on the Most Attractive and Viable <b>Strategies for MIDZ</b></li> <li>• To Identify <b>Practical Action Plans</b></li> <li>• To Identify <b>Projects for Implementation</b></li> <li>• To Follow-up on <b>Investment Opportunities</b></li> <li>• To Facilitate <b>Strategic Partnerships</b></li> <li>• To Operationalise <b>Institutional Relationships</b></li> <li>• To Identify <b>Management and Organisational Requirements</b></li> </ul>  |  |
| 4.16 | <p style="text-align: center;"><b>GALA DINNER OBJECTIVES</b></p> <ul style="list-style-type: none"> <li>• To Launch the <b>MIDZ DVD</b></li> <li>• To Launch the <b>MIDZ Website</b></li> <li>• To Launch the <b>MIDZ Roll-out Plan</b></li> </ul>   |  |

|             |  |               |               |                               |
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|             | <ul style="list-style-type: none"> <li>To Demonstrate the <b>Quantibuild Joint Venture</b></li> <li>To Acknowledge the <b>Sponsors</b></li> <li><b>To Thank All</b> Presenters, Participants and Organisers</li> </ul> |               |               |                               |
|             | <b>INFRASTRUCTURE REQUIREMENTS 05/12/2007</b>  |               |               |                               |
| <b>4.17</b> | <b>PHASE 1 PROJECTS</b>  |               |               |                               |
|             | <b>DESCRIPTION Rm</b>  | <b>AMOUNT</b> | <b>ACTUAL</b> | <b>COMMENTS</b>               |
|             | Bulk Sewer   | 15.28         | 14.45         | Complete                      |
|             | Bulk Water   | 22.64         | 12.18         | 76%                           |
|             | Bulk Electricity   | 17.27         | 3.45          | Contractor on site            |
|             | Internal Services  | 51.27         | 0.85          | Implementation stage          |
|             | Town Planning  | 0.39          | 0.09          | Ongoing                       |
|             | EIA  | 0.24          | 0.19          | Ongoing                       |
|             | Occup. Health & Safety   | 0.46          | 0.06          | Ongoing                       |
|             | <b>SUB-TOTAL</b>   | <b>107.55</b> | <b>31.27</b>  | <b>76.28 Funded balance</b>   |
|             | Northern Access Road   | <b>72.55</b>  | <b>20.24</b>  | <b>52.31 Funding required</b> |
|             | <b>TOTAL</b>   | <b>180.10</b> | <b>51.51</b>  | <b>128.59 Balance</b>         |
|             | <b>BALANCE REQUIRED</b>  |               | <b>128.59</b> |                               |
| <b>4.18</b> | <b>PAHES 2 PROJECTS (UNFUNDED)</b><br>Lokaleng and estaern side<br>NB: Estimates to be confirmed by RFP's  |               |               |                               |
|             | Bulk Sewer   |               |               | 17.00                         |
|             | Bulk Water   |               |               | 30.00                         |
|             | Bulk Electricity   |               |               | 20.00                         |
|             | Internal Services  |               |               | 30.00                         |
|             | Livestock/Game Handling Facilities   |               |               | 5.00                          |
|             | <b>TOTAL</b>   |               |               | <b>102.00</b>                 |
| <b>4.19</b> | <b>OTHER PROJECTS</b>  |               |               |                               |
|             | Upgrade Electricity Supply Network   |               |               | 30.00                         |
|             | Vryberg Access Road  |               |               | 110.00                        |
|             | Container Park   |               |               | 10.00                         |
|             | Skills Development Centre  |               |               | 15.00                         |
|             | Sporting Complex   |               |               | 20.00                         |
|             | Landfill Site  |               |               | 40.00                         |
|             | Livestock/Game Handling Facilities   |               |               | 10.00                         |
|             | <b>SUB-TOTAL</b>   |               |               | <b>235.00</b>                 |
|             | <b>RFP'S</b>   |               |               |                               |
|             | Skills Audit   |               |               |                               |
|             | Skills Centre Development  |               |               |                               |
|             | Agro-processing (Fish & Vegetable)   |               |               |                               |
|             | Container Park   |               |               |                               |
|             | Manufacturing Sector   |               |               |                               |
|             | Livestock/Game Handling Facilities   |               |               |                               |
|             | Landfill Site  |               |               |                               |
| <b>4.20</b> | <b>INTEGRATED TRANSPORT NETWORK</b>  |               |               |                               |
|             | Roads Master Plan  |               |               | 0.80                          |
|             | Vryberg-Bray & Zeerust Link Raods  |               |               | 110.00                        |
|             | Vryberg Road: new bridge & widen   |               |               | 15.00                         |
|             | Sekame Road: extension to Bray Road and 4 lane bridge  |               |               | 45.00                         |
|             | Urban renewal projects   |               |               | 25.00                         |
|             | <b>SUB-TOTAL</b>   |               |               | <b>195.80</b>                 |
|             | Rail network and link to IDZ   |               |               |                               |
|             | Taxi and bus route   |               |               |                               |

|      |  |                |                |                |                |
|------|--|----------------|----------------|----------------|----------------|
| 4.21 | <b>TOTAL FUNDING REQUIRED</b>  |                |                | <b>661.39</b>  |                |
|      | Funded   |                |                | 76.28          |                |
|      | Required   |                |                | 585.11         |                |
| 4.22 | <b>SUMMARY OF MTEF CAPEX REQUIREMENTS</b>  |                |                |                | Rr             |
|      |  | <b>2008/09</b> | <b>2009/10</b> | <b>2010/11</b> | <b>TOTAL</b>   |
|      | <b>Internal Services</b>   | 27.897         | -              | -              | 27.897         |
|      | <b>Consulting Engineering Costs</b>  | -              | -              | -              | -              |
|      | <b>Northern Access Road</b>  | 50.786         | 21.765         |                | 72.551         |
|      | <b>LOKALENG INFRASTRUCTURE</b>   |                |                |                |                |
|      | <b>Bulk Water Supply</b>   | 20.000         | 10.000         | -              | 30.000         |
|      | <b>Bulk Sewer Pipeline</b>   | 7.000          | 10.000         | -              | 17.000         |
|      | <b>Bulk Electricity</b>  | 10.000         | 10.000         | -              | 20.000         |
|      | <b>Internal Services</b>   |                |                |                |                |
|      | <b>OTHER PROJECTS</b>  |                |                |                |                |
|      | <b>Skills Development Centre</b>   | 5.000          | 5.000          | 10.000         | 20.000         |
|      | <b>Container Park</b>  | 10.000         | -              | -              | 10.000         |
|      | <b>Livestock/Game Handling Facilities</b>  | -              | -              | 5.000          | 5.000          |
|      | <b>Landfill Site</b>   | 40.000         | -              | -              | 40.000         |
|      | <b>Roads Master Plan</b>   | 0.800          | -              | -              | 0.800          |
|      | <b>Vryberg Road widen &amp; new bridge</b>   | -              | 10.000         | 5.000          | 15.000         |
|      | <b>Vryberg Bray &amp; Zeerust Roads</b>  | -              | 30.000         | 80.000         | 110.000        |
|      | <b>Sporting Complex</b>  | 10.000         | 10.000         | -              | 20.000         |
|      | <b>Urban Renewal Projects</b>  | 8.500          | 8.500          | 8.000          | 25.000         |
|      | <b>Upgrading Electricity Network</b>   | -              | 20.000         | 10.000         | 30.000         |
|      | <b>Sekame Road Extension</b>   | -              | 25.000         | 20.000         | 45.000         |
|      | <b>RFP's</b>   | 5.000          | -              | -              | 5.000          |
|      | <b>TOTAL</b>   | <b>194.982</b> | <b>180.265</b> | <b>148.000</b> | <b>523.247</b> |
|      | The funding requirements need to be met by a combination of <b>Government Department Budgets, DFI's, the Private Sector and PPP's</b> . Ongoing consultations and proposals are in progress. |                |                |                |                |
| 5.   | <b>MIDZ STRATEGIC BUSINESS MODEL</b>   |                |                |                |                |
|      | Programme Director, Natgrowth CEO, Eric Stillerman   |                |                |                |                |
| 5.1  | <b>BUSINESS MODEL OUTLINE</b>  |                |                |                |                |



|  |  |                   |                           |                              |                         |           |
|--|--|-------------------|---------------------------|------------------------------|-------------------------|-----------|
| 5.2                                    | <b>MIDZ VALUE CHAIN</b><br>Ref Michael Porter: Competitive Strategy & Competitive Advantage    |                   |                           |                              |                         |           |
| <b>SUPPORT ACTIVITIES</b>              | <b>Supporting Direct Activities Across The Value Chain</b>                                     |                   |                           |                              |                         |           |
| <b>Management and Admin</b>            | Leadership, Well-Managed Projects, Systems and Controls  |                   |                           |                              |                         |           |
| <b>Human Resources</b>                 | Innovative, Highly Skilled, Shared Expertise   |                   |                           |                              |                         |           |
| <b>Procurement</b>                     | Integrated Supply Management Systems   |                   |                           |                              |                         |           |
| <b>Technology</b>                      | State of the Art ICT, Electronic Ordering and Tracking Systems                                 |                   |                           |                              |                         |           |
| <b>Infrastructure &amp; Facilities</b> | World Class Efficient Facilities and Systems   |                   |                           |                              |                         | 10 - 25 % |
| <b>DIRECT ACTIVITIES</b>               | <b>Value-Added Services and Systems Across the Value Chain</b>                                 |                   |                           |                              |                         |           |
|  | <b>Inbound Logistics</b>   | <b>Operations</b> | <b>Outbound Logistics</b> | <b>Sales &amp; Marketing</b> | <b>Support Services</b> |           |
| <b>Revenue</b>                         | Adding Value, Reducing Cost Across the Value Chain   |                   |                           |                              |                         | 5-10 %    |
| <b>Costs</b>                           | Minimising Costs, Maximising Efficiency Across the Value Chain                                 |                   |                           |                              |                         |           |
| <b>Operator Margins 10 – 25%</b>       | 2-5%   | 2-5%              | 2-5%                      | 2-5%                         | 2-5%                    |           |
| <b>MIDZ Margins 5-10%</b>              | 1-2%   | 1-2%              | 1-2%                      | 1-2%                         | 1-2%                    |           |
|  |  |                   |                           |                              |                         |           |
|  | <b>MIDZ should aim to add 10-25% to the margins of operators, and to earn 5-10% in revenue</b> |                   |                           |                              |                         |           |
| 5.3                                    | <b>MIDZ DIRECT ACTIVITIES</b><br><b>INTEGRATED INDUSTRY, TRADE &amp; LOGISTICS,</b>            |                   |                           |                              |                         |           |

|       |  |  |
|-------|--|--|
|       | <p style="text-align: center;"><b>COST AND REVENUE<br/>MANAGEMENT SYSTEMS</b></p> <p style="text-align: center;"><b>PROCUREMENT AND HANDLING</b></p> <ul style="list-style-type: none"> <li>• Electronic Ordering, Logistics and Supply Chain Management System</li> <li>• Bulk Container Depot, Customs Clearing and Inspection Services</li> </ul> <p style="text-align: center;"><b>OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• State of the Art Manufacturing Plant and Facilities Management</li> </ul> <p style="text-align: center;"><b>OUTBOUND LOGISTICS:<br/>DISTRIBUTION</b></p> <ul style="list-style-type: none"> <li>• Electronic Ordering, Logistics and Supply Chain Management System</li> </ul> <p style="text-align: center;"><b>SALES AND MARKETING</b></p> <ul style="list-style-type: none"> <li>• Global Trade Promotion and Supply Chain Linkages</li> </ul> <p style="text-align: center;"><b>SUPPORT SERVICES</b></p> <ul style="list-style-type: none"> <li>• Management, HR, Skills, Technology, R&amp;D, Procurement, Investment</li> </ul> |  |
| 5.4   | <p style="text-align: center;"><b>MIDZ COMPETITIVE STRATEGIES:</b></p> <p style="text-align: center;">Why Invest in the MIDZ?<br/>VS SA IDZ'S: GAUTENG, COEGA, ELIDZ, R. BAY<br/>VS GLOBAL EPZ'S: CHINA, ASIA, OTHER</p>   |  |
| 5.4.1 | <p style="text-align: center;"><b>BUILD ON STRENGTHS AND ADVANTAGES</b></p> <ul style="list-style-type: none"> <li>• <b>Access to Raw Materials:</b> Minerals and Agriculture</li> <li>• <b>Access to Markets:</b> Gateway to Africa</li> <li>• <b>Access to Expertise:</b> World-Class Partners</li> <li>• <b>Low Cost Base:</b> 3 000 ha Space, Low Costs</li> <li>• <b>Institutional Support:</b> Government and SOE's</li> <li>• <b>Public-Private Partnerships:</b> Innovative Leveraged Investment</li> <li>• <b>Pro-Active Strategic Leadership:</b> To Drive the Process Forward</li> </ul>  |  |
| 5.4.2 | <p style="text-align: center;"><b>SEIZE OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• <b>Focused Sector Strategies:</b> To Meet Strong Customer Demand</li> <li>• <b>Global Gateway:</b> Pro-Active Trade Facilitation</li> <li>• <b>World-Class:</b> Trade, Industrial and Logistics Centre</li> <li>• <b>World-Class:</b> IDZ Infrastructure, Facilities, Services &amp; Incentives</li> <li>• <b>Economies:</b> of Scale, Scope and Linkages</li> <li>• <b>Integration:</b> Backward and Forward Linkages</li> <li>• <b>Differentiation:</b> Value-Added Products and 1 Stop-Services</li> </ul>   |  |
| 5.4.3 | <p style="text-align: center;"><b>OVERCOME CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• <b>Secure Investment Funding:</b> Infrastructure and Facilities</li> <li>• <b>Activate Transport Infrastructure:</b> Coordinate all Role-players</li> <li>• <b>Drive Implementation:</b> Active Champions, Target Investors and Strategic Partners</li> <li>• <b>Scarce Skills:</b> Mobilise available Institutional Capacity</li> <li>• <b>Attract and Retain Key Staff:</b> Attractive Packages &amp; Lifestyles</li> <li>• <b>Secure Energy Supplies /</b> Develop Alternatives</li> <li>• <b>Political and Economic Challenges:</b> Pro-active Drive to the Next Level</li> </ul>   |  |
|       |  |  |
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|  |  |                                     |                                    |  |  |
|--|--|-------------------------------------|------------------------------------|--|--|
|  |  |                                     |                                    |  |  |
|  |  |                                     |                                    |  |  |
| <b>5.5</b>   | <b>MIDZ INVESTMENT ATTRACTIVENESS</b><br>Ref Michael Porter Competitive Strategy<br><b>INITIAL ASSESSMENT</b><br>To be investigated further  |                                     |                                    |  |  |
| <b>INVESTMENT CRITERIA</b>   | <b>KEY SECTORS</b>   |                                     |                                    |  |  |
|  | <b>MINERAL BENEFICIATION</b>   | <b>VALUE-ADDED MANUFACTURING</b>    | <b>AGRO-PROCESSING</b>             |  |  |
| <b>MARKET DEMAND</b>   | + Huge<br>Untapped potential   | + Large<br>Niche Markets            | + Large<br>Consumer Markets        |  |  |
| <b>INPUT SUPPLY</b>  | + Access<br>Main Mining Province   | + Raw Materials<br>? Knowledge Base | + Access<br>Livestock & Produce    |  |  |
| <b>COMPETITIVE RIVALRY</b>   | + Low- Medium<br>Selected competitors  | ? Medium-High<br>Global competitors | ? Medium<br>Varied competitors     |  |  |
| <b>THREATS</b> New Entrants, Substitutes   | + Low- Medium<br>Low value exports   | ? Medium-High<br>Global competitors | ? Medium<br>Varied substitutes     |  |  |
| <b>PROFIT MARGINS</b>  | + High<br>Value-add Prices   | + High<br>Value-add Prices          | ? Medium-High<br>Varied Prices     |  |  |
| <b>INVESTMENT REQUIRED</b>   | ? High<br>Infrastructure   | ? Medium-High<br>Knowledge base     | ? Medium-High<br>Varied Facilities |  |  |
| <b>INVESTMENT RETURNS</b>  | ? Medium-High  | ? Medium-High                       | ? Medium-High                      |  |  |
|  |  |                                     |                                    |  |  |
| <b>INVESTMENT ATTRACTIVENESS</b>   | + Big Game<br>+ Good Returns   | + Smart Game<br>+ Good Returns      | + Fair Game<br>+ Fair Returns      |  |  |
|  |  |                                     |                                    |  |  |
| <b>COMPETITIVE STRATEGIES</b>  | <b>Focused Differentiation</b><br><b>Value-added Niche Markets and Products</b>  |                                     |                                    |  |  |
|  |  |                                     |                                    |  |  |
| <b>INVESTMENT STRATEGIES</b>   | <b>Target Major Players as Anchor Operators and Champions</b><br><b>Broaden the Base to Local BBBEE, SMME's and Skills</b>   |                                     |                                    |  |  |
|  |  |                                     |                                    |  |  |
| <b>5.6</b>   | <b>CRITICAL SUCCESS FACTORS</b>  |                                     |                                    |  |  |
|  | <ul style="list-style-type: none"> <li>• <b>World-Class Infrastructure</b>, Facilities, Services</li> <li>• <b>Global Trade and Investment Promotion</b></li> <li>• <b>Efficient Logistics</b>, Supply Chain Management Pro-Active <b>Strategic Leadership</b></li> <li>• Active <b>Strategic Partnerships</b></li> <li>• Target <b>Major Industry Players</b></li> <li>• Secure <b>Public Sector Investment</b></li> <li>• Secure <b>Private Sector Investment</b></li> <li>• Practical <b>High-Impact Projects</b></li> </ul>  |                                     |                                    |  |  |
|  |  |                                     |                                    |  |  |
| <b>5.7</b>   | <b>MIDZ RISKS AND RISK MANAGEMENT</b>  |                                     |                                    |  |  |
|  | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <u><b>MISSING THE BOAT:</b></u> <ul style="list-style-type: none"> <li>• <b>IMPLEMENTATION BOTTLENECKS</b></li> <li>• <b>INSUFFICIENT INVESTMENT</b></li> <li>• <b>IMPLEMENTATION CAPACITY</b></li> <li>• <b>POOR PLANNING AND EXECUTION</b></li> <li>• <b>INSUFFICIENT SKILLS</b></li> <li>• <b>POOR TRADE PROMOTION</b></li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <u><b>COMMITMENT TO ACTION</b></u> <ul style="list-style-type: none"> <li><b>DRIVE ACTION PLANS</b></li> <li><b>BUILD CONFIDENCE</b></li> <li><b>ACTIVE PARTNERSHIPS</b></li> <li><b>GOOD PROJECT MGMT</b></li> <li><b>RESOURCING STRATEGY</b></li> <li><b>SERVICE AGREEMENTS</b></li> </ul> </td> </tr> </table> |                                     |                                    | <u><b>MISSING THE BOAT:</b></u> <ul style="list-style-type: none"> <li>• <b>IMPLEMENTATION BOTTLENECKS</b></li> <li>• <b>INSUFFICIENT INVESTMENT</b></li> <li>• <b>IMPLEMENTATION CAPACITY</b></li> <li>• <b>POOR PLANNING AND EXECUTION</b></li> <li>• <b>INSUFFICIENT SKILLS</b></li> <li>• <b>POOR TRADE PROMOTION</b></li> </ul> | <u><b>COMMITMENT TO ACTION</b></u> <ul style="list-style-type: none"> <li><b>DRIVE ACTION PLANS</b></li> <li><b>BUILD CONFIDENCE</b></li> <li><b>ACTIVE PARTNERSHIPS</b></li> <li><b>GOOD PROJECT MGMT</b></li> <li><b>RESOURCING STRATEGY</b></li> <li><b>SERVICE AGREEMENTS</b></li> </ul> |
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|   | • <b>ECONOMIC DOWNTURN</b>  | <b>SMART STRATEGIES</b>     |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
|---|---|-----------------------------|------------------------------------|--|--------------------------|------------------------------|--|--------|-----------------------------------|--|-------------------------|---|---|-----------------------------|-----------------------------------|---|------------------------|---------------------------------------|---|----------------------|---------------------|--|---------------------------|---------------------------------|--|------------------|--------------------------------|--|--------|-------------------------|--|-------------|-------------------------|--|-------------|----------------------------|--|--|----------------------------------|--|---------------|-------------------------------|--|-----------------------|
| <b>5.8</b>                                | <b>TOWARDS AN IDEAL MIDZ FINANCIAL MODEL</b>  |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>5.8.1</b>                              | <b>MIDZ BALANCE SHEET 2008-2011</b>   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
|   | <p><b>EMPLOYMENT OF CAPITAL</b></p> <table> <tr> <td>PROJECTS FUNDED</td> <td></td> <td>R 135M</td> </tr> <tr> <td>PROJECTS TO FUND</td> <td></td> <td>R 388M</td> </tr> <tr> <td><b>INFRASTRUCTURE</b></td> <td></td> <td><b>R 523M</b></td> </tr> <tr> <td><b>LAND AT VALUATION?</b></td> <td>&gt;</td> <td><b>R 500M</b></td> </tr> <tr> <td><b>FIXED ASSETS</b></td> <td>&gt;</td> <td><b>R1 000M</b></td> </tr> <tr> <td><b>WORKING CAPITAL? 2008-2011 Say</b></td> <td></td> <td><b>R 500M</b></td> </tr> <tr> <td><b>TOTAL ASSETS</b></td> <td></td> <td><b><u>R1 500M</u></b></td> </tr> </table><br><table> <tr> <td><b>CAPITAL EMPLOYED</b></td> <td></td> <td></td> </tr> <tr> <td><b>GOVERNMENT INVESTMENT</b></td> <td></td> <td>R 750M</td> </tr> <tr> <td>BUDGET FUNDING</td> <td></td> <td></td> </tr> <tr> <td>GROWTH FUND</td> <td></td> <td></td> </tr> <tr> <td>DFI FUNDING: DEBT / EQUITY</td> <td></td> <td></td> </tr> <tr> <td><b>PRIVATE SECTOR INVESTMENT</b></td> <td></td> <td><b>R 750M</b></td> </tr> <tr> <td><b>TOTAL CAPITAL REQUIRED</b></td> <td></td> <td><b><u>R1 500M</u></b></td> </tr> </table> |                             | PROJECTS FUNDED                    |  | R 135M                   | PROJECTS TO FUND             |  | R 388M | <b>INFRASTRUCTURE</b>             |  | <b>R 523M</b>           | <b>LAND AT VALUATION?</b>                 | > | <b>R 500M</b>               | <b>FIXED ASSETS</b>               | > | <b>R1 000M</b>         | <b>WORKING CAPITAL? 2008-2011 Say</b> |   | <b>R 500M</b>        | <b>TOTAL ASSETS</b> |  | <b><u>R1 500M</u></b>     | <b>CAPITAL EMPLOYED</b>         |  |                  | <b>GOVERNMENT INVESTMENT</b>   |  | R 750M | BUDGET FUNDING          |  |             | GROWTH FUND             |  |             | DFI FUNDING: DEBT / EQUITY |  |  | <b>PRIVATE SECTOR INVESTMENT</b> |  | <b>R 750M</b> | <b>TOTAL CAPITAL REQUIRED</b> |  | <b><u>R1 500M</u></b> |
| PROJECTS FUNDED                           |   | R 135M                      |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| PROJECTS TO FUND                          |   | R 388M                      |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>INFRASTRUCTURE</b>                     |   | <b>R 523M</b>               |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>LAND AT VALUATION?</b>                 | >   | <b>R 500M</b>               |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>FIXED ASSETS</b>                       | >   | <b>R1 000M</b>              |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>WORKING CAPITAL? 2008-2011 Say</b>     |   | <b>R 500M</b>               |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TOTAL ASSETS</b>                       |   | <b><u>R1 500M</u></b>       |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>CAPITAL EMPLOYED</b>                   |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>GOVERNMENT INVESTMENT</b>              |   | R 750M                      |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| BUDGET FUNDING                            |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| GROWTH FUND                               |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| DFI FUNDING: DEBT / EQUITY                |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>PRIVATE SECTOR INVESTMENT</b>          |   | <b>R 750M</b>               |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TOTAL CAPITAL REQUIRED</b>             |   | <b><u>R1 500M</u></b>       |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>5.8.2</b>                              | <b>BUSINESS INVESTOR<br/>BALANCE SHEET: 2008-2011</b>   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
|   | <table> <tr> <td><b>TOTAL INVESTMENT: MIDZ X 10</b></td> <td></td> <td><b><u>R15 000M</u></b></td> </tr> <tr> <td><b>CAPITAL EMPLOYED</b></td> <td></td> <td></td> </tr> <tr> <td>EQUITY 50%</td> <td></td> <td>R 7 500M</td> </tr> <tr> <td>DEBT 50%</td> <td></td> <td>R 7 500M</td> </tr> <tr> <td><b>TOTAL CAPITAL EMPLOYED</b></td> <td></td> <td><b><u>R15 000M</u></b></td> </tr> </table>   |                             | <b>TOTAL INVESTMENT: MIDZ X 10</b> |  | <b><u>R15 000M</u></b>   | <b>CAPITAL EMPLOYED</b>      |  |        | EQUITY 50%                        |  | R 7 500M                | DEBT 50%                                  |   | R 7 500M                    | <b>TOTAL CAPITAL EMPLOYED</b>     |   | <b><u>R15 000M</u></b> |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TOTAL INVESTMENT: MIDZ X 10</b>        |   | <b><u>R15 000M</u></b>      |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>CAPITAL EMPLOYED</b>                   |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| EQUITY 50%                                |   | R 7 500M                    |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| DEBT 50%                                  |   | R 7 500M                    |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TOTAL CAPITAL EMPLOYED</b>             |   | <b><u>R15 000M</u></b>      |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>5.8.3</b>                              | <b>BUSINESS INVESTOR<br/>INCOME STATEMENT: BY 2011 + 20% PA</b>   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
|   | <p><b>TARGET TURNOVER:</b></p> <table> <tr> <td>ASSETS X 1-2</td> <td></td> <td><b>R15 000 - 30 000M</b></td> </tr> <tr> <td><b>TARGET NET PROFIT</b></td> <td></td> <td></td> </tr> <tr> <td>Say &gt; 10%</td> <td></td> <td><b>R 1 500 - 3 000M</b></td> </tr> <tr> <td>Excluding IDZ Incentives and Cost Savings</td> <td></td> <td></td> </tr> <tr> <td><b>TARGET ROI</b></td> <td>&gt;</td> <td><b>10% - 20%</b></td> </tr> <tr> <td><b>TARGET ROE</b></td> <td>&gt;</td> <td><b>20% - 40%</b></td> </tr> </table>   |                             | ASSETS X 1-2                       |  | <b>R15 000 - 30 000M</b> | <b>TARGET NET PROFIT</b>     |  |        | Say > 10%                         |  | <b>R 1 500 - 3 000M</b> | Excluding IDZ Incentives and Cost Savings |   |                             | <b>TARGET ROI</b>                 | > | <b>10% - 20%</b>       | <b>TARGET ROE</b>                     | > | <b>20% - 40%</b>     |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| ASSETS X 1-2                              |   | <b>R15 000 - 30 000M</b>    |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TARGET NET PROFIT</b>                  |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| Say > 10%                                 |   | <b>R 1 500 - 3 000M</b>     |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| Excluding IDZ Incentives and Cost Savings |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TARGET ROI</b>                         | >   | <b>10% - 20%</b>            |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>TARGET ROE</b>                         | >   | <b>20% - 40%</b>            |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>5.8.4</b>                              | <b>MIDZ INCOME STATEMENT BY 2011</b>  |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
|   | <p><b>REVENUE: TURNOVER</b></p> <table> <tr> <td><b>R15-30 000M X 5-10%</b></td> <td></td> <td><b>R750 – 1 500M</b></td> </tr> <tr> <td>• Service Fees / Commissions</td> <td></td> <td></td> </tr> <tr> <td>• Sale or Lease of Serviced Sites</td> <td></td> <td></td> </tr> <tr> <td><b>OPERATING COSTS</b></td> <td></td> <td><b><u>R600 – 1 200M</u></b></td> </tr> <tr> <td>• Direct: Personnel, Rentals etc.</td> <td></td> <td>R100 - 200M</td> </tr> <tr> <td>• Indirect: ICT, Marketing etc.</td> <td></td> <td><u>R500 – 1 000M</u></td> </tr> <tr> <td><b>NET PROFIT:</b></td> <td></td> <td><b><u>R150 - 300M</u></b></td> </tr> <tr> <td><b>ROI: ON INVESTMENT R750M</b></td> <td></td> <td><b>20% - 40%</b></td> </tr> <tr> <td>NOT Intended to be a Cash Cow!</td> <td></td> <td></td> </tr> <tr> <td>• APPLIED TO REPAY DEBT</td> <td></td> <td>R 75 - 150M</td> </tr> <tr> <td>• APPLIED TO INVESTMENT</td> <td></td> <td>R 75 - 150M</td> </tr> </table>  |                             | <b>R15-30 000M X 5-10%</b>         |  | <b>R750 – 1 500M</b>     | • Service Fees / Commissions |  |        | • Sale or Lease of Serviced Sites |  |                         | <b>OPERATING COSTS</b>                    |   | <b><u>R600 – 1 200M</u></b> | • Direct: Personnel, Rentals etc. |   | R100 - 200M            | • Indirect: ICT, Marketing etc.       |   | <u>R500 – 1 000M</u> | <b>NET PROFIT:</b>  |  | <b><u>R150 - 300M</u></b> | <b>ROI: ON INVESTMENT R750M</b> |  | <b>20% - 40%</b> | NOT Intended to be a Cash Cow! |  |        | • APPLIED TO REPAY DEBT |  | R 75 - 150M | • APPLIED TO INVESTMENT |  | R 75 - 150M |                            |  |  |                                  |  |               |                               |  |                       |
| <b>R15-30 000M X 5-10%</b>                |   | <b>R750 – 1 500M</b>        |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| • Service Fees / Commissions              |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| • Sale or Lease of Serviced Sites         |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>OPERATING COSTS</b>                    |   | <b><u>R600 – 1 200M</u></b> |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| • Direct: Personnel, Rentals etc.         |   | R100 - 200M                 |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| • Indirect: ICT, Marketing etc.           |   | <u>R500 – 1 000M</u>        |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>NET PROFIT:</b>                        |   | <b><u>R150 - 300M</u></b>   |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| <b>ROI: ON INVESTMENT R750M</b>           |   | <b>20% - 40%</b>            |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| NOT Intended to be a Cash Cow!            |   |                             |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| • APPLIED TO REPAY DEBT                   |   | R 75 - 150M                 |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |
| • APPLIED TO INVESTMENT                   |   | R 75 - 150M                 |                                    |  |                          |                              |  |        |                                   |  |                         |   |   |                             |                                   |   |                        |                                       |   |                      |                     |  |                           |                                 |  |                  |                                |  |        |                         |  |             |                         |  |             |                            |  |  |                                  |  |               |                               |  |                       |

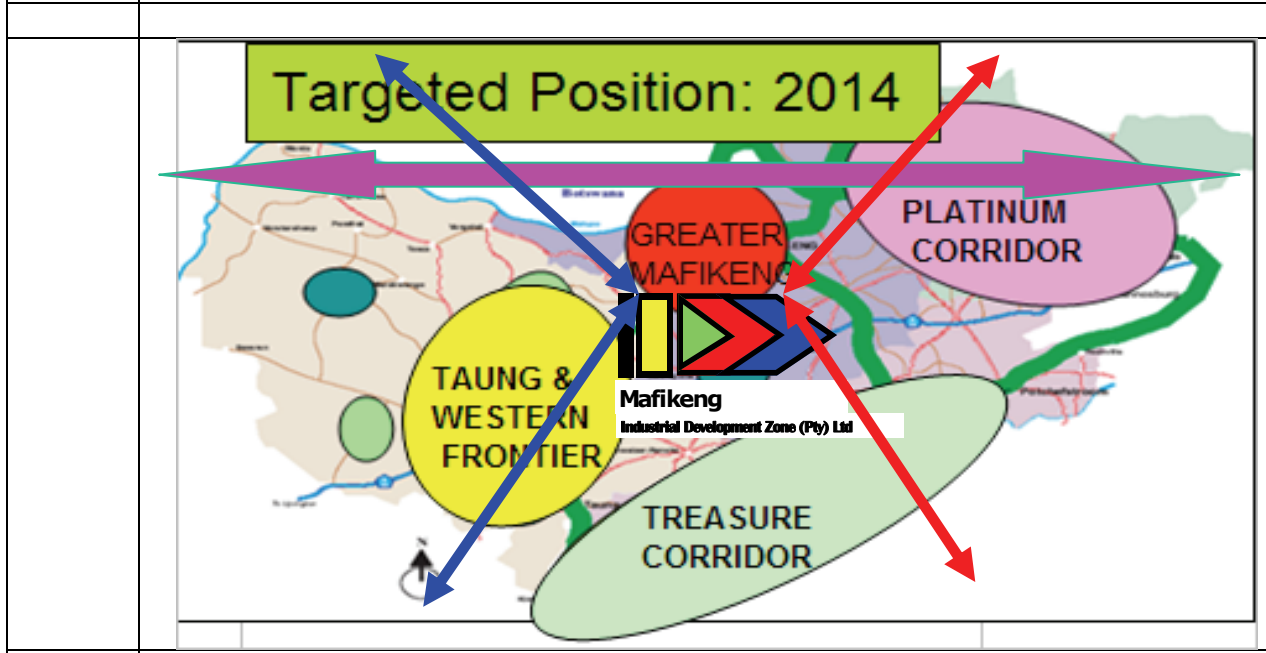


|               |  |  |
|---------------|--|--|
|               | <ul style="list-style-type: none"> <li>• <b>Complete aircraft engine overhauls;</b> <ul style="list-style-type: none"> <li>- <b>Routine maintenance</b> services;</li> <li>- <b>Stock holding</b> and on-selling of key components/spares;</li> <li>- <b>Component</b> manufacturing including the fuselage, navigational aids, etc</li> <li>- <b>Staff training and management</b> outsourcing contracts;</li> </ul> </li> <li>• <b>Safety inspections</b> and calibration services of aeroplanes of airlines</li> <li>• <b>Applying for Foreign Operator Permits (FOP's)</b> to provide air services into the region on behalf of the National Department of Transport, the International Air Services Licensing Council of South Africa and SADC member states, etc.</li> </ul>   |  |
| <b>5.13</b>   | <b>MINERALS AND ENERGY BENEFICIATION</b>   |  |
| <b>5.13.1</b> | <ul style="list-style-type: none"> <li>• <b>DIAMONDS:</b> Cutting, Polishing, Jewellery, Industrial</li> <li>• <b>REGIONAL DIAMOND EXCHANGE:</b> <ul style="list-style-type: none"> <li>• <b>State Diamond</b> Trader Allocations</li> <li>• <b>Regional Trade &amp; Cooperation</b></li> </ul> </li> <li>• <b>PLATINUM GROUP METALS:</b> <ul style="list-style-type: none"> <li>• <b>Short-term:</b> Catalytic Converters, Diesel Particulate Filters</li> <li>• <b>Industrial:</b> Plate, Tube, Wire, Granules, Chemicals</li> <li>• <b>Long-term: Jewellery</b></li> </ul> </li> <li>• <b>GOLD:</b> Jewellery, Industrial, Dental, Recycling, Reclamation, Refining</li> <li>• <b>FERROUS METALS:</b> Chromium, Vanadium, Manganese, Silicon, Iron Ore?</li> <li>• <b>NON-FERROUS METALS:</b> Aluminium, Antimony, Cobalt, Copper, Lead, Nickel, Titanium, Zinc, Zirconium, Other?</li> <li>• <b>INDUSTRIAL MINERALS:</b> Aggregate, Alumino, Dimension Stone, Fluorspar, Phosphate, Clays, Sulphur, Vermiculite, Other?</li> </ul> |  |
| <b>5.13.2</b> | <b>ENERGY</b><br><b>Opportunities and Challenges arising from</b><br>The National <b>Energy Emergency Plan</b><br>The Need for <b>Sustainable</b> Renewable Energy   |  |
|               | <ul style="list-style-type: none"> <li>• <b>Solar Heating Systems</b> – Projects identified</li> <li>• <b>Petroleum Beneficiation</b> and Bulk Storage <b>Bio-diesel</b> - Projects identified</li> <li>• <b>Bio-ethanol</b> –pending Government Review</li> <li>• <b>Energy Minerals</b> – To be explored eg. Carbons, Hydro-carbons, Uranium</li> <li>• <b>Other</b> eg. Generators, Hydro, Nuclear, Wind</li> </ul>   |  |
| <b>5.14</b>   | <b>AGRO-PROCESSING</b><br><b>Specific Opportunities, Requirements, Strategies, Value Chains and Regional Linkages for Agro-Processing Businesses, including:</b>   |  |
|               | <ul style="list-style-type: none"> <li>• <b>MEAT:</b> Red Meat Processing, Canning, Branding, Marketing etc.</li> <li>• <b>LEATHER:</b> Tanning and Products</li> <li>• <b>BIO-FUEL:</b> Bio-Diesel and Bio-Ethanol</li> <li>• <b>VEGETABLES:</b> Production, Processing, Marketing</li> <li>• <b>OTHER:</b> Floriculture, Food, Fruit, Aquaculture, Hydroponics</li> <li>• <b>MIDZ FACILITIES:</b> <ul style="list-style-type: none"> <li>• Meat Processing,</li> <li>• Tanning,</li> <li>• Game Trading,</li> <li>• Cold Storage,</li> <li>• Canning,</li> <li>• Packaging,</li> <li>• Supply Chain Management etc.</li> </ul> </li> </ul>   |  |

| <b>NATIONAL AND PROVINCIAL CONTEXT</b> |   |
|--|---|
| <b>5.15</b>                            | <b>ASGISA:<br/>Accelerated and Shared Growth Initiative for SA</b> <ul style="list-style-type: none"> <li>• <b>Accelerating GDP Growth:</b> to Ave 4.5% 2006-2010; 6% 2010-2014</li> <li>• <b>Halving Unemployment and Poverty</b> by 2014</li> </ul>   |
| <b>5.15.1</b>                          | <b>Key Strategic Initiatives to Overcome Constraints</b> <ol style="list-style-type: none"> <li>1. <b>Macro-Economic</b> Stabilisation: Balanced Fiscal and Monetary Policy</li> <li>2. <b>Infrastructure Investment:</b> Increasing to 25% of GDP; +/- R580b in the National Logistics System: Efficiency, Competition, Reducing Costs</li> <li>3. <b>Industrial Policy, Sector Strategies,</b> Incentives</li> <li>4. <b>Integrating 2nd Economy,</b> Eradicating Poverty</li> <li>5. <b>Education &amp; Skills - JIPSA:</b> Joint Initiative for Priority Skills Acquisition</li> <li>6. <b>Improving State Capacity</b> and Strategic Leadership</li> </ol>   |
| <b>5.15.2</b>                          | <b>Progress 2006-2007</b> <ul style="list-style-type: none"> <li>• <b>Growth Increased to 5.3%</b> in 2007</li> <li>• <b>Employment Increased 1.3m Jobs</b> 2005-2007</li> <li>• <b>Expanding Middle Income Groups &gt;2.5m</b></li> <li>• <b>Poverty Alleviation</b> programmes and grants</li> <li>• <b>Good Strategies</b> and Programmes</li> <li>• <b>23 Apex Priorities</b> and Programmes of Action</li> </ul> <p style="text-align: center;"><b>Major Challenges in 2008</b></p> <ul style="list-style-type: none"> <li>• <b>Global downturn</b></li> <li>• <b>Energy crisis</b></li> <li>• <b>Political Transition</b></li> <li>• <b>Declining Growth</b></li> <li>• <b>Threat of Job Losses</b></li> <li>• <b>Increasing Inflation and Interest Rates</b></li> <li>• <b>Increasing Trade Deficit</b></li> <li>• <b>Declining Currency</b></li> <li>• <b>Implementation lagging</b></li> </ul> <p style="text-align: center;"><b>Need</b></p> <ul style="list-style-type: none"> <li>• <b>New Strategies</b> to move to the next level</li> <li>• <b>New Projects such as MIDZ</b></li> <li>• <b>Pro-active Leadership</b></li> <li>• <b>Political Will and Unity</b></li> <li>• <b>Integrate ANC Polokwane Resolutions</b></li> <li>• <b>Accelerate Implementation</b></li> </ul> |
| <b>5.15.3</b>                          | <b>Macro-economic: Mixed Progress and Outlook</b> <ul style="list-style-type: none"> <li>• <b>Budget surplus:</b> Need Fiscal Expansion</li> <li>• <b>Increasing Inflation:</b> High Oil and Food Prices and Consumer Demand</li> <li>• <b>Increasing Interest rates</b></li> <li>• <b>Decreasing Currency</b></li> <li>• <b>Trade deficit &gt; 8% GDP</b></li> <li>• <b>Need to increase Tradeable Exports</b></li> <li>• <b>Need to Increase Confidence</b></li> </ul>  |
| <b>5.15.4</b>                          | <b>Infrastructure Investment</b> <ul style="list-style-type: none"> <li>• <b>Increased to &gt;20% GDP</b></li> <li>• <b>Under-spending improving</b></li> </ul>   |

|               |   |  |
|---------------|---|--|
|               | <ul style="list-style-type: none"> <li>• <b>Need to maintain momentum</b></li> <li>• <b>Need new measures to boost confidence</b></li> </ul>  |  |
| <b>5.15.5</b> | <b>Industrial Policy and Sector Strategies</b> <ul style="list-style-type: none"> <li>• <b>NIPF:</b> National Industrial Policy Framework</li> <li>• <b>IPAP:</b> Industrial Policy Action Plan</li> <li>• <b>RIDS:</b> Regional Industrial Development Strategies</li> <li>• <b>Sector Strategies</b></li> <li>• <b>New Incentives: &gt; R5b in Budget</b></li> <li>• <b>Need to Accelerate Implementation</b></li> </ul>  |  |
| <b>5.15.6</b> | <b>Integrating the 2nd Economy and Eradicating Poverty</b> <ul style="list-style-type: none"> <li>• <b>More Ambitious Direct</b> Job Creation, Poverty Eradication and Integration Programmes</li> <li>• <b>Need to Accelerate Implementation:</b> <ul style="list-style-type: none"> <li>• <b>BBEEEE:</b> All aspects of the Codes</li> <li>• <b>SMME</b> Development and Financing</li> <li>• <b>EPWP:</b> Expanded Public Works Programmes</li> <li>• <b>Integrated Housing &amp;</b> Human Settlements</li> <li>• <b>LED:</b> Local Economic Development Projects</li> </ul> </li> </ul>  |  |
| <b>5.15.7</b> | <b>Education and Skills Development</b> <ul style="list-style-type: none"> <li>• <b>JIPSA:</b> Joint Initiative for Priority Skills Acquisition continuing <ul style="list-style-type: none"> <li>• <b>Artisans</b></li> <li>• <b>Engineers and Technical</b></li> <li>• <b>Education and Healthcare Management</b></li> <li>• <b>Financial Management</b></li> <li>• <b>General Management</b></li> <li>• <b>Project Management</b></li> </ul> </li> <li>• <b>Need to Increase scope and impact</b> <ul style="list-style-type: none"> <li>• <b>Education</b> improvements</li> <li>• <b>Skills Development</b> Programmes</li> <li>• <b>Learnerships</b></li> <li>• <b>Business Training</b> commitments</li> <li>• <b>Employment</b> Programmes</li> </ul> </li> </ul> |  |
| <b>5.15.8</b> | <b>Improving State Capacity and Strategic Leadership</b> <p><b>Need to Continue and Accelerate Key Programmes</b></p> <ul style="list-style-type: none"> <li>• <b>Strategic Leadership</b> in a dynamic environment</li> <li>• <b>Key Skills and Capacity Development</b> in National, Provincial and Local Government</li> <li>• <b>Siyenza Manje:</b> Hands-on assistance to local government</li> <li>• <b>PPP's:</b> Public Private Partnerships</li> <li>• <b>Reverse the Brain-Drain</b></li> <li>• <b>Fill Vacant Posts</b></li> </ul>   |  |
| <b>5.16</b>   | <b>ALIGNING WITH REGIONAL ECONOMIC DEVELOPMENT STRATEGIES AND PROJECTS</b>  |  |
|               | <ul style="list-style-type: none"> <li>• <b>RIDS:</b> Balanced Regional Industrial Development Strategies and Incentives:</li> </ul>  |  |

- IDZ's, Industrial Parks, Industry Hubs
- **NSDP:** National Spatial Development Perspective: Reviewing Areas of Need and Opportunity for Investment
- **N WEST PGDS:** Provincial Growth and Development Strategy
- **N WEST PSDS:** Provincial Spatial Development Strategies
- **N WEST PGF:** Provincial Growth Fund
- **Growth, Investment, Employment Targets** by District and Sector
- **District GDS:** Growth and Development Strategies and Projects
- **LED:** Local Economic Development Strategies and Projects
- **SDI'S:** Strategic Development Initiatives and Development Corridor Strategies and Projects
  - **Platinum Corridor**
  - **Treasure Route**
  - **Western Frontier**



**5.17**

**ALIGNMENT WITH  
IPAP: INDUSTRIAL POLICY ACTION PLAN,  
SECTOR STRATEGIES & NEW INCENTIVES R5b**

**MIDZ DIRECT PRIORITY SECTORS**

- **AGRICULTURE AND AGRO-PROCESSING**
- **MANUFACTURING:** Value-Added Industries
- **MINERALS BENEFICIATION:**
- **METALS:** Value-added Fabrication
- **EXPORT AND TRADE PROMOTION**

**1ST 3 ASGISA PRIORITY SECTORS**

- **TOURISM:** Domestic and International, Business & Leisure, 2010 R17b
- **BPO&O:** Business Process Outsourcing & Offshoring, Call Centres +/- R1b
- **BIO-FUELS:** 2% Bio-diesel Blend by 2015; Bio-Ethanol under Review

**4 NEW LEAD SECTORS**

- **AUTOMOTIVE AND COMPONENTS:** New MIDP to double to 1.2m
- **CAPITAL AND TRANSPORT EQUIPMENT:** Import Replacement
- **CHEMICALS AND PHARMACEUTICALS:** Low Cost, Value Added
- **FORESTRY PRODUCTS:** Wood Products, Furniture, Pulp and Paper

**OTHER PRIORITY SECTORS**

|     |  |  |
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|     | <ul style="list-style-type: none"> <li>• <b>CONSTRUCTION:</b> Infrastructure; EPWP: <b>CONSUMER DURABLES:</b> Electronic Appliances, Mass Consumer Goods</li> <li>• <b>CLOTHING AND TEXTILES:</b> Competitiveness in Global Niche Markets</li> <li>• <b>CREATIVE SECTORS:</b> Arts, Crafts, Culture Hubs, Sports, Tourism, 2010</li> <li>• <b>RETAIL DEVELOPMENT:</b> With a Small Enterprise Focus</li> </ul>   |  |
| 6.  | <p style="text-align: center;"><b>CHALLENGES FACING MIDZ<br/>Vis a Vis National IDZ Policy</b></p> <p style="text-align: center;">North West Dept. of Economic Development &amp; Tourism, Chief Director Mr Abby Tlaletsi</p>  |  |
|     | <b>IDZ DRAFT OPERATIONAL GUIDELINES FEB '08</b>  |  |
| 6.1 | <p style="text-align: center;"><b>Definitions</b></p> <ul style="list-style-type: none"> <li>• <b>IDZ</b> - an area designated by the <b>Minister</b> as an Industrial Development Zone in terms of and in accordance with the <b>IDZ Regulations</b>.</li> <li>• <b>IDZ Enterprise</b> - Any person or entity that has entered into an <b>agreement</b> with an <b>IDZ Operator</b> for the right to locate in the IDZ. The agreement must be in accordance with the <b>IDZ Programme</b>.</li> <li>• <b>IDZ Operator Permit</b> -The permit granted by the <b>Minister</b> of Trade and Industry to a company <b>authorizing that company</b> to develop and operate a new or existing IDZ in accordance with the IDZ Programme.</li> <li>• <b>Industries and Services Area (ISA)</b> - An area or location <b>outside of the Customs Controlled Area (CCA)</b> where manufacturing and services industries that may <b>not be importers or exporters</b>; and <b>services</b> industries in <b>support</b> of the CCA operations and general IDZ development (including, but not limited to, logistical services, transportation services, distribution services etc.), may locate.</li> <li>• <b>Port</b> - A place (sea port or airport) appointed or approved by the Commissioner of the South African Revenue Service (<b>SARS</b>) under the Customs and Excise Act, 1964 (Act 91 of 1964) through which goods may be <b>imported or exported</b> for customs and excise purposes.</li> <li>• <b>CCA Enterprise</b> - An IDZ Enterprise that has entered into an agreement with an IDZ Operator in accordance with the IDZ Programme, for the <b>right to locate in a CCA</b> and that is registered or licensed in terms of and in accordance with the relevant <b>SARS</b> legislation.</li> </ul> |  |
| 6.2 | <p style="text-align: center;"><b>IDZ OBJECTIVES AND RATIONALE</b></p> <p>The IDZ programme is aimed at promoting the competitiveness of South African enterprises through <b>leveraging investment in export-oriented manufacturing industries</b> and promoting the competitiveness of South African firms through the export of value-added manufactured products.</p> <ul style="list-style-type: none"> <li>• <b>Position South African-based manufacturing</b> industries to meet the challenges of <b>globalisation</b>,</li> <li>• <b>Attract advanced foreign production and technology methods</b> in order to gain experience in global manufacturing and production networks through attracting <b>foreign direct investment (FDI)</b>,</li> <li>• Develop <b>linkages between local and international-based</b> industries,</li> <li>• Provide <b>world class infrastructure</b> and proximity to <b>international ports</b> to offer <b>low cost and efficient logistics services</b>,</li> <li>• <b>Provide services</b> to facilitate <b>overcoming</b> administrative <b>hurdles for investors</b> securing permits required for their operations.</li> </ul>   |  |
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| 6.3 | <p style="text-align: center;"><b>IDZ CHARACTERISTICS</b></p> <ul style="list-style-type: none"> <li>• <b>A CCA</b> with dedicated SARS officials to provide support with customs and VAT requirements,</li> <li>• <b>An industries and services area within the borders of the IDZ ,</b></li> <li>• <b>World class infrastructure</b> linked to an international port of entry.</li> </ul>  |  |
| 6.4 | <p style="text-align: center;"><b>CUSTOMS CONTROLLED AREA (CCA)</b></p> <ul style="list-style-type: none"> <li>• <b>Duty rebate and VAT exemption</b> on imports of production-related raw materials, including machinery and assets, to be used in production with the aim of exporting the finished products,</li> <li>• <b>VAT suspension</b> under specific conditions for supplies procured in South Africa,</li> <li>• <b>Efficient</b> and expedited <b>Customs administration.</b></li> </ul>  |  |
| 6.5 | <p style="text-align: center;"><b>GUIDELINES FOR DESIGNATION OF THE IDZ's</b></p> <p>In order to enable the <b>Minister</b> to consider an area suitable for the development of an IDZ and grant the accompanying <b>operator permit</b> in terms of the <b>Regulations</b>, the applicant must submit a <b>Business Plan</b> setting out at least the following aspects (additional information may however be requested):</p> <ul style="list-style-type: none"> <li>• The <b>rationale</b> behind the application for IDZ designation and an IDZ Operator Permit.</li> <li>• <b>Broad economic analysis</b> of the province in which the IDZ is to be located, unemployment figures for the province, the proposed theme(s) of the IDZ and the industrial clusters envisaged.</li> <li>• Details of the <b>applicant</b> i.e. <b>statutory documentation</b> around the establishment of the company that is intending to operate the IDZ, and the proposed ownership and management structure of the company. Where a legal person has shares or an interest in the applicant company, the details of the shareholders / members and directors of that legal entity.</li> <li>• A <b>physical master plan</b> of the proposed IDZ i.e. physical location, location and boundary of industries and services area, location and boundary of CCA, <b>infrastructure</b> development plan and <b>construction plan</b> with delivery timeframes and proposed security measures to ensure the lawful operation of the proposed IDZ.</li> <li>• Demonstration of how the applicant intends to <b>provide utilities</b> i.e. electricity, water, hazardous waste facilities, refuse disposal facilities etc. (In this regard the applicant must indicate all written or verbal arrangements that have been made with the suppliers of such utilities)</li> <li>• A <b>financial analysis and projection</b> for 5 years including the budget for the first 3 years. The expected financial years for break-even and for a surplus must be indicated. In the case of a new IDZ, the applicant must indicate access to financial resources equal to at least 20% of the development cost of the first phase of the proposed IDZ at the time of the conclusion of the IDZ operator agreement.</li> <li>• Estimated <b>employment</b> opportunities to be quantified i.e. a distinction to be made between employment during construction and operational phase, direct and indirect employment, and permanent and temporary employment.</li> <li>• An outline of the <b>marketing plan</b> detailing the services to <b>promote foreign direct investment</b> is required.</li> <li>• Overall <b>Action Plan</b> of the IDZ development and indication of the date on which the initial phase of the IDZ is estimated to be operational and the anticipated implementation of subsequent phases of the proposed IDZ i.e. business plan milestones</li> </ul> |  |
| 6.6 | <p style="text-align: center;"><b>DESIGNATION OF AN IDZ</b></p> <p>The <b>Minister</b> may identify an area as suitable for development of an Industrial</p>   |  |

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|              | Development Zone by notice in the <b>Gazette</b> if the Minister is satisfied that designation of the area as an <b>IDZ will:</b>   |  |
| <b>6.6.1</b> | <p><b>(1) Facilitate the creation of an industrial complex having strategic economic advantage;</b></p> <p><b>Factors</b> to be considered may, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• The potential to develop a <b>critical mass</b> or a <b>cluster of enterprises</b> required to achieve <b>commercial viability of a proposed IDZ</b>, based on <b>specific priority sectors identified in government's industrial policy framework;</b></li> <li>• The potential to develop a <b>profile of mainly foreign direct investments</b> focused on <b>exports of value-added manufactured products;</b> and</li> <li>• <b>An analysis of existing infrastructure</b> to support IDZ development, including <b>access to land and municipal services and utilities.</b></li> </ul> |  |
| <b>6.6.2</b> | <p><b>(2) Provide the location for the establishment of strategic investments;</b></p> <p><b>Factors</b> to be considered may, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• In terms of location, it is envisaged that the IDZ be linked to an <b>international port of entry (see definitions)</b> and be in close <b>proximity to local</b> and, more specifically, <b>international markets as outlined in the National Industrial Policy Framework (NIPF).</b> The location should allow for connectivity to the existing <b>transport infrastructure</b> and allow for the provision of <b>bulk services at competitive rates</b> for strategic investments.</li> </ul>   |  |
| <b>6.6.3</b> | <p><b>(3) Enable the exploitation of resource-intensive industries;</b></p> <p><b>Factors</b> to be considered may, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• The IDZ be located in close <b>proximity to natural resources</b> for which there is a <b>growing international demand.</b> The natural resource-based sector is identified as one of five sector groupings in which industrial growth and employment creation is anticipated, according to the NIPF.</li> </ul>  |  |
| <b>6.6.4</b> | <p><b>(4) Take advantage of existing industrial capacity, promote integration with local industry and increase value-added production;</b></p> <p><b>Factors</b> to be considered may, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• Provide <b>targeted industrial activities</b> and demonstrate how these will <b>broaden and deepen the existing manufacturing base</b> within the area in order to promote further <b>integration</b> with the local industry; and</li> <li>• Provide an <b>assessment of the immediate and intermediate environment of existing industry.</b></li> </ul>  |  |
| <b>6.6.5</b> | <p><b>(5) Create employment and other economic and social benefits in the region in which it is located;</b></p> <p><b>Factors</b> to be considered may, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• <b>Employment opportunities to be quantified</b> with a distinction drawn between employment during construction and operational phases, direct and indirect employment, and permanent and temporary employment; and</li> <li>• <b>Potential benefit quantified in monetary terms</b> of the contribution to the household income due to the IDZ project.</li> </ul>   |  |
| <b>6.6.6</b> | <p><b>(6) Be consistent with any applicable national policies and law, as determined by appropriate environmental, economic and technical analyses.</b></p> <p><b>Factors</b> to be considered may, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• Compliance with <b>all environmental requirements</b> (including strategic</li> </ul>   |  |

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|               | <p>environmental assessments and environmental approvals required) is needed in line with the Environmental Conservation Act, as amended (Act No. 73 of 1989); and</p> <ul style="list-style-type: none"> <li>• <b>Current environmental conditions</b> that might hamper development, as well as <b>proposed steps</b> to overcome such conditions.</li> </ul>   |  |
| <b>6.7</b>    | <b>RIGHTS OF AN IDZ OPERATOR</b>  |  |
| <b>6.7(a)</b> | <p><b>(a) After obtaining an IDZ operator permit from the Minister, a IDZ operator may:-</b></p> <p>[Regulation 18 (a) substituted by Section 15 (a) of Government Notice No. R1065 as published in the Government Gazette No. 29320 of 27 October 2006]</p> <ol style="list-style-type: none"> <li>1) <b>develop and operate an Industrial Development Zone</b> in the area designated in the operator permit, including all infrastructure, utilities, buildings, warehouses, factory shells and other facilities and improvements necessary for its operation“;</li> <li>2) <b>freely make investments and earn money</b> from investments made in connection with the Industrial Development Zone;</li> <li>3) <b>sell, lease or sublet property</b> within the IDZ, including land and buildings, to IDZ enterprises or IDZ service providers;</li> <li>4) <b>impose and collect rent, service charges and other fees</b> from IDZ enterprises;</li> <li>5) <b>assign the rights to the revenue</b> of the IDZ to any person as security for a loan to fund the development or expansion of the IDZ;</li> <li>6) <b>assign the rights to the property</b> of the IDZ to any person as security for a loan to fund the development or expansion of the IDZ;</li> <li>7) <b>provide and co-ordinate</b> the provision of <b>utilities and services</b> to IDZ enterprises;</li> <li>8) advertise and promote the <b>IDZ</b> to potential <b>local</b> and foreign investors, businesses and service providers;</li> <li>9) <b>contract with public and private service</b> providers for the provision of infrastructure, utilities and other services to the IDZ;</li> <li>10) <b>contract</b> with any other person to perform any of its functions in terms of this Regulation or the IDZ operator permit;</li> <li>11) <b>adopt and apply rules</b> within the IDZ to promote its safe, healthy and efficient operation in terms of all applicable legislation</li> <li>12) <b>exercise any other right</b>, incentive or benefit accorded to an IDZ operator or an IDZ enterprise in terms of this Regulation or any other legislation.</li> </ol> <ul style="list-style-type: none"> <li>• in accordance with this Regulation, the IDZ operator permit, section 21A of the Customs and Excise Act, 1964 (Act no. 91 of 1964) and any rules made there-under, approve or disapprove of any IDZ enterprise locating within the subject IDZ.</li> <li>• [Regulation 18 (a) (13) inserted by Section 15 (b) of Government Notice No. R1065 as published in the Government Gazette No. 29320 of 27 October 2006]</li> </ul> |  |
| <b>6.7(b)</b> | <p><b>(b) A rule made in terms of Regulation, 18 sub-section (a) (11) shall be invalid if it is not in compliance with any applicable law or standard or the IDZ operator permit.</b></p> <p>[Regulation 18 (b) substituted by Section 15 (c) of Government Notice No. R1065 as published in the Government Gazette No. 29320 of 27 October 2006]</p>   |  |
| <b>6.8</b>    | <b>ENTITLEMENT TO IDZ BENEFITS</b>  |  |
|               | <p><b>(a) All IDZ operators and enterprises are entitled to the benefits and incentives</b> of the South Africa IDZ programme in terms of this Regulation and other applicable law and as prescribed from time to time by the Minister.</p> <p><b>(b) All IDZ operators and enterprises conducting business in the customs controlled area shall also enjoy the benefits and incentives attaching to</b></p>  |  |

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|      | <p><b>businesses in the CCA</b> in terms of this Regulation and other applicable law and as prescribed from time to time by the Minister.<br/> [Regulation 33 (b) substituted by section 29 (a) of Government Notice No. R1065 as published in the Government Gazette No. 29320 of 27 October 2006]</p> <ul style="list-style-type: none"> <li>• <b>An IDZ operator or IDZ enterprise shall be entitled to apply for any other benefits or incentives</b> offered from time to time by the Republic of South Africa</li> </ul>  |  |
| 6.9  | <p style="text-align: center;"><b>MIDZ CHALLENGES</b></p> <ol style="list-style-type: none"> <li>1. <b>Operator Permit</b> <ul style="list-style-type: none"> <li>➤ Port (Airport License)</li> </ul> </li> <li>2. <b>Financial Resources</b></li> <li>3. <b>Capacity Building</b> <ul style="list-style-type: none"> <li>➤ Internal</li> <li>➤ External</li> </ul> </li> <li>4. <b>Lost Time/Effort Management</b></li> <li>5. <b>Focusing</b> <ul style="list-style-type: none"> <li>➤ Doing right things right</li> </ul> </li> </ol>  |  |
| 6.10 | <p style="text-align: center;"><b>CONCLUSION</b><br/> <b>Ernest Hemingway</b></p> <p style="text-align: center;">“Now is no time to think of what you do not have. Think of what you can do with what there is.”</p>  |  |
| 7.   | <p style="text-align: center;"><b>INDUSTRIAL DEVELOPMENT ZONES (IDZ) PROGRAMME</b><br/> <b>The dti IDZ Unit, Ms Gomolemo Antoinette Baepi</b></p> <ol style="list-style-type: none"> <li>1. <b>IDZ Programme overview;</b> <ul style="list-style-type: none"> <li>– Objectives and benefits;</li> <li>– Programme definition;</li> <li>– Legal framework</li> </ul> </li> <li>2. <b>Critical Success Factors;</b></li> <li>3. <b>Alignment</b> with national and provincial policies</li> <li>4. <b>IDZ location factors;</b></li> <li>5. <b>Proposed Stakeholder roles;</b></li> <li>6. <b>Challenges</b> experienced to date;</li> <li>7. <b>Policy proposals</b> to address challenges;</li> <li>8. <b>General analysis.</b></li> </ol>  |  |
| 7.1  | <p style="text-align: center;"><b>IDZ Programme overview</b></p> <p style="text-align: center;"><b>Objectives of an IDZ Programme - to:</b></p> <ul style="list-style-type: none"> <li>• <b>Promote competitiveness</b> of South African enterprises;</li> <li>• <b>Attract foreign direct investment (FDI) with established global manufacturing networks;</b></li> <li>• <b>Develop linkages between zone-based industries and local entrepreneurs to gain technology skills;</b></li> </ul> <p style="text-align: center;"><b>Benefits to investors</b></p> <ul style="list-style-type: none"> <li>• <b>Exemption of duties</b> on imports for export production;</li> <li>• <b>Zero-rating on VAT</b> for imports on goods;</li> <li>• <b>Dedicated customs services and electronic customs clearing;</b></li> <li>• <b>Provision of high quality, world class infrastructure;</b></li> <li>• <b>Lower transaction costs</b> generated by location advantages and expedited service;</li> <li>• <b>Investment facilitation.</b></li> </ul> <p style="text-align: center;"><b>IDZ Programme definition</b></p> |  |

An IDZ is a purpose-built industrial estate linked to an international port that leverages fixed direct investments in value-added and export-oriented manufacturing industries.

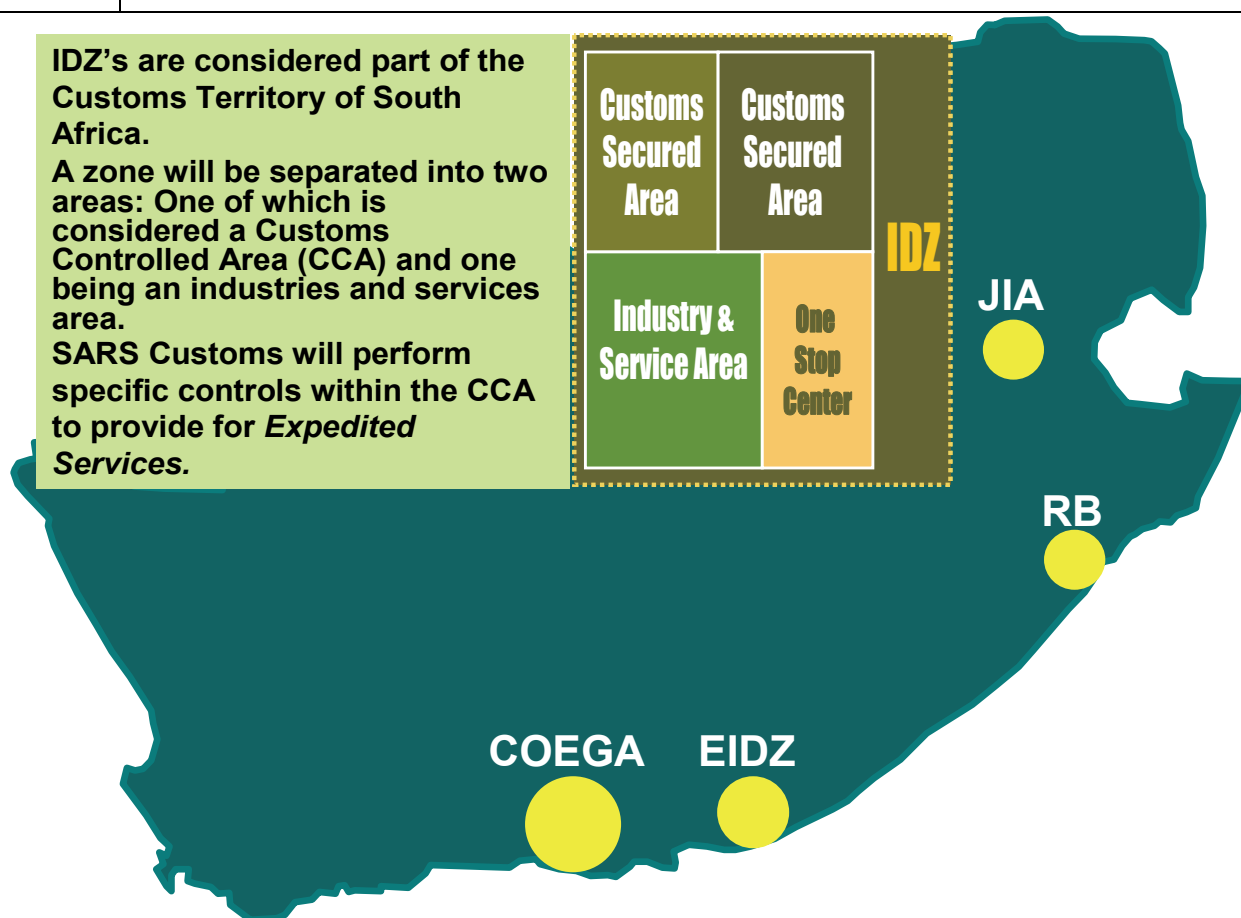
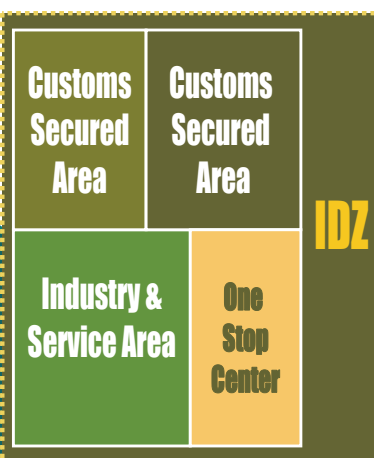
The programme was designed to positioning SA based manufacturing industries to meet the challenges of globalization in three respects:

- **By proximity to international ports** to offering low cost and efficient logistic services;
- Providing an **operating environment that is socially and environmentally well-managed**;
- **Proving a single-window facility (One-Stop shop) for services to investors and efficient administration**, in which “speed and responsiveness are competitive advantages”.

IDZ's are considered part of the Customs Territory of South Africa.

A zone will be separated into two areas: One of which is considered a Customs Controlled Area (CCA) and one being an industries and services area.

SARS Customs will perform specific controls within the CCA to provide for *Expedited Services*.



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| 7.2 | <p><b>Legal Framework</b></p> <ul style="list-style-type: none"> <li>• <b>Overarching policy framework</b> <ul style="list-style-type: none"> <li>- Cabinet Memorandum No. 18 of 2000;</li> </ul> </li> <li>• <b>Manufacturing Development Act no. 187 1993</b> <ul style="list-style-type: none"> <li>- Empowers the Minister to declare IDZs and appoint operators in terms of the IDZ Regulations and Operational Guidelines thereto;</li> </ul> </li> <li>• <b>Customs and Excise Act No. 9 of 1964 s 21A</b> <ul style="list-style-type: none"> <li>- Empowers the SARS Commissioner to designate the <b>Custom Controlled Area</b>;</li> <li>- Creates a framework for <b>customs benefits</b> and efficient customs administration;</li> </ul> </li> </ul> |
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|     | <ul style="list-style-type: none"> <li>• <b>Value Added Tax Act No. 89 of 1991</b> <ul style="list-style-type: none"> <li>– creates a framework for VAT benefits.</li> </ul> </li> </ul>   |  |
| 7.3 | <p style="text-align: center;"><b>CRITICAL SUCCESS FACTORS</b></p> <ul style="list-style-type: none"> <li>• Identify &amp; confirm relevant <b>stakeholders</b> in the IDZ;</li> <li>• Clarify <b>roles and responsibilities</b> (in terms of land, ownership &amp; funding, utility provision, business development, etc);</li> <li>• Finalize <b>governance and institutional arrangements</b>;</li> <li>• <b>Commitment of sufficient resources</b> including financial and administrative capacity of the IDZ operator;</li> <li>• <b>Alignment of the IDZ sectoral mix</b> to the local, provincial growth strategy and the national industrial policies;</li> <li>• Demonstration of <b>viability and economic sustainability</b>;</li> <li>• Setting clear and <b>realistic targets</b>;</li> <li>• <b>Development Master Plan</b> including phasing plan, estimated development costs and analysis of site location;</li> <li>• <b>Championship</b> of the project.</li> </ul> |  |
| 7.4 | <p style="text-align: center;"><b>ALIGNMENT WITH NIPF</b></p> <ul style="list-style-type: none"> <li>• <b>Diversification</b> beyond traditional reliance on primary minerals to <b>mineral beneficiation</b> and <b>value-added</b> per capita;</li> <li>• Movement towards <b>knowledge economy</b>;</li> <li>• <b>More labour absorbing</b> industrialization path;</li> <li>• <b>Integration on the African</b> continent.</li> </ul>  |  |
| 7.5 | <p style="text-align: center;"><b>PRIORITY SECTORS</b></p> <ul style="list-style-type: none"> <li>• <b>ASGISA Sectors (BPO, Tourism, Biofuels)</b>;</li> <li>• Capital / transport equipment, <b>metals and mineral beneficiation</b>;</li> <li>• <b>Automotives</b>;</li> <li>• <b>Clothing and Textiles</b></li> <li>• <b>Chemicals</b></li> <li>• <b>Agro-processing and Forestry</b>;</li> <li>• <b>Creative industries (Film and Crafts)</b>.</li> </ul>  |  |
| 7.6 | <p style="text-align: center;"><b>IDZ LOCATION FACTORS</b></p> <ul style="list-style-type: none"> <li>• <b>Connectivity to major transportation linkages</b>;</li> <li>• Availability of <b>easily amassed land</b> of suitable terrain;</li> <li>• <b>Proximity to resources</b> (including manpower and other supporting services);</li> <li>• <b>Availability of utilities and physical infrastructure</b> (i.e. water, electricity, telecoms)</li> </ul>   |  |
| 7.7 | <p style="text-align: center;"><b>PROPOSED STAKEHOLDER ROLES</b></p> <p><b>National:</b></p> <ul style="list-style-type: none"> <li>• <b>Provide policy and strategic direction</b> on efficient regulation of IDZ establishments;</li> <li>• <b>Provide resources</b> for the development of IDZs, i.e. <b>incentives, grants</b>;</li> <li>• <b>Facilitate / coordinate activities of other national departments</b> on issues that impact on the IDZs implementation.</li> </ul>  |  |

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|      | <p><b>Provincial:</b></p> <ul style="list-style-type: none"> <li>• <b>Provide resources</b> for the development of the IDZs;</li> <li>• Ensure an efficient and effective provision of other <b>provincial support services</b> such as issuing of licenses and/or permits;</li> <li>• <b>Coordinate activities of the other provincial departments</b> on issues that impact on the IDZs implementation.</li> </ul> <p><b>Local:</b></p> <ul style="list-style-type: none"> <li>• Provide <b>strategic direction</b> on the provision of <b>utilities</b> to the IDZ within its jurisdiction;</li> <li>• Ensure an efficient and effective provision of other <b>municipal support services</b> such as issuing of licenses and/or permits;</li> </ul>  |  |
| 7.8  | <p style="text-align: center;"><b>CHALLENGES EXPERIENCED</b></p> <ul style="list-style-type: none"> <li>• <b>Current legislative framework not adequate</b> to facilitate successful development of world-class IDZs in SA;</li> <li>• Legislation does not provide for policy tools to <b>enable inter-governmental and inter-departmental cooperation</b>;</li> <li>• <b>Roles and responsibilities between three spheres of government</b> could not be adequately implemented in the current set-up;</li> <li>• <b>Dual reporting and accountability for funding is burdensome</b> on IDZ entities and creates uncertainties;</li> <li>• <b>Uncoordinated activities</b> such as investment promotion also sending out mixed signals to investors;</li> <li>• <b>Lack of appropriate set of IDZ-specific incentives</b>;</li> </ul>  |  |
| 7.9  | <p style="text-align: center;"><b>PROPOSED ACTION STEPS</b></p> <p>Current challenges on the development and operations of the IDZs as well as limitations on the legislative framework has necessitated the dti to propose the following <b>critical policy measures</b> to be put in place in order to <b>strengthen the implementation of the IDZ Programme</b>:</p> <ul style="list-style-type: none"> <li>• <b>Investigate a comprehensive Legislative Foundation</b> for the programme;</li> <li>• <b>Clarify Institutional and Governance arrangements</b> and provide for appropriate <b>tools for Intergovernmental Cooperation</b> on the IDZs;</li> <li>• Provide <b>mechanism for interdepartmental collaboration</b>;</li> <li>• <b>Funding commitment and accountability, especially by national government</b>;</li> <li>• Set and agree on <b>practical criteria for Future IDZ Designations</b>;</li> <li>• <b>Coordinate Investment Promotion</b> on the IDZs;</li> <li>• Investigate <b>IDZ-specific Incentives</b>;</li> </ul> |  |
| 7.10 | <p style="text-align: center;"><b>GENERAL ANALYSIS</b></p> <ul style="list-style-type: none"> <li>• <b>The dti is satisfied with progress</b> made by the current IDZ entities to date;</li> <li>• Expectations of the dti has always been that <b>investors begin to show interest</b> and commitment <b>once enabling infrastructure is in place</b>;</li> <li>• <b>Laying down of world-class infrastructure is critical to special economic zones generally</b>, if the country aims to attract strategic investments. This trend is in line with international best practices;</li> <li>• <b>Coordination of stakeholders need attention in providing for a one-stop shop facility</b>;</li> <li>• The long-term social and economic benefits might not be immediate, however, the <b>IDZs should demonstrate the expected benefits over a particular period</b>.</li> </ul>  |  |

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| <b>7.11</b> | <b>COMMENTS</b>   |  |
|             | <ul style="list-style-type: none"> <li>• <b>MIDZ</b> appears to meet the objectives, rationale and criteria of an IDZ</li> <li>• <b>The Business Plan</b> needs to be updated for the formal designation as the IDZ</li> <li>• <b>The general challenges of IDZ's</b> will need to be met, specifically, funding, operational resources and intergovernmental cooperation</li> </ul>  |  |
|             |   |  |
|             | <b>SECTOR INVESTMENT THEMES</b>   |  |
|             |   |  |
| <b>8.</b>   | <p align="center"> <b>MINERAL BENEFICIATION</b><br/>         Department of Minerals and Energy Affairs,<br/> <b>Mr Meshack Malie</b><br/>         Beneficiation Strategy Development<br/> <b>012 317 8778</b><br/> <a href="mailto:meshack.malie@dme.gov.za">meshack.malie@dme.gov.za</a><br/> <a href="http://www.dme.gov.za">www.dme.gov.za</a> </p>  |  |
|             |   |  |
|             | <b>CONTENTS</b>   |  |
|             | <ul style="list-style-type: none"> <li>• <b>Mineral Beneficiation</b></li> <li>• <b>Enabling Legislation</b></li> <li>• <b>Beneficiation Offsets</b></li> <li>• <b>Beneficiation of Precious Metals and Diamonds</b></li> <li>• <b>Jewellery Manufacturing Precinct and the Industrial Development Zone</b></li> <li>• <b>Conclusion</b></li> </ul>   |  |
|             |   |  |
| <b>8.1</b>  | <p align="center"><b>Mineral Beneficiation</b></p> <ul style="list-style-type: none"> <li>• <b>Transformation of raw materials</b> (processed by mining and extraction process) <b>to more finished product which has higher value</b> <ul style="list-style-type: none"> <li>– <b>Use of local labour and capital</b></li> <li>– <b>Creating value locally</b></li> <li>– <b>Increasing exports</b> of higher value goods</li> <li>– <b>Each</b> step in the production pipeline results in a greater proportional <b>increase in return</b></li> </ul> </li> <li>• <b>Downstream and Side-stream linkages</b> into the Minerals and Industry value chains</li> </ul>  |  |
|             |   |  |
| <b>8.2</b>  | <p align="center"><b>Enabling Legislation</b></p> <ul style="list-style-type: none"> <li>• <b>Mineral and Petroleum Resource Development Act of 2002</b> <ul style="list-style-type: none"> <li>– Initiation of incentives to promote beneficiation</li> </ul> </li> <li>• <b>Diamond Amendment Acts of 2005</b> <ul style="list-style-type: none"> <li>– availability of rough diamonds to beneficiators</li> </ul> </li> <li>• <b>Precious Metals Act of 2005</b> <ul style="list-style-type: none"> <li>– Precious metal beneficiation licence, jewellers permits</li> </ul> </li> <li>• <b>Mining Charter of 2004</b> <ul style="list-style-type: none"> <li>– Beneficiation offsets</li> </ul> </li> </ul> |  |
|             |   |  |
| <b>8.3</b>  | <b>Beneficiation Offsets</b>  |  |

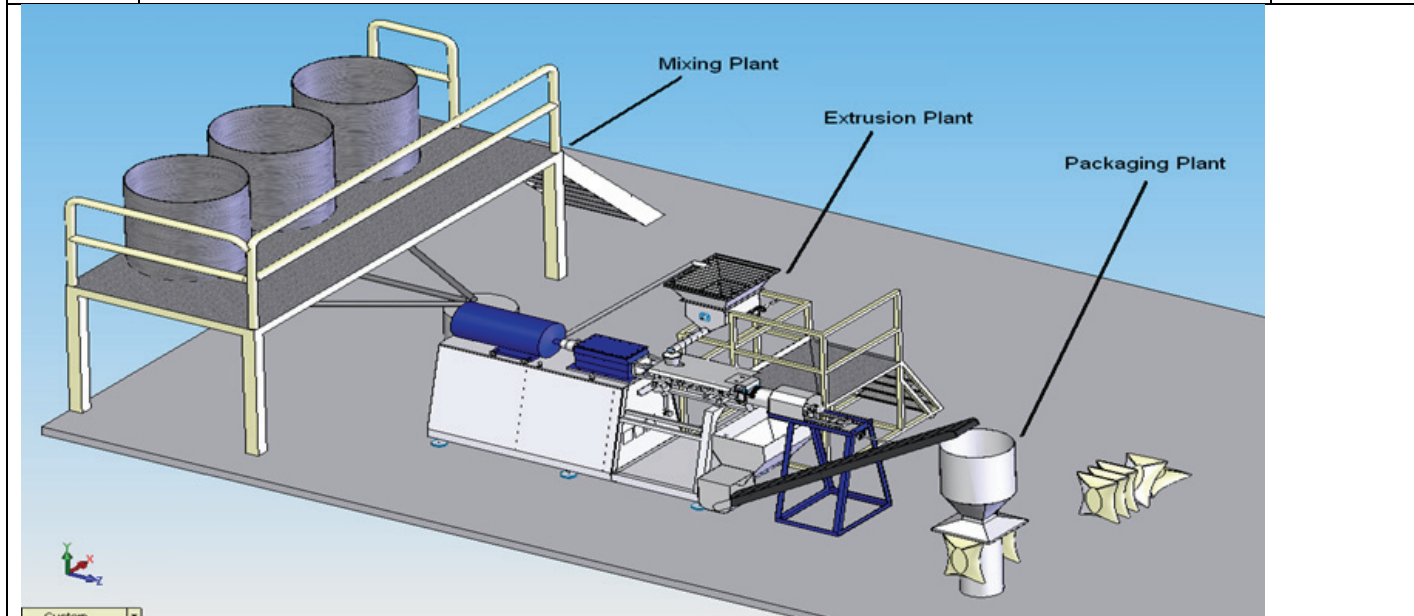
|     |   |  |
|-----|---|--|
|     | <ul style="list-style-type: none"> <li>• <b>Consultative Commodity Strategy</b> workshops with stakeholders to: <ul style="list-style-type: none"> <li>– Formulate instruments for calculating <b>offsets against equity ownership</b> requirements for mining companies</li> <li>– <b>Set base beneficiation levels</b> of various strategic minerals</li> <li>– <b>Agree</b> with stakeholders on how the <b>level of beneficiation will be increased</b></li> <li>– <b>Formulate sector specific strategies</b> including gold, PGM, iron ore, chrome, manganese, diamonds, heavy minerals, dimension stone</li> </ul> </li> </ul> |  |
| 8.4 | <p style="text-align: center;"><b>Beneficiation of Precious Metals and Diamonds</b></p> <pre> graph LR     A(exploration) --&gt; B(Mining)     B --&gt; C(Refining)     C --&gt; D(Cutting &amp; polishing)     D --&gt; E(Jewellery manufacturing) </pre>  |  |
| 8.5 | <p style="text-align: center;"><b>JMP: Jewellery Manufacturing Precinct and the IDZ</b></p> <ul style="list-style-type: none"> <li>• <b>Dollar</b> traded accounts</li> <li>• <b>VAT-free</b> environment</li> <li>• <b>Secure</b> facility</li> <li>• Assistance with <b>marketing</b> of products and services</li> <li>• <b>Linkages</b> with developed business</li> <li>• <b>Shared basic infrastructure</b> and technology</li> <li>• Facilitation of <b>training</b></li> <li>• <b>Formulation of joint ventures</b> or co-operation to strengthen capacity</li> </ul>   |  |
| 8.6 | <p style="text-align: center;"><b>Comments</b></p> <ul style="list-style-type: none"> <li>• <b>DME to assist in championing</b> Mineral Beneficiation Sector at the MIDZ</li> <li>• <b>DME to advise on access to Diamonds</b> through the State Diamond Trader</li> <li>• <b>Currency fluctuations</b> to be managed to benefit producers and exporters</li> </ul>   |  |
| 9.  | <p style="text-align: center;"><b>MANUFACTURING: NORTH WEST POTENTIAL</b><br/> <b>Establishment of BEE Manufacturing Centres</b><br/> North West University, Centre for Advanced Manufacturing, Mr Nelson Mongale</p>   |  |
| 9.1 | <p><b>CENTRE FOR ADVANCED MANUFACTURING (CFAM )</b> is a self sustaining business unit within the NWU <b>providing specialised products and services to the local and international industry.</b></p> <ul style="list-style-type: none"> <li>• CFAM was established within the NWU in 2002</li> <li>• Became sustainable unit within NWU with no financial assistance from the University</li> <li>• Relies solely on R&amp;D contracts and Specialist Services for funding of operations</li> <li>• Converted into Pty Ltd mid 2007</li> <li>• Ongoing R&amp;D link with NWU</li> </ul>  |  |
| 9.2 | <p><b>Core competencies:</b></p> <ul style="list-style-type: none"> <li>– <b>CAD/CAM Design</b></li> <li>– <b>State of the art equipment</b></li> <li>– <b>High skilled personnel</b></li> <li>– <b>Reverse Engineering</b></li> <li>– <b>Localisation of imported products</b></li> <li>– <b>Product Development</b></li> </ul>  |  |

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| 9.3 | <b>Key areas of Expertise</b> <ul style="list-style-type: none"> <li>• <b>Wire Cutting</b></li> <li>• <b>Spark Eroding</b></li> <li>• <b>Laser Milling</b></li> <li>• <b>Tooling &amp; Injection Moulding</b></li> <li>• <b>Rapid and Hybrid Tooling</b></li> <li>• <b>Reverse Engineering</b></li> <li>• <b>Localisation</b> of Imported products</li> <li>• <b>Precision Measuring</b></li> <li>• <b>Precision Manufacturing</b></li> <li>• <b>CNC: Computer Numerically Controlled Machining</b></li> <li>• <b>5-Axis High Speed Machining</b></li> </ul>   |  |
| 9.4 | <b>Diverse Range of Services including:</b> <ul style="list-style-type: none"> <li>• Manufacturing <b>process design</b></li> <li>• <b>Advanced</b> Computer Aided Design and Manufacturing (<b>CAD / CAM</b>) service</li> <li>• <b>Reverse engineering</b> of products</li> <li>• <b>Material and heat treatment</b> process selection and specification</li> <li>• <b>Specialised</b> High Precision CNC and conventional <b>manufacturing of specialised products</b></li> </ul>   |  |
| 9.5 | <b>Manufacturing Facilities include:</b> <ul style="list-style-type: none"> <li>• Full 4- and 5- Axis <b>CNC Machining</b></li> <li>• CNC EDM <b>Wire Erosion</b> (up to 500mm thick)</li> <li>• ZNC EDM <b>Spark Erosion</b></li> <li>• <b>CNC Turning</b></li> <li>• <b>Plastic Injection Molding</b></li> </ul>   |  |
| 9.6 | <b>CFAM manufacturing Demonstrations:</b> <ul style="list-style-type: none"> <li>• <b>a variety of extruder components</b> for any make of extruder using specially selected materials and processes</li> <li>• a number of <b>advanced, high precision products</b> for the <b>Mining Industry</b> e.g. Pilot hole <b>drilling heads</b> for shaft sinking</li> <li>• <b>Automotive Industry Prototyping e.g.</b> <ul style="list-style-type: none"> <li>• <b>Inlet manifold</b> manufactured from solid aluminum for <b>TOYOTA MOTORSPORT (S.A)</b></li> <li>• <b>Sinusoidal Pump Rotor</b></li> </ul> </li> </ul> |  |
| 9.7 | <b>Re-engineering e.g.</b> <ul style="list-style-type: none"> <li>• Process specific <b>re-design of extruders</b> and extruder components to optimize production capacity and product quality</li> </ul>  |  |
| 9.8 | <b>Complete Product Development Cycle eg. Novel Plastic Dishes, Cultural Theme Place Mats</b> <ul style="list-style-type: none"> <li>• <b>Rapid Prototyping</b></li> <li>• <b>Mould Design and Manufacturing</b></li> <li>• <b>Production</b></li> <li>• <b>Finished Products</b></li> <li>• <b>Applications by End-users</b></li> </ul>   |  |
| 9.9 | <b>Specialised Products:</b> <p><b>TWIN-SCREW EXTRUSION</b></p> <ul style="list-style-type: none"> <li>• <b>Food Extrusion</b></li> </ul>  |  |

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|  | <ul style="list-style-type: none"> <li>• <b>Feed Extrusion</b></li> <li>• <b>Polymer Extrusion</b></li> <li>• <b>Powder Coating</b></li> <li>• <b>Compounding, etc</b></li> </ul> <p>CFAM Extruders built up a <b>reputation</b> as being a <b>world-class extruder built for Africa from Africa</b>:</p> <ul style="list-style-type: none"> <li>• <b>Modular. A number of different products can be made</b> on the same extruder. Switchover between products can be done in a short period.</li> <li>• All components of the extruder are <b>plug and play</b> types. It means that the extruders are built and commissioned at the CFAM premises and <b>tested thoroughly</b>. The extruder is then dispatched to the client's site where it can be installed and <b>commissioned within a day</b>.</li> <li>• To ease the maintenance burden and cost the extruders have been designed such that most of the <b>electrical and mechanical</b> components can be purchased from <b>local electrical and mechanical outlet shops</b>.</li> </ul> |  |
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| 9.10 | <p><b>CFAM Food Processing Products</b></p> <ul style="list-style-type: none"> <li>• <b>Balanced Meal</b> for School Feeding Schemes – Fully balanced meal that meets World Health Organization (WHO) standards for feeding schemes.</li> <li>• <b>Power Meal</b> – This fully balanced meal is well suited for people working in the field. They only need to add water to it to have a balanced meal.</li> <li>• <b>Breakfast Powder Meal</b> – A fully balanced breakfast (Pro Nutro equivalent).</li> <li>• <b>Breakfast Puffs</b> – A coated cereal puff (Bokomo Otees equivalent of similar).</li> <li>• Weaning food – A fully balanced weaning food for children between 3 – 6 years.</li> <li>• <b>Cereal fruit nut snack</b> – High in protein snack for commercial market and feeding schemes.</li> </ul> |  |
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| 9.11 | <b>Extrusion Plant</b> |  |
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| 9.12 | <p><b>Food Enrichment and Fortification</b></p> <p>The micro-nutrient composition of <b>CFAM Breakfast</b>:</p> <ul style="list-style-type: none"> <li>• <b>Vitamins:</b> A, D3, E, C, B1, B2, B3, B6, B12, pantothenate, biotin, folic acid, and beta-carotene and</li> <li>• <b>Minerals:</b> Iodide, selenium, calcium phosphate, iron, zinc, and magnesium,</li> </ul> |  |
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|             | <p>as well as chicory as a source of <b>prebiotic</b> (food) for the probiotics in the large intestine (colon).</p> <ul style="list-style-type: none"> <li>• These micro-nutrients contribute <b>50% of the RDA for a 50 gram</b> serving portion per day for a person <b>10 years and older</b>.</li> </ul>   |  |
| <b>9.13</b> | <p><b>Niche Applications of Extrusion</b></p> <ul style="list-style-type: none"> <li>• <b>Pet foods</b>, dog/cat/birds (excluding fish).</li> <li>• <b>Corn-Soy-Blend</b> (CSB) with cereals and legumes for United Nations (UN) or World Food Program (WFP) in addition to complementary or weaning/infant foods.</li> <li>• <b>Extruded/expelled oilseeds</b> into crude oil and partially defatted cakes/granules/flour.</li> <li>• <b>Bioreactor or bio-extrude</b> with enzymes to obtain high density grain products.</li> <li>• Extruded, floating or suspended pellets as <b>aquatic and pond feeds</b> for trout, carp, cat-fish, koi, tropical fish.</li> <li>• <b>Wood/plastic</b> composite products/structures.</li> <li>• Extruded <b>composite cereals</b>/tubers, like wheat, sorghum, cassava, barley, rice, peanuts, millets (mahangu), peas/beans, sweet potatoes, green banana/plantain.</li> <li>• Third generation (3G) extrudates or high density, expandable, <b>snack pellets</b> to be puffed/ expanded in hot oil or a microwave oven, like 'nik naks'.</li> <li>• Extruded-texturized <b>soybean proteins</b> (TVP, soy-mince).</li> <li>• Extruded <b>paste/noodles</b> from composite cereal flours.</li> <li>• <b>Protein-enriched snacks and breakfast cereal</b> flakes (extruded/rolled/toasted).</li> <li>• Extruded <b>cereal-substrates for ethanol</b> fermentation and extruded ethanol-byproducts.</li> <li>• Intermediate-extruded, <b>meat/muscle-based</b> analogues, like American jerky.</li> <li>• High-moisture <b>extrusion cooking</b> (HMEC) of restructured/processed, whole-muscle meat alternatives or textured, <b>vegetarian</b> (soy-based) meat analogues. The die on the extruder is an innovative and specific designed, being long and cooled.</li> <li>• Starch-based, low-density, direct-expanded <b>foams</b> as <b>packing material</b>/fillers.</li> <li>• <b>Bio-degradable</b> (edible) extruded <b>starch</b> plus polymers as <b>packaging films</b>.</li> <li>• Extrusion cooking of <b>breadings</b> to coat nuggets of chicken, fish, cutlets, oriental foods.</li> <li>• Co-extrusion of <b>multi-layered</b>, multi-component snacks simultaneously.</li> </ul> |  |
| <b>9.14</b> | <p><b>One-Stop Solution</b></p> <ul style="list-style-type: none"> <li>• Formulation of <b>recipes</b> of products to be produced.</li> <li>• <b>Design, build and commissioning</b> of the Plants.</li> <li>• <b>Training of plant operators</b> to produce the different products.</li> <li>• <b>One year maintenance</b> of the plant and components.</li> </ul>  |  |
| <b>9.15</b> | <p><b>Value Proposition</b></p> <ul style="list-style-type: none"> <li>• The value proposition is embedded in the highly <b>advanced extrusion technologies and products</b> that have been <b>developed</b> over the last number of years.</li> <li>• The <b>high value addition</b> and <b>relative low operating costs</b> of the equipment provides investors with a <b>lucrative investment opportunity</b> and <b>high financial returns</b>.</li> <li>• People from the <b>communities can be trained</b> to operate the Centres and produce the products.</li> <li>• <b>Direct job opportunities</b> will be created for people to work in the Centres.</li> </ul>   |  |

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|  | <ul style="list-style-type: none"> <li>• This is also an ideal opportunity to <b>empower women</b>.</li> <li>• <b>Secondary job opportunities</b> will be created whereby entrepreneurial persons can establish <b>marketing and distribution channels</b> for the Centres' products.</li> <li>• <b>Enhance the value</b> of locally produced <b>agricultural products</b> such as maize, sorghum</li> <li>• <b>Communities will benefit</b>, since they will be supplied with affordable fully balanced meals, either through the normal commercial channels or through feeding programmes and schemes.</li> <li>• The products and formulations developed by <b>leading nutritionists</b> in the industry.</li> <li>• Since all the products are <b>pre-cooked</b>, people will <b>save on time, water and electricity</b> to prepare meals.</li> <li>• <b>Transport costs will be substantially lower</b> since only dry products will be transported and water will only be added when the food is prepared. This will make <b>pricing competitive</b>.</li> </ul> |  |
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| <b>9.16</b> | <b>Typical roll-out Phases</b> <ul style="list-style-type: none"> <li>• Phase 1: <b>Market Potential Study</b></li> <li>• Phase 2: Setup of <b>business structure</b></li> <li>• Phase 3: Setup of <b>extrusion centre</b></li> <li>• Phase 4: <b>Training</b></li> <li>• Phase 5: <b>Maintenance and Support</b></li> </ul> |  |
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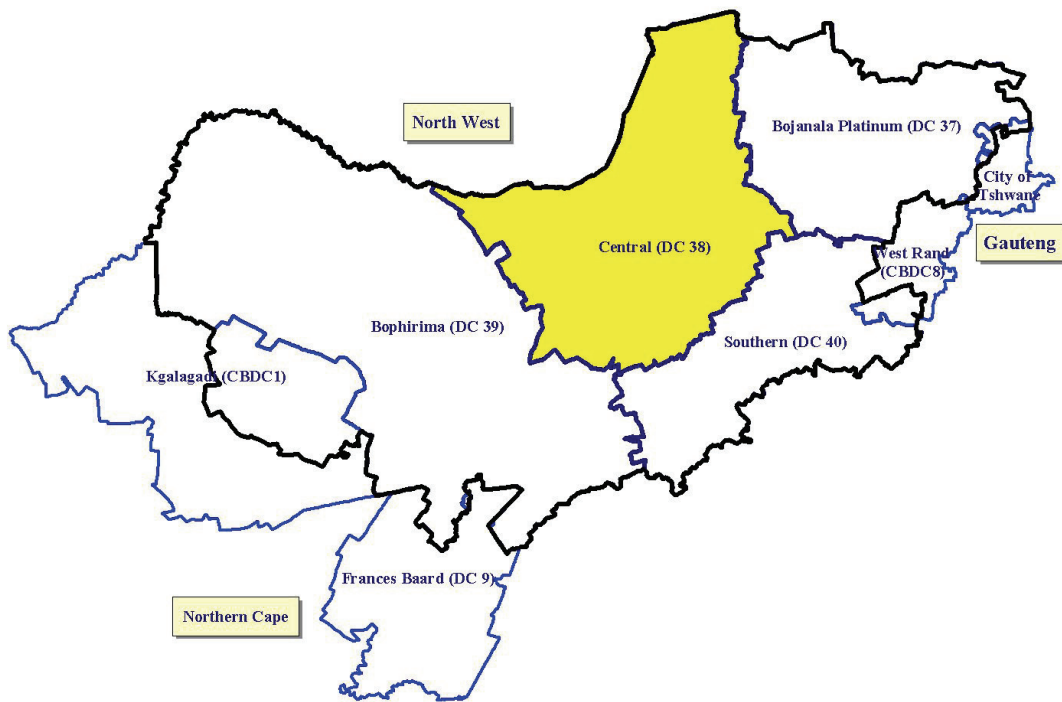
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| <b>9.17</b> |  |  |
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| <b>Set up Costs for each Centre</b>                 |                      |                   |                  |
|---|----------------------|-------------------|------------------|
| <b>Description</b>                                  | <b>Activity Cost</b> | <b>Total Cost</b> |                  |
| <b>Market potential study</b>                       |                      | R                 | 150,000          |
| <b>Setup of business structure</b>                  |                      | R                 | 75,000           |
| <b>Setup of extrusion plant</b>                     |                      |                   |                  |
| Civils  | R                    | 550,000           |                  |
| Extrusion Plant                                     | R                    | 1,500,000         |                  |
| Cooling Plant                                       | R                    | 100,000           |                  |
| Pre conditioning Plant                              | R                    | 500,000           |                  |
| Post conditionig Plant                              | R                    | 750,000           |                  |
| Electrical reticulation                             | R                    | 350,000           |                  |
| Instrumentation and control                         | R                    | 500,000           |                  |
| Auxiliaries   | R                    | 100,000           |                  |
| Installation and commissioning                      | R                    | 500,000           | R 4,850,000      |
| <b>Office Equipment</b>                             |                      |                   |                  |
| Computers   | R                    | 30,000            |                  |
| Printer   | R                    | 5,000             |                  |
| Fax machine   | R                    | 3,000             |                  |
| Internet  | R                    | 2,500             |                  |
| Network   | R                    | 10,000            |                  |
| Telephone   | R                    | 5,000             |                  |
| Stationary  | R                    | 5,000             |                  |
| Furniture   | R                    | 50,000            |                  |
| Miscellaneous                                       | R                    | 25,000            | R 135,500        |
| <b>Delivery Vehicles, etc.</b>                      |                      |                   |                  |
| Delivery Pick up                                    | R                    | 150,000           |                  |
| Delivery Truck #1                                   | R                    | 250,000           |                  |
| Delivery Truck #2                                   | R                    | 250,000           |                  |
| Miscellaneous                                       | R                    | 100,000           | R 750,000        |
| <b>Training of operational personell (3 months)</b> |                      | R                 | 170,000          |
| <b>Maintenance for one year</b>                     |                      | R                 | 280,000          |
| <b>Total</b>  |                      | <b>R</b>          | <b>6,410,500</b> |

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|               | <ul style="list-style-type: none"> <li>• <b>Various funding options</b> eg. over 60 months</li> <li>• Year 1 <b>Sales R5m near breakeven</b></li> <li>• Year 2 <b>Sales R8.2m; Profit R2m; 24%</b></li> <li>• Year 3 <b>Sales R9.8m; Profit R2.9m; 30%</b></li> <li>• Year 4 <b>Sales R11.6m; Profit R4m; 34%</b></li> <li>• Year 5 <b>Sales R13.6m ; Profit R5.2m; 38%</b></li> </ul>  |                  |
| <b>9.18</b>   | <p><b>Conclusions</b></p> <ul style="list-style-type: none"> <li>• <b>Extrusion</b> has been identified as a solution to <b>provide high value adding products</b></li> <li>• CFAM extrusion technologies have been <b>developed in Africa for Africa</b></li> <li>• <b>Cost effective for small and medium businesses</b></li> <li>• <b>Huge market potential</b></li> <li>• Centres can have <b>nett income of R5-million per annum after 5 years</b></li> <li>• <b>Total investment = R6.4-million</b> (R8.2-million incl. overdraft)</li> <li>• <b>10 year IRR = 36%</b></li> <li>• <b>10 year NPV =R11-million</b></li> </ul>  |                  |
| <b>9.19</b>   | <p><b>TEAM SELECTION:</b><br/>Moving From</p> <ul style="list-style-type: none"> <li>• <b>Involvement</b> = empowerment + knowledge+ recognition+ rewards</li> </ul> <p>To</p> <ul style="list-style-type: none"> <li>• <b>Align commitment</b> = empowerment + knowledge + recognition + rewards + synergy+ shared vision</li> </ul>   |                  |
| <b>9.20</b>   | <p style="text-align: center;"><b>Nelson Mongale</b><br/><b>Centre for Advanced Manufacturing</b><br/>Cell: 084 697 6017<br/>Email: <a href="mailto:10986901@nwu.ac.za">10986901@nwu.ac.za</a><br/>Or <a href="mailto:Nelson.Mongale@nwu.ac.za">Nelson.Mongale@nwu.ac.za</a></p>  |                  |
| <b>9.21</b>   | <p style="text-align: center;"><b>COMMENTS</b></p> <ul style="list-style-type: none"> <li>• <b>Participants were very impressed</b> by the manufacturing and technological capabilities and range of manufacturing products which can be produced at the CFAM in North West</li> <li>• It was suggested that <b>CFAM</b> should be involved in the <b>MIDZ Manufacturing Working Group</b></li> <li>• <b>A CFAM Centre of Excellence</b> could be considered for the MIDZ.</li> </ul>   | <b>Follow-up</b> |
| <b>10.</b>    | <p style="text-align: center;"><b>AGRICULTURE AND AGRO-PROCESSING</b><br/><b>North West Department of Agriculture, Conservation and Environment, Mr M Matlhabe</b></p>  |                  |
| <b>10.1</b>   | <p style="text-align: center;"><b>WESTERN FRONTIER LIVESTOCK BENEFICIATION PROGRAMME</b></p>  |                  |
| <b>10.1.1</b> | <p style="text-align: center;"><b>BACKGROUND</b></p> <ul style="list-style-type: none"> <li>• The programme optimally benefits from the <b>considerable potential, comparative and competitive advantages</b> of the North West Province in livestock production, especially in the Western parts of the Province.</li> <li>• It's a longer term programme aiming at establishing at least <b>500 viable red meat processing enterprises</b> in partnership with a potential investor/ facilitator.</li> <li>• <b>The partner brings along essential skills and knowledge of the meat industry</b> in South Africa as well as <b>potential export markets.</b></li> </ul> |                  |

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|               | <ul style="list-style-type: none"> <li>Once the project is successful locally, it will then <b>grow to international status</b> and the linkage with the airport (MIDZ) would then be pursued.</li> <li><b>The Project incorporates:</b> <ul style="list-style-type: none"> <li>Development of <b>technologically sensible agricultural businesses</b></li> <li>Construction of appropriate <b>infrastructure</b></li> <li>Provision of relevant accredited <b>capacity building</b></li> <li>Development of <b>innovative institutional and social arrangements</b></li> </ul> </li> </ul>   |  |
| <b>10.1.2</b> | <p style="text-align: center;"><b>Project Objectives</b></p> <ul style="list-style-type: none"> <li>Establish <b>viable red meat enterprises</b> in all stages of the marketing chain</li> <li>Normalize <b>marketing channels</b></li> <li>Develop a <b>competitive marketing</b> environment</li> <li>Liaise with stakeholders in development of <b>farm production strategies</b> in line with marketing channels</li> <li><b>Link</b> red meat producers with the <b>whole chain of value-adding</b> prior to marketing</li> <li>Link red meat farmers and processors with accredited <b>training providers</b> (AgriSETA accredited )</li> <li>Provide <b>financial and marketing support</b> to red meat producers</li> </ul>   |  |
| <b>10.1.3</b> | <p style="text-align: center;"><b>MODEL</b></p> <ul style="list-style-type: none"> <li><b>Farmers</b> at primary production level will be mobilized to form livestock <b>cooperatives.</b></li> <li>Farmers from cooperatives will <b>sell their livestock through feedlots and auction pens</b> and benefit throughout the value-chain</li> <li>Livestock from the feedlots will be slaughtered at the <b>existing abattoirs</b> within the Bophirima District Municipality and will further be <b>marketed through butcheries</b> that will be identified by the Equity Company.</li> </ul>   |  |
| <b>10.1.4</b> | <p style="text-align: center;"><b>PROGRESS</b></p> <p>A very productive meeting took place on 23 January 2008 that produced the following <b>outcomes:</b></p> <ul style="list-style-type: none"> <li>Agreement that this project should be driven as a <b>Provincial Project</b> above Departmental “pigeon holes” by a team representative of key stakeholders (DACE, Eco Development, Land Affairs, Bophirima Municipality, INW, Premier)</li> <li><b>The Lead department</b> with a mandate to manage and coordinate above the normal departmental responsibility, should be the <b>HOD</b> of the Department of <b>Agriculture, Conservation and Environment;</b></li> <li><b>The EDI Cluster and Agriculture Working Group</b> will oversee and monitor developments and keep EXCO fully briefed;</li> <li><b>A consolidated action plan</b> should be prepared that incorporates all actions by <b>different institutions and</b> budgets that are focused and earmarked for the project;</li> <li>The prime movers in infrastructure, skills development and institutions that could be launched as <b>“quick wins” must be identified and exploited</b> to have an immediate and visual impact of the project</li> <li>All these <b>actions</b> should be managed through a <b>project office</b> with a clear project identity and brand</li> </ul> | <b>Project Action Plans Team Office Budget</b> |
| <b>10.2</b>   | <p style="text-align: center;"><b>BIO-FUELS</b></p>   |  |
| <b>10.2.1</b> | <ul style="list-style-type: none"> <li><b>Strategy published</b> in December 2007</li> <li>Currently <b>DoA</b> is in the process of developing <b>Implementation Plan due September 2008/09</b></li> <li><b>Consultation workshops</b> being planned for all the 9 provinces -</li> </ul>  |  |





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| <p><b>11.2</b></p> | <p style="text-align: center;"><b>IDP/LED Strategy</b></p> <ul style="list-style-type: none"> <li>➤ Municipalities are expected by law to develop an <b>Integrated Development Plan (IDP)</b> which is a tool to ensure that social, economic, environmental, infrastructural, land and spatial aspects are planned in an integrated way.</li> <li>➤ <b>Local Economic Development (LED)</b> strategy is <b>one of the tools</b> used by the municipality to <b>address the socio-economic needs</b> of the communities.</li> </ul>  |  |
| <p><b>11.3</b></p> | <p style="text-align: center;"><b>LED /DGDS PROCESS</b></p> <ul style="list-style-type: none"> <li>➤ The Process started with NMMDM by developing a Local Economic Development Strategy in <b>2005</b>.</li> <li>➤ With the completion of the NW Provincial Growth and Development Strategy in 2006.</li> <li>➤ LED Strategy was therefore transformed to <b>District Growth and Development Strategy (DGDS)</b> and aligned with PGDS.</li> </ul>   |  |
| <p><b>11.4</b></p> | <p style="text-align: center;"><b>CURRENT REALITY</b></p> <ul style="list-style-type: none"> <li>➤ The Socio-demographic characteristics of the district provide an indication of not only the <b>need for an LED</b> strategy but the need <b>to speedily implement it</b>.</li> <li>➤ <b>Major indicators</b> are instructive to portray this dire need. They include: <ul style="list-style-type: none"> <li>1. A <b>youthful</b> population(15-34 yrs): <b>35.7%</b></li> <li>2. <b>Unemployment</b> rate: <b>42.3%</b></li> <li>3. <b>Education</b>: <ul style="list-style-type: none"> <li>➤ Primary: 35%</li> <li>➤ Secondary:23 %</li> </ul> </li> </ul> </li> </ul> |  |

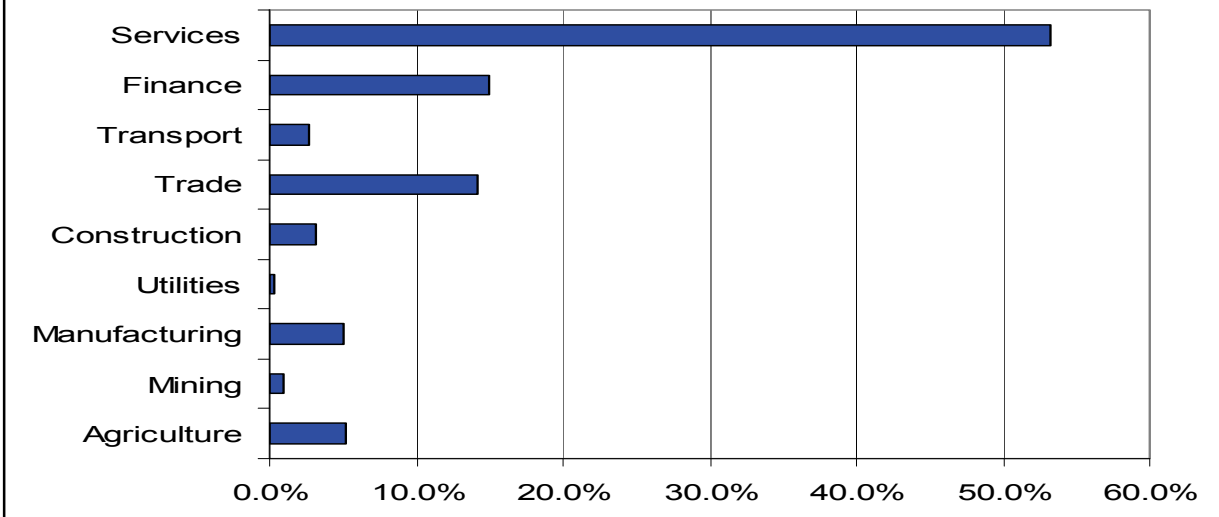
|             |  |  |
|-------------|--|--|
|             | <ul style="list-style-type: none"> <li>➤ Tertiary: 2.5 %</li> </ul> <p><b>4. Poverty: 75% of Households earn less than R1500.00.</b></p>   |  |
| <b>11.5</b> | <p style="text-align: center;"><b>DISTRICT ROLE</b></p> <ul style="list-style-type: none"> <li>➤ The role which District municipalities play in LED include acting as <b>coordinators, facilitators</b> or <b>entrepreneurs and developers</b>. International and national experience suggests that some institutional arrangements are better suited to some of these roles than others. For example:</li> <li>➤ The role of <b>coordinator, facilitator</b> and stimulator are usually within the capacity of municipal <b>LED units</b>, particularly those in large or metropolitan municipalities. The roles of <b>entrepreneur and developer</b> are usually better suited to <b>Development Agencies</b></li> <li>➤ If a municipality assumes the role of the <b>entrepreneur/developer, a partnership with a private sector</b> enterprise in the form of a service or management contract to deliver particular aspects of a service may be beneficial, both in terms of building capacity to deliver the service as well as financial benefits.</li> <li>➤ The roles of <b>coordinator or facilitator</b> are often conducive to looser, less formally structured partnerships with other stakeholders, including business, NGOs, community organisations and labour. These partnerships are being formed to coordinate LED activities <b>at programme-level</b>.</li> </ul> |  |
| <b>11.6</b> | <p style="text-align: center;"><b>LEGISLATIVE FRAMEWORK FOR LED</b></p> <ul style="list-style-type: none"> <li>➤ <b>Municipal Systems and Structures Acts</b></li> <li>➤ <b>National Small Business Strategy</b></li> <li>➤ <b>Urban Renewal Programme (URP)</b></li> <li>➤ <b>LED policy and strategy</b></li> <li>➤ <b>Integrated Sustainable Rural Development Programme (ISRDP)</b></li> <li>➤ <b>DPLG's mandate</b> for economic development</li> <li>➤ <b>Strategic Plan for South African Agriculture</b></li> <li>➤ <b>Agricultural Minimum Wage Act</b></li> <li>➤ <b>Black Empowerment Mining Charter</b></li> <li>➤ <b>Mineral and Petroleum Resources and Development Act</b></li> </ul>   |  |
| <b>11.7</b> | <p style="text-align: center;"><b>PRINCIPLES GUIDING DISTRICT LED</b></p> <p>In essence, LED is about communities continually upgrading their business environments to improve their competitiveness, retain jobs and improve incomes. The major principles behind the District LED strategy are:</p> <ul style="list-style-type: none"> <li>➤ Ensuring that the local <b>business environment</b> is <b>conducive to the settlement of major businesses</b> and sectors in the area.</li> <li>➤ <b>Supporting</b> small and medium sized businesses (<b>SMEs</b>).</li> <li>➤ Encouraging <b>new enterprise</b>.</li> <li>➤ <b>Attracting investment</b> from elsewhere (within the country and internationally).</li> <li>➤ Investing in <b>physical (hard) infrastructure</b>.</li> <li>➤ Investing in <b>soft infrastructure</b> (including human resource development, institutional support systems and regulatory issues).</li> <li>➤ Supporting the growth of <b>particular clusters</b> of businesses.</li> <li>➤ Targeting particular parts of the city for regeneration or growth (<b>spatial targeting</b>).</li> <li>➤ Targeting certain <b>disadvantaged groups</b>.</li> </ul>  |  |

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| 11.8   | <p style="text-align: center;"><b>Priority Areas in the District LED</b></p> <ul style="list-style-type: none"> <li>➤ <b>Agriculture</b></li> <li>➤ <b>Mining</b></li> <li>➤ <b>Manufacturing</b></li> <li>➤ <b>Tourism</b></li> <li>➤ <b>Financial, Personal and Community Services</b></li> <li>➤ <b>Rural Development</b></li> <li>➤ <b>Trade</b></li> </ul>   |  |
| 11.9   | <p style="text-align: center;"><b>DISTRICT STRATEGIES</b></p> <p><b>Eight developmental thrusts, viewed as an integrated whole, similar to the PGDS 8 Pillars:</b></p>  |  |
| 11.9.1 | <p style="text-align: center;"><b>Strategic Thrust 1: Promotion of Agriculture</b></p> <ul style="list-style-type: none"> <li>➤ <b>Improve farming practices</b> in the tribal areas – moving from subsistence to commercial practices.</li> <li>➤ Investigate <b>new intensive farming practices</b> in water rich areas.</li> <li>➤ <b>Improve food security</b> through the development of <b>vegetable gardens</b>.</li> <li>➤ <b>Integrate support schemes and financial assistance</b> by all relevant stakeholders.</li> <li>➤ <b>Facilitate</b> establishment of <b>training</b> institutions.</li> <li>➤ <b>Facilitate skills transfer</b> from commercial to emerging farmers</li> <li>➤ Promotion of <b>land preservation awareness</b> campaigns.</li> <li>➤ Facilitate <b>preservation projects</b></li> </ul> |  |
| 11.9.2 | <p style="text-align: center;"><b>Strategic Thrust 2: Rural Community Development</b></p> <ul style="list-style-type: none"> <li>➤ Develop <b>database of existing projects</b>.</li> <li>➤ <b>Assess the success of existing projects</b> with a view to providing assistance.</li> <li>➤ Facilitate <b>integrated support network</b>.</li> <li>➤ Establishment of <b>funding network</b></li> </ul>  |  |
| 11.9.3 | <p style="text-align: center;"><b>Strategic Thrust 3: Mining Development and Beneficiation</b></p> <ul style="list-style-type: none"> <li>➤ Establish an <b>incubator</b> support structure that can be used to <b>beneficiate small and medium scale operators</b>.</li> <li>➤ Create the necessary <b>supporting infrastructure</b> to the mining industry.</li> <li>➤ Encourage/promote <b>private sector</b> development.</li> <li>➤ <b>Facilitate access to minerals</b> to small and medium scale operators.</li> </ul>   |  |
| 11.9.4 | <p style="text-align: center;"><b>Strategic Thrust 4: Tourism Development</b></p> <ul style="list-style-type: none"> <li>➤ Promote <b>skills development</b> in hospitality industry.</li> <li>➤ <b>Market NMMDM</b> as tourist destination.</li> <li>➤ Promote/develop <b>acknowledged holiday destinations</b>.</li> <li>➤ Promote/develop <b>cultural and heritage sites</b>.</li> <li>➤ Promote/develop <b>wildlife reserves</b>.</li> <li>➤ Promote/develop <b>Mafikeng</b> as <b>business/government services hubs</b>.</li> <li>➤ Develop <b>NMMDM Tourism Plan</b></li> </ul>   |  |
| 11.9.5 | <p style="text-align: center;"><b>Strategic Thrust 5: Financial, Personal and Community Services</b></p> <ul style="list-style-type: none"> <li>➤ <b>Facilitate</b> representation from <b>ALL government</b> departments in Mafikeng in <b>enhancing community services</b>.</li> <li>➤ <b>Facilitate housing</b> provision.</li> </ul>  |  |

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|               | <ul style="list-style-type: none"> <li>➤ Develop supporting <b>infrastructure to new settlements</b></li> <li>➤ <b>Promote</b> expansion of <b>University and Colleges</b> to enhance skills development.</li> <li>➤ <b>Facilitate support for Service providers</b> and NGOs and CBOs</li> </ul>   |  |
| <b>11.9.6</b> | <p style="text-align: center;"><b>Strategic Thrust 6: Manufacturing and Agro Processing</b></p> <ul style="list-style-type: none"> <li>➤ Promote the expansion of Multi /National <b>cement factories</b>.</li> <li>➤ Promote <b>industrial investment</b> through intensive <b>marketing</b> campaign, focusing on the <b>airport hub</b>.</li> <li>➤ Facilitate operationalization of <b>bio-diesel</b> and other organic fuels</li> <li>➤ Facilitate the development of value adding through <b>meat processing</b>.</li> <li>➤ Provide <b>supporting infrastructure</b> to major investments.</li> <li>➤ Promote <b>food processing</b> initiatives</li> <li>➤ Create <b>Manufacturing forum</b> that will seek to capitalize on joint bargaining benefits</li> </ul>   |  |
| <b>11.9.7</b> | <p style="text-align: center;"><b>Strategic Thrust 7: Promotion of Trade</b></p> <ul style="list-style-type: none"> <li>➤ Promote the establishment of <b>public private partnerships</b></li> <li>➤ Facilitation of <b>BEE</b></li> <li>➤ Develop <b>incentives</b> to encourage businesses to <b>relocate</b> to NMMDM</li> <li>➤ <b>Market NMMDM as investment area</b></li> <li>➤ Facilitate the development of the <b>route between Mafikeng and Botswana</b> in support of trade development.</li> <li>➤ Promote <b>local trade and import replacement</b> through awareness strategies.</li> <li>➤ Provide <b>supporting infrastructure</b> for the development of <b>trade nodes in rural areas</b>.</li> <li>➤ Facilitate <b>skills development and entrepreneurship</b> development.</li> </ul>   |  |
| <b>11.9.8</b> | <p style="text-align: center;"><b>Strategic Thrust 8: SMME Development</b></p> <ul style="list-style-type: none"> <li>➤ Develop local <b>business support centres</b>.</li> <li>➤ Develop <b>entrepreneurial awareness</b> program.</li> <li>➤ Develop <b>funding schemes</b> to assist SMME's.</li> <li>➤ Develop <b>partnerships with commercial banks</b> to fund business ventures.</li> <li>➤ Develop <b>incubation centres throughout the municipalities</b>.</li> <li>➤ Work with institutions with resources that offer <b>mentorship facilities</b> to SMME's.</li> <li>➤ Create <b>exporters forum and support</b>.</li> <li>➤ Strengthen <b>Intergovernmental framework</b></li> </ul>   |  |
| <b>11.10</b>  | <p style="text-align: center;"><b>NMMDM PROJECTS / FOLLOW-UP 2008 MAYORAL VISIT TO SAO PAULO BRAZIL</b><br/><b>Summary of Selected Projects</b></p> <ol style="list-style-type: none"> <li><b>1. Solar Water Heating Systems:</b> Associacao Sociedade do Sol <ul style="list-style-type: none"> <li>– Empower people to produce their own systems</li> <li>– To create Bye-law for RDP houses</li> <li>– Exchange visits for training, R&amp;D</li> </ul> </li> <li><b>2. Solar Water Heating Systems:</b> Tuma Industrial / NMMDM <ul style="list-style-type: none"> <li>– Low cost housing, manufacturing plant MIDZ</li> <li>– Existing 12 000 RDP houses to be modified</li> <li>– Distribution/fitment/training centre</li> <li>– Manufacturing feasibility</li> </ul> </li> <li><b>3. Solar Systems:</b> NMMDM / VP Holdings <ul style="list-style-type: none"> <li>– Street lights / Water Pumps / Cattle Electrical fencing: NMMDM to advise on</li> </ul> </li> </ol> |  |

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|       | <p>needs</p> <ul style="list-style-type: none"> <li>- VPH to submit package on costs, specs etc.</li> </ul> <ol style="list-style-type: none"> <li>4. <b>CIETEC PROJECTS / NMMDM: Water Evaporation. Plastic Recycling for construction:-R&amp;D</b></li> <li>5. <b>Cattle Beneficiation: Lagoa da Serra Ltda:</b> Training to commence Feb 2008</li> <li>6. <b>Citrus: Experimental Lab</b> – exchange know-how, explore region and assist with projects</li> <li>7. <b>Condom Factory: Xapuri (Acre) / NMMDM</b> <ul style="list-style-type: none"> <li>• Discuss with Dept of Health</li> <li>• Business Plan study</li> <li>• Approach Brazil &amp; Acre State to assist</li> </ul> </li> <li>8. <b>PET Bottle Recycling Social Project: Xapuri (Acre) / NMMDM):</b> exchange knowhow, training, establish social project</li> <li>9. <b>Handicraft / Arts Training: Embu Municipality / NMMDM</b> Coop agreement</li> <li>10. <b>Arts &amp; Culture Exchanges:</b> NMMDM / Various Municipalities, States, Municipalities</li> <li>11. <b>Ribiero Preto Municipality</b> to visit NMMDM fro various projects eg. <ul style="list-style-type: none"> <li>• <b>Agriculture:</b> Citrus, Plantation for Latex / Bio-diesel, Organic farming, Family Farming, Netafim (Israeli irrigation system), small farming equipment</li> <li>• <b>Bio-diesel:</b> low cost plant, recycling</li> <li>• <b>Cattle beneficiation:</b> checking local conditions re assisting with Zeerust leather plant, shoe factory</li> <li>• <b>Incubators/Social Projects / Poupa Tempo</b></li> </ul> </li> <li>12. <b>Attract Investors to MIDZ / NMMDM:</b> <ul style="list-style-type: none"> <li>• Group visit to Sao Paolo in March 2008</li> <li>• Group to NMMDM Nov 2008 Brazil Week</li> </ul> </li> <li>13. <b>University of Sao Paolo / NWU partnership</b> agreement for student exchanges</li> <li>14. <b>Ole FC Brasil</b> private soccer school project <ul style="list-style-type: none"> <li>• First group to train in Riberao Preto</li> <li>• Seeking investors to set up in NMMDM</li> <li>• 30 ex players to play in NMMDM Tournament</li> </ul> </li> <li>15. <b>International Exhibition</b> of SUFRAMA in Manuas Sept 2008</li> </ol> |           |
| 11.11 | <p style="text-align: center;"><b>COMMENTS</b></p> <ul style="list-style-type: none"> <li>• <b>A Strategic Partnership</b> between NMMDM and MIDZ was proposed to maximise synergies</li> </ul>   | Follow-up |
| 12.   | <p style="text-align: center;"><b>LOCAL ECONOMIC DEVELOPMENT STRATEGIES</b><br/> <b>Mafikeng Local Municipality LED Unit,</b><br/> <b>Presentation by: Mr Hendrick Tshabangu</b><br/> <b>Assisted by: Mr. LD Segomotso</b></p>  |           |
|       | <p style="text-align: center;"><b>CONTENTS</b></p> <ul style="list-style-type: none"> <li>● <b>VISION</b></li> <li>● <b>DEMOGRAPHIC INDICATORS</b></li> <li>● <b>SOCIO-ECONOMIC INDICATORS</b></li> <li>● <b>SECTORAL CONTRIBUTION</b></li> <li>● <b>SECTORAL GROWTH</b></li> <li>● <b>EMPLOYMENT PER SECTOR</b></li> <li>● <b>OPPORTUNITIES: PROPERTY DEVELOPMENT</b></li> <li>● <b>OTHER PRIVATE DEVELOPMENT</b></li> <li>● <b>PROGRESS OF EXISTING DEVELOPMENT</b></li> <li>● <b>TOURISM OPPORTUNITIES</b></li> <li>● <b>2010 DEVELOPMENT</b></li> <li>● <b>CHALLENGES</b></li> <li>● <b>CONCLUSION</b></li> </ul>   |           |

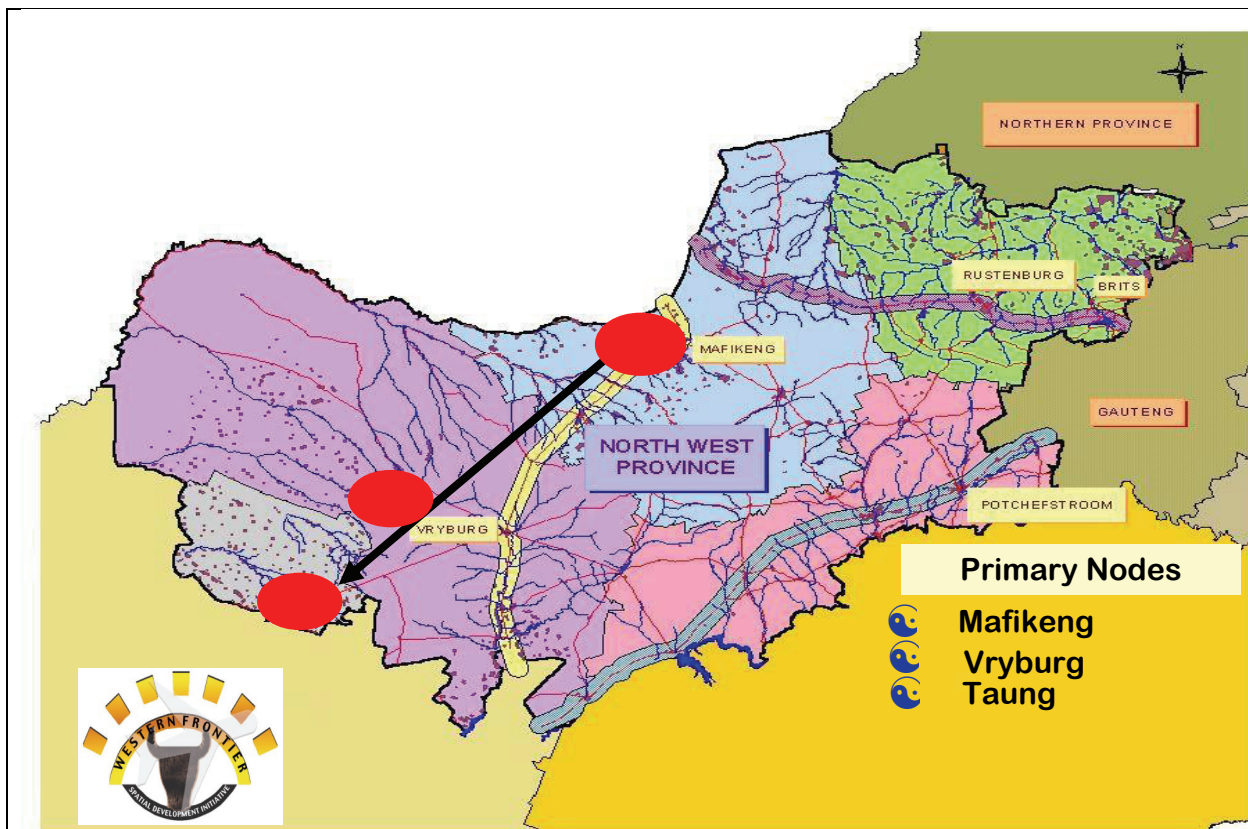
| 12.1  | <p style="text-align: center;"><b>MAFIKENG VISION</b><br/> <b>City of Culture, Diversity &amp; Heritage</b></p> <p style="text-align: center;"><i>To make Mafikeng Municipality a <b>socio economic hub</b> by striving for sustainable development and service delivery through public participation and optimal use of resources</i></p>  |      |        |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
|---|---|------|--------|------|------|------|-------------|-----|-----|-----|--------|----|----|----|---------------|-----|-----|-----|-----------|----|----|-----|--------------|-----|-----|-----|-------|-----|-----|-----|-----------|-----|-----|-----|---------|-----|-----|------|----------|------|------|------|
| 12.2  | <p style="text-align: center;"><b>DEMOGRAPHIC INDICATORS</b></p> <ul style="list-style-type: none"> <li>● <b>Total Population: 271 501</b></li> <li>● <b>Contribution to NMDMDM: 34%</b></li> <li>● <b>Average H/hold Size: 3.8pp household</b></li> <li>● <b>Urban Area: 29%</b></li> <li>● <b>Rural Area: 71%</b></li> </ul>  |      |        |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| 12.3  | <p style="text-align: center;"><b>SOCIO ECONOMIC INDICATORS</b></p> <ul style="list-style-type: none"> <li>● <b>Annual H/hold Income – R38 400 pa / R3 200 pm: 81.6%</b></li> <li>● <b>Economically Active Population: EAP 93 500</b></li> <li>● <b>Unemployed 46 052</b></li> <li>● <b>Unemployment Rate: 49.3%</b></li> </ul>   |      |        |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| 12.4  | <b>SECTORAL CONTRIBUTION: GDP</b>   |      |        |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| <div style="text-align: center;"> <p><b>Mafikeng GDP Contribution (R'000 000) - Constant Prices</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Mafikeng GDP Contribution (R'000 000) - Constant Prices</caption> <thead> <tr> <th>Sector</th> <th>2002</th> <th>2004</th> <th>2006</th> </tr> </thead> <tbody> <tr><td>Agriculture</td><td>150</td><td>150</td><td>200</td></tr> <tr><td>Mining</td><td>50</td><td>50</td><td>50</td></tr> <tr><td>Manufacturing</td><td>180</td><td>180</td><td>220</td></tr> <tr><td>Utilities</td><td>80</td><td>80</td><td>100</td></tr> <tr><td>Construction</td><td>120</td><td>120</td><td>150</td></tr> <tr><td>Trade</td><td>450</td><td>480</td><td>500</td></tr> <tr><td>Transport</td><td>650</td><td>680</td><td>700</td></tr> <tr><td>Finance</td><td>800</td><td>900</td><td>1000</td></tr> <tr><td>Services</td><td>1600</td><td>1600</td><td>1600</td></tr> </tbody> </table> </div> |   |      | Sector | 2002 | 2004 | 2006 | Agriculture | 150 | 150 | 200 | Mining | 50 | 50 | 50 | Manufacturing | 180 | 180 | 220 | Utilities | 80 | 80 | 100 | Construction | 120 | 120 | 150 | Trade | 450 | 480 | 500 | Transport | 650 | 680 | 700 | Finance | 800 | 900 | 1000 | Services | 1600 | 1600 | 1600 |
| Sector  | 2002  | 2004 | 2006   |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Agriculture   | 150   | 150  | 200    |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Mining  | 50  | 50   | 50     |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Manufacturing   | 180   | 180  | 220    |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Utilities   | 80  | 80   | 100    |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Construction  | 120   | 120  | 150    |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Trade   | 450   | 480  | 500    |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Transport   | 650   | 680  | 700    |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Finance   | 800   | 900  | 1000   |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| Services  | 1600  | 1600 | 1600   |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |
| 12.5  | <p style="text-align: center;"><b>SECTORAL GROWTH</b></p> <ul style="list-style-type: none"> <li>● <b>Strongest growth sectors</b> <ul style="list-style-type: none"> <li>- Government, Finance, Manufacturing Transport &amp; Trade</li> </ul> </li> <li>● <b>Fast growing sectors</b> <ul style="list-style-type: none"> <li>- Agriculture (8.9% pa) &amp; Utilities (6.2% pa)</li> </ul> </li> <li>● <b>Sectors with future growth prospects</b> <ul style="list-style-type: none"> <li>- Construction, Tourism &amp; Manufacturing</li> </ul> </li> </ul> |      |        |      |      |      |             |     |     |     |        |    |    |    |               |     |     |     |           |    |    |     |              |     |     |     |       |     |     |     |           |     |     |     |         |     |     |      |          |      |      |      |

| 12.6  | <b>EMPLOYMENT PER ECONOMIC SECTOR</b>   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|---|---|--|--------|------------|----------|-----|---------|-----|-----------|----|-------|-----|--------------|----|-----------|----|---------------|----|--------|----|-------------|----|
| <p><b>Mafikeng, Sectoral Employment Distribution - 2004</b></p>  <table border="1" data-bbox="193 264 1417 779"> <caption>Mafikeng, Sectoral Employment Distribution - 2004</caption> <thead> <tr> <th>Sector</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Services</td> <td>53%</td> </tr> <tr> <td>Finance</td> <td>15%</td> </tr> <tr> <td>Transport</td> <td>3%</td> </tr> <tr> <td>Trade</td> <td>14%</td> </tr> <tr> <td>Construction</td> <td>4%</td> </tr> <tr> <td>Utilities</td> <td>1%</td> </tr> <tr> <td>Manufacturing</td> <td>5%</td> </tr> <tr> <td>Mining</td> <td>1%</td> </tr> <tr> <td>Agriculture</td> <td>5%</td> </tr> </tbody> </table> |   |  | Sector | Percentage | Services | 53% | Finance | 15% | Transport | 3% | Trade | 14% | Construction | 4% | Utilities | 1% | Manufacturing | 5% | Mining | 1% | Agriculture | 5% |
| Sector  | Percentage  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Services  | 53%   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Finance   | 15%   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Transport   | 3%  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Trade   | 14%   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Construction  | 4%  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Utilities   | 1%  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Manufacturing   | 5%  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Mining  | 1%  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| Agriculture   | 5%  |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|   |   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|   |   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|   |   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|   |   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|   |   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
|   |   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| 12.7  | <b>OPPORTUNITIES: PROPERTY DEVELOPMENTS</b>   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| 12.7.1  | <p style="text-align: center;"><b>NAME: MARANG ESTATES</b></p> <ul style="list-style-type: none"> <li>● <b>Location :</b> Between <b>Unit 3 &amp; The Crossing Shop. Mall</b></li> <li>● <b>Size :</b> 167 ha (Erv: 1317)</li> <li>● <b>Cost Est. :</b> R1.5 Billion</li> <li>● <b>Type of Develop:</b> <b>Mix Use</b> (Mid &amp; Up Housing, Community Shopping, Motor City, Office Park &amp; Hotel)</li> <li>● <b>Partnership</b> between Developer &amp; Mafikeng Local Municipality</li> </ul>   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| 12.7.2  | <p style="text-align: center;"><b>NAME: MINI CITY</b></p> <ul style="list-style-type: none"> <li>● <b>Location :</b> Between <b>Unit 6 &amp; Group 20</b></li> <li>● <b>Size :</b> 480 ha (Portion 54 of Mmabatho Town &amp; Town lands)</li> <li>● <b>Type of Develop.:</b> <b>Mix Use</b> (IHS: Low, Mid &amp; High Housing / VA: Estates Development &amp; Convenience Stores / Light Commercial).</li> <li>● <b>Partnership</b> between Developer &amp; Mafikeng Local Municipality</li> <li>● <b>NB: Land Transfer</b> (from Government to Municipality)</li> </ul>                            |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| 12.7.3  | <p style="text-align: center;"><b>NAME:</b></p> <ul style="list-style-type: none"> <li>● <b>Location:</b> Between <b>Unit 14 &amp; Setumo Dam</b></li> <li>● <b>Size:</b> 301 ha (Portion 55 of Mmabatho Town &amp; Town lands)</li> <li>● <b>Type of Develop.:</b> <b>Sectional Title Development</b> (e.g. Flats), Village Arrangement (Estate Develop.), Mini Golf Course &amp; Other Social Amenities (Community Hall &amp; Clinic).</li> <li>● <b>Partnership</b> between Affected Communities, Barolong Boo Ratshidi Tribal Authority, Developer &amp; Mafikeng Local Municipality</li> </ul> |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |
| 12.7.4  | <p style="text-align: center;"><b>NAME:</b></p> <ul style="list-style-type: none"> <li>● <b>Location:</b> Between <b>Danville &amp; Rooigrond</b></li> <li>● <b>Size:</b> Remainder of Erven 428 : Sub. Div. Erven 318 (80ha), Erven 3919 (130ha) &amp; Erven 3927 (110ha)</li> <li>● <b>Type of Develop:</b> <b>Mix.</b> Housing Develop., Golf Course, Equasted Estate</li> </ul>   |  |        |            |          |     |         |     |           |    |       |     |              |    |           |    |               |    |        |    |             |    |

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|---------------|---|--|
|               | (breed houses), Truck Inn, 2*Hotels, Office Park, Convenience Stores, Medical Centre & Private School.<br><ul style="list-style-type: none"> <li>● <b>Partnership</b> between Developer &amp; Mafikeng Local Municipality</li> </ul>  |  |
| <b>12.7.5</b> | <b>OTHER PRIVATE DEVELOPMENTS</b>   |  |
|               | <ol style="list-style-type: none"> <li>1. <b>Hotel Development</b>, Erven 2992, Between Carrot King &amp; Engen Garage</li> <li>2. <b>Hotel Development</b>, Leopard Park, about 100 beds</li> <li>3. <b>Private Hospital Development</b>, Old Golf Course, Zeerust Road next to the new stadium.</li> </ol>  |  |
| <b>12.8</b>   | <b>PROGRESS: EXISTING PROJECTS</b>  |  |
| <b>12.8.1</b> | <b>NAME: MAFIKENG YOUTH CAR WASH PROJECT</b>  |  |
|               | <ul style="list-style-type: none"> <li>● <b>Location</b> : Unit 2, Next to Caltex Garage</li> <li>● <b>Project Cost</b> : R2 700 000.00 (DEDT)</li> <li>● <b>Type of Develop.:</b> Car Wash Facility</li> <li>● <b>Progress</b> : Fencing (45%), Main Structure (15%) and Paving &amp; Landscaping (0%)</li> <li>● <b>Partnership</b> between NW Provincial Government&amp; Mafikeng Local Municipality</li> </ul>  |  |
| <b>12.8.2</b> | <b>NAME: LOTLAMORENG DAM</b>  |  |
|               | <ul style="list-style-type: none"> <li>● <b>Location</b> : Magogoe Tar (Along the Vryburg)</li> <li>● <b>Project Descrip. :</b> Development of a <b>Master Plan (Phase 2)</b></li> <li>● <b>Type of Develop.:</b> Entertainment, Cultural, Education &amp; Commercial Precincts</li> <li>● <b>Progress</b> : <b>Master Plan 95% (29 Feb' 2008)</b></li> <li>● <b>Partnership</b> between NMMDM, MLM,DEDT, DSAC, NWPTB &amp; Barolong Boo Ratshidi Development Agency.</li> </ul>  |  |
| <b>12.9</b>   | <b>OTHER OPPORTUNITIES</b>  |  |
|               | <ul style="list-style-type: none"> <li>● Increase in Demand for <b>Construction Material</b> (e.g. bricks, sand, cement &amp; others)</li> <li>● <b>Economic growth:</b> Income (individual &amp; household)</li> <li>● <b>Job Opportunities</b></li> <li>● <b>Investment Opportunities</b> (e.g. Franchise)</li> </ul>   |  |
| <b>12.10</b>  | <b>TOURISM OPPORTUNITIES</b>  |  |
|               | <ul style="list-style-type: none"> <li>● <b>SMMEs Training</b> (e.g. Arts &amp; Craft)</li> <li>● <b>Rezoning of Accommodation Establishments (50/50)</b></li> <li>● <b>Grading of Accommodation Establishments (NWPTB &amp; TEP)</b></li> <li>● <b>Product Marketing</b></li> <li>● <b>Flighting of Billboards:</b> Four Strategic Entrances (Ramatlabama Boarder, Vryburg, L/burg &amp; Zeerust</li> <li>● <b>Greening Mafikeng</b> (MLM &amp; DWAF)</li> <li>● <b>Heritage Trail Development</b> : Upgrading of Existing Sites</li> <li>● <b>39 Recognised Historic Sites</b> (Maf. Airport, Ottoshoop CBD &amp; Rec. Studio)</li> <li>● Establishment of <b>Mafikeng Local Economic Development Agency (MALEDA)</b></li> <li>● Development of <b>Mafikeng Marketing and Tourism Master Plan</b></li> <li>● <b>Marketing Lotlamoreng Dam</b> as an Iconic Tourism area</li> <li>● Establishment of <b>Mafikeng Chamber of Commerce and Industry (MACCI)</b></li> </ul> |  |
| <b>12.11</b>  | <b>2010 DEVELOPMENTS</b>  |  |

|               |  |  |
|---------------|--|--|
|               | <ul style="list-style-type: none"> <li>● <b>Mafikeng as a Base Camp</b></li> <li>● <b>Fan Parks (Identifying &amp; Piloting)</b></li> <li>● <b>Upgrading Montshioa Stadium</b></li> </ul>  |  |
| <b>12.12</b>  | <b>CHALLENGES</b>  |  |
|               | <ul style="list-style-type: none"> <li>● High Level of <b>Unemployment</b></li> <li>● <b>Limited Skilled &amp; Professional Labour Force</b></li> <li>● <b>Low revenue Base</b></li> <li>● <b>Insufficient Private Health Facilities</b></li> <li>● <b>Land Transfer issue</b> (e.g. NWPG &amp; Tribal Authority)</li> </ul>   |  |
|               | <b>INVESTMENT, TRADE AND FINANCING</b>   |  |
| <b>13.</b>    | <b>INVESTMENT AND TRADE FACILITATION</b><br><b>Invest North West, Ms Zodwa Mfulani</b>   |  |
| <b>13.1</b>   | <b>MANDATE</b>   |  |
|               | Invest North West, a section 21, Public Benefit Organisation is the <b>official Trade and Investment Promotion Agency</b> for the North West Province  |  |
| <b>13.2</b>   | <b>VISION</b>  |  |
|               | Invest North West is at the cutting edge of local and international trade and investment promotion.  |  |
|               | <b>MISSION</b>   |  |
|               | <ul style="list-style-type: none"> <li>• <b>Promote the image of the North West Province as a preferred destination for investment</b></li> <li>• <b>Facilitate trade and fixed direct investment</b></li> <li>• <b>Create value for investors and jobs for the people of the North West Province</b></li> </ul>   |  |
| <b>13.3</b>   | <b>INW VALUE CHAIN</b>   |  |
| <b>13.3.1</b> | <b>Promote the image of the North West Province as a preferred destination for investment</b>  |  |
|               | <ul style="list-style-type: none"> <li>• Identify <b>investment opportunities and projects</b></li> <li>• <b>Obtain</b> relevant, accurate and timely <b>information</b></li> <li>• <b>Professionally package information</b> in a user friendly way</li> <li>• <b>Disseminate information</b> to relevant stakeholders, through appropriate channels</li> <li>• <b>Market Research Reports</b></li> </ul> |  |
| <b>13.3.2</b> | <b>Facilitate trade and fixed direct investment</b>  |  |
|               | <ul style="list-style-type: none"> <li>• <b>International</b> <ul style="list-style-type: none"> <li>• Out-Bound Missions</li> <li>• Exhibitions</li> <li>• SA Foreign Reps</li> <li>• Investors Conferences, etc.</li> </ul> </li> </ul>  |  |

|        |   |  |
|--------|---|--|
|        | <ul style="list-style-type: none"> <li>• <b>Local</b> <ul style="list-style-type: none"> <li>• Inbound Missions</li> <li>• Exhibitions</li> <li>• Investors Conference</li> <li>• Workshops, etc.</li> </ul> </li> <li>• <b>Project facilitation</b></li> </ul>   |  |
| 13.3.3 | <p style="text-align: center;"><b>Create value for investors and jobs for the people of the North West Province</b></p> <ul style="list-style-type: none"> <li>• <b>Re-Investment</b> <ul style="list-style-type: none"> <li>• 55% of all FDI from current investors</li> <li>• Expansion Initiatives</li> <li>• F/Backward Integration</li> </ul> </li> <li>• <b>Visitation Program</b></li> <li>• <b>New Policy Developments</b></li> <li>• <b>Community Involvement</b></li> <li>• <b>BEE Initiatives</b></li> <li>• <b>Mentoring and Capacity Building Initiatives</b></li> </ul> |  |
| 13.4   | <p><b>INW FOCUS</b><br/> <b>Informed by ASGISA, JIPSA, NW PGDS</b></p>  |  |
| 13.4.1 | <p><b>NWPGDS PILLARS</b></p> <ol style="list-style-type: none"> <li>1) <b>Growth and investment</b></li> <li>2) <b>Agriculture and Rural Development</b></li> <li>3) <b>Mining and Energy</b></li> <li>4) <b>Tourism</b></li> <li>5) <b>Construction and Infrastructure</b></li> <li>6) <b>Manufacturing and Trade</b></li> <li>7) <b>SMME Development</b></li> <li>8) <b>Training and Skills Development</b></li> </ol>  |  |
| 13.4.2 | <p style="text-align: center;"><b>FOCUS AREAS</b><br/> <b>Three Pillars Form a Basis of our Economic development programme</b></p> <ol style="list-style-type: none"> <li>1. <b>Focus on three spatial economic routes:</b> <ul style="list-style-type: none"> <li>• <b>Western Frontier SDI</b></li> <li>• <b>Platinum Route SDI</b></li> <li>• <b>Treasure Route SDI</b></li> </ul> </li> <li>2. <b>Prioritised key Flagship Projects</b></li> <li>3. <b>Leverage on Business Support &amp; Skills Pool</b></li> </ol>  |  |
| 13.5   | <p><b>Western Frontier SDI: Flagship Initiatives</b></p>  |  |



|      |   |  |
|------|---|--|
| 13.6 | <b>KEY PRIORITIES</b>   |  |
|      | <ul style="list-style-type: none"> <li>• <b>Investment facilitation</b> required in the Western Frontier to ensure successful industrial economic development zone:</li> <li>• <b>Agriculture, focusing on agro-processing</b> especially <b><u>livestock farming and beneficiation</u></b>;</li> <li>• <b><u>Mining and energy</u></b> with specific emphasis on <b>minerals beneficiation and bio-fuels</b>;</li> <li>• <b><u>Tourism sector growth</u></b> through intra-Provincial cooperation in product development and packaging;</li> <li>• <b><u>Manufacturing and Trade</u></b> with a focus on industrial clustering within key industries, focusing on beneficiation activities aimed for the export market;</li> <li>• <b><u>Infrastructure and construction</u></b> thereby also adding on 2010 World Cup infrastructure requirements</li> <li>• <b><u>ICT &amp; BPO</u></b> Significant growth potential identified in these sectors</li> <li>• <b><u>SMME Development</u></b> as the Province's intervention mechanism in the second economy, through information dissemination and creating access to finance for SMMEs.</li> <li>• <b>Training and Development</b></li> </ul> |  |
| 13.7 | <b>ADVANCED MANUFACTURING</b><br><br><b>ELECTRONIC COMPONENTS AND SYSTEMS</b> <ul style="list-style-type: none"> <li>▪ <b>Electronic and Digital Products</b></li> </ul>  |  |

|               |   |  |
|---------------|---|--|
|               | <ul style="list-style-type: none"> <li>▪ <b>Telecommunications</b></li> <li>▪ <b>Satellite Communications</b></li> <li>▪ <b>Electronic Maps</b></li> <li>▪ <b>Electronic Data interchange</b></li> <li>▪ <b>Electronic Order Boards</b></li> </ul>  |  |
| <b>13.8</b>   | <b>MINERAL BENEFICIATION PARK</b>   |  |
|               | <ul style="list-style-type: none"> <li>• <b>Cutting and polishing</b> of precious and semi-precious stones</li> <li>• Manufacturing of <b>Platinum Jewellery</b></li> <li>• Manufacturing of <b>Gold Jewellery</b></li> <li>• Cutting and Polishing of <b>Granite</b></li> </ul>  |  |
| <b>13.9</b>   | <b>PROCESSING AND REFINEMENT OF AGRICULTURAL PRODUCTS</b>   |  |
|               | <ul style="list-style-type: none"> <li>• <b>Meat and Fish Processing and Packaging</b></li> <li>• <b>Essential Oils production</b></li> <li>• <b>Production of Bio-Fuels</b></li> </ul>   |  |
| <b>13.9.1</b> | <b>AQUA-CULTURE</b>   |  |
|               | <ul style="list-style-type: none"> <li>• Production of <b>top quality fish for export market.</b></li> <li>• <b>Japan</b> is the identified market.</li> <li>• Intend establishing <b>satellite</b> plants in the route be able to match the demand.</li> <li>• This is a <b>R5 million investment</b> programme</li> </ul> |  |
| <b>13.9.2</b> | <b>BEEF BENEFICIATION CLUSTER</b>   |  |
|               | <ul style="list-style-type: none"> <li>- <b>Meat packaging</b></li> <li>- <b>De-boning</b></li> <li>- <b>Tanneries</b></li> <li>- <b>Milk &amp; dairy products</b></li> <li>- <b>Feed lots etc.</b></li> </ul>  |  |
| <b>13.9.3</b> | <b>Fresh Produce Market</b>   |  |
|               | <ul style="list-style-type: none"> <li>- <b>Horticulture</b></li> <li>- <b>Citrus farming</b></li> <li>- <b>Edible oil extraction</b></li> </ul>  |  |
| <b>13.10</b>  | <b>INVESTMENT FACILITATION</b>  |  |
|               | <b>INVESTMENT OPPORTUNITIES</b>   |  |
|               | <ul style="list-style-type: none"> <li>• <b>Project Planning</b></li> <li>• <b>Identify potential investors</b></li> <li>• <b>JV Partnerships</b></li> <li>• <b>Project Implementation</b></li> <li>• <b>After Care</b></li> </ul>  |  |

|       |   |  |
|-------|---|--|
|       | <p style="text-align: center;"><b>TRADE PROMOTION</b></p> <ul style="list-style-type: none"> <li>• <b>Promotion of products</b> manufactured in NWP</li> <li>• Participation in local and international <b>events</b></li> <li>• <b>Lead Generation</b> and Dissemination</li> <li>• <b>Linking Foreign Buyers</b> to Local Exporters</li> </ul> <p style="text-align: center;"><b>ADVICE</b></p> <ul style="list-style-type: none"> <li>• <b>Investment Incentives</b></li> <li>• Export <b>Marketing Incentives</b></li> <li>• Export <b>Best Practices</b></li> <li>• <b>Finance &amp; Structuring</b></li> </ul> <p style="text-align: center;"><b>INTRODUCTIONS</b></p> <ul style="list-style-type: none"> <li>• <b>Financial</b> Institutions</li> <li>• <b>Legal</b> Practitioners</li> <li>• <b>Marketing</b> Experts</li> <li>• Material <b>Suppliers</b></li> <li>• <b>Shipping</b> operators</li> <li>• <b>Freight</b> forwarders</li> <li>• <b>Trading partners, etc</b></li> </ul> |  |
| 13.11 | <p style="text-align: center;"><b>SYNERGY WITH MIDZ</b></p> <p style="text-align: center;">The establishment of a <b>formal working relationship with the MIDZ Company</b> in a form of a <b>Service Level Agreement</b>.</p> <p style="text-align: center;"><b>OBJECTIVE</b></p> <ul style="list-style-type: none"> <li>• Develop a <b>common approach</b> in order to <b>attract investment and promote exports</b> from the Province</li> <li>• <b>Synergize job creation and economic development</b> efforts</li> <li>• Ensure <b>collaboration on strategic projects</b></li> <li>• Ensure effective <b>communication</b></li> <li>• <b>Develop a common approach</b> in relation to optimizing our efforts in dealings with the SADC / NEPAD programm</li> </ul>   |  |
| 13.12 | <p style="text-align: center;"><b>Invest North West</b></p> <p style="text-align: center;">1st Floor, Old Mutual Building,<br/>171 Beyers Naudé Drive, RUSTENBURG, 0299<br/>PO Box 6352, RUSTENBURG, 0300</p> <p style="text-align: center;">Tel:            <b>+27-(0)-14-594-2570</b><br/>Fax:             <b>+27-(0)-14-594-2575</b><br/>E-mail:         <b>inw@inw.org.za</b><br/>Website:        <b><a href="http://www.inw.org.za">www.inw.org.za</a></b></p>   |  |
| 13.13 | <p style="text-align: center;"><b>COMMENTS</b></p> <ul style="list-style-type: none"> <li>• <b>An INW Office in Mafikeng / MIDZ</b> was generally agreed to be needed and possible</li> </ul>   |  |

|        |   |  |
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|        | <ul style="list-style-type: none"> <li>• <b>A Service Level Agreement</b> should be discussed with MIDZ as soon as possible</li> <li>• <b>Mafikeng / MIDZ is a central link to all 3 SDI's</b> and should catalyse a balanced spatial economic growth path for North West Province</li> </ul>   |  |
|        |   |  |
|        |   |  |
| 14.    | <p style="text-align: center;"><b>NORTH WEST PROVINCIAL GROWTH FUND (NWGF)</b><br/> <b>An Initiative to Accelerate Growth and Development in North West Province</b><br/> <b>Introduction: North West Office of the Premier,</b><br/> <b>Chief Director, Desiree Tlhoale</b><br/> <b>Presentation: Dr Zuko Kubukeli, Fund Manager</b></p>   |  |
|        |   |  |
| 14.1   | <p style="text-align: center;"><b>Strategic Objectives</b></p> <ol style="list-style-type: none"> <li>1. Enhance the <b>Provincial Investment Profile</b>.</li> <li>2. <b>Target productive infrastructure</b> to crowd-in <b>private sector investment</b>.</li> <li>3. Enhance <b>comparative advantage</b> by focussing on <b>selected growth sectors</b>.</li> <li>4. An intervention to <b>enhance growth &amp; development</b>.</li> <li>5. Accelerate socio-economic upliftment via <b>job creation</b>.</li> <li>6. <b>Create opportunities</b> &amp; promote effective <b>BEE</b></li> </ol>   |  |
| 14.2   | <p style="text-align: center;"><b>The Growth Fund: Filling a Gap</b></p>  |  |
|        |   |  |
| 14.2.1 | <p><b>Funding requirements</b> for a medium to large project typically require a mix of promoter's</p> <ul style="list-style-type: none"> <li>• contribution/equity and</li> <li>• debt/bank loans</li> </ul> <p style="text-align: center;"><b>Normal private Investment Projects</b></p> <p style="text-align: center;"><b>Commercial Banks</b></p> <p style="text-align: center;"><b>Many projects "rejected" because :</b></p> <ul style="list-style-type: none"> <li>• Greenfield (high risk)</li> <li>• Low returns</li> <li>• Project cannot service debt in 6 years</li> <li>• Promoters do not have own equity (+30%)</li> <li>• BEE Promoters lack experience</li> </ul> <p style="text-align: center;"><b>Not focused, no developmental impact or socio-economic imperatives</b></p> |  |
|        |   |  |
| 14.2.2 | <p style="text-align: center;"><b>NW GROWTH FUND</b><br/> <b>Hi-impact Investment Projects</b></p> <ul style="list-style-type: none"> <li>• Able to fund <b>greenfield, job-creating projects</b></li> <li>• Able to take <b>longer term view</b> pay-back 10-12 yrs</li> <li>• <b>Flexible</b> with promoter's <b>own contribution</b></li> </ul>  |  |

|               | <ul style="list-style-type: none"> <li>• <b>Maximize BEE</b> promote innovative partnerships</li> <li>• <b>Leverage government support</b></li> <li>• <b>Create jobs</b> increase wealth</li> </ul>  |               |                |               |          |  |  |  |  |  |
|---------------|--|---------------|----------------|---------------|----------|--|--|--|--|--|
| <b>14.3</b>   | <b>Guiding Principles</b>  |               |                |               |          |  |  |  |  |  |
|               | <ol style="list-style-type: none"> <li>1. Provide <b>debt funding on favourable terms</b></li> <li>2. GF <b>not another budgetary source!</b></li> <li>3. <b>Projects must be:</b> <ol style="list-style-type: none"> <li>i. <b>financially viable</b></li> <li>ii. <b>have credible business plan</b></li> <li>iii. <b>bankable</b></li> </ol> </li> <li>4. Local and regional <b>infrastructure projects</b> will be given priority</li> <li>5. <b>Job creation and BEE</b> will be given priority</li> </ol>  |               |                |               |          |  |  |  |  |  |
| <b>14.4</b>   | <b>Target Sectors</b>  |               |                |               |          |  |  |  |  |  |
|               | <ol style="list-style-type: none"> <li>1. <b>Sector-Specific Infrastructure Projects</b> <ol style="list-style-type: none"> <li>i. Especially for <b>existing industries</b></li> <li>ii. <b>Mining, aviation, agri-industry activities, bio diesel, ICT or other</b></li> </ol> </li> <li>2. <b>Tourism-based development projects</b> <ol style="list-style-type: none"> <li>i. <b>Major resort developments</b> in under-developed areas</li> <li>ii. Large-scale <b>community based game park/other projects</b></li> </ol> </li> <li>3. <b>Provision of bulk water supply</b> <ol style="list-style-type: none"> <li>i. Especially for <b>new industrial/economic developments</b></li> </ol> </li> <li>4. <b>Transportation and Logistics</b> for well-defined economic and industrial zones <ol style="list-style-type: none"> <li>i. <b>Logistics parks, Industrial development zones, etc.</b></li> </ol> </li> </ol> |               |                |               |          |  |  |  |  |  |
| <b>14.5</b>   | <b>The Growth Fund: R300m</b>  |               |                |               |          |  |  |  |  |  |
|               | <p><b>Capital Contribution; 1/3</b></p> <ol style="list-style-type: none"> <li>i. <b>Provincial Govt: R50m</b></li> <li>ii. <b>Private Sector: R50m</b> (mining companies operating in the province)</li> </ol> <p><b>Senior Debt; 2/3</b></p> <ol style="list-style-type: none"> <li>i. <b>Private Sector Investors: R200m</b> (DBSA, INCA)</li> </ol>  |               |                |               |          |  |  |  |  |  |
| <b>14.6</b>   | <b>EXAMPLE: KZN GROWTH FUND</b>  |               |                |               |          |  |  |  |  |  |
|               | <ol style="list-style-type: none"> <li>1. <b>1.5 billion Fund</b> <ol style="list-style-type: none"> <li>i. 33.3% junior debt by KZN Prov Govt</li> <li>ii. 66.7% mezzanine &amp; senior from banks and institutions</li> </ol> </li> <li>2. <b>Targeted sectors</b> with high development impact <ol style="list-style-type: none"> <li>i. Tourism, Bulk Water &amp; Elect, Trans &amp; Logistics, Telco &amp; Powers.</li> <li>ii. Other (Manufacturing, property, bio fuels, aquaculture, mineral beneficiation)</li> </ol> </li> <li>3. <b>Prudential Limits</b> <ol style="list-style-type: none"> <li>i. Single counterpart 10%</li> <li>ii. Main sector &lt;40%, other &lt;10% of fund</li> </ol> </li> <li>4. <b>BEE &gt;30%</b></li> </ol>  |               |                |               |          |  |  |  |  |  |
| <b>14.6.1</b> | <b>Deal flow in two years (2006-2007)</b>  |               |                |               |          |  |  |  |  |  |
|               | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%;">No of Projects</th> <th style="width: 15%;">Project Value</th> <th style="width: 15%;">KGF Loan</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>   |               | No of Projects | Project Value | KGF Loan |  |  |  |  |  |
|               | No of Projects   | Project Value | KGF Loan       |               |          |  |  |  |  |  |
|               |  |               |                |               |          |  |  |  |  |  |

|                       |   |                       |                                   |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
|-----------------------|---|-----------------------|-----------------------------------|----------|------------|-----------------|-----------|------------|------------|------------------|-----------|--------------|--------------|-----------------|-----------|--------------|-------------|-------------------|-----------|--------------|-------------|--|
|                       | <table border="1"> <tr> <td><b>Disbursed//ing</b></td> <td><b>4</b></td> <td><b>-</b></td> <td><b>100</b></td> </tr> <tr> <td><b>Approved</b></td> <td><b>11</b></td> <td><b>947</b></td> <td><b>698</b></td> </tr> <tr> <td><b>Appraised</b></td> <td><b>22</b></td> <td><b>2,721</b></td> <td><b>4,007</b></td> </tr> <tr> <td><b>Screened</b></td> <td><b>34</b></td> <td><b>4,890</b></td> <td><b>n.a.</b></td> </tr> <tr> <td><b>Originated</b></td> <td><b>84</b></td> <td><b>9,113</b></td> <td><b>n.a.</b></td> </tr> </table>  | <b>Disbursed//ing</b> | <b>4</b>                          | <b>-</b> | <b>100</b> | <b>Approved</b> | <b>11</b> | <b>947</b> | <b>698</b> | <b>Appraised</b> | <b>22</b> | <b>2,721</b> | <b>4,007</b> | <b>Screened</b> | <b>34</b> | <b>4,890</b> | <b>n.a.</b> | <b>Originated</b> | <b>84</b> | <b>9,113</b> | <b>n.a.</b> |  |
| <b>Disbursed//ing</b> | <b>4</b>  | <b>-</b>              | <b>100</b>                        |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>Approved</b>       | <b>11</b>   | <b>947</b>            | <b>698</b>                        |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>Appraised</b>      | <b>22</b>   | <b>2,721</b>          | <b>4,007</b>                      |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>Screened</b>       | <b>34</b>   | <b>4,890</b>          | <b>n.a.</b>                       |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>Originated</b>     | <b>84</b>   | <b>9,113</b>          | <b>n.a.</b>                       |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>14.6.2</b>         | <p align="center"><b>Projects by Sector</b></p> <ul style="list-style-type: none"> <li>• <b>Manufacturing &gt; 80%</b></li> <li>• <b>Transport and Logistics</b></li> <li>• <b>Agro-processing</b></li> </ul>   | <b>Job</b>            | <b>30</b><br><b>7</b><br><b>1</b> |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
|                       | <b>Value R100m</b>  |                       | <b>40</b>                         |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>14.6.3</b>         | <p align="center"><b>Selected Projects</b></p> <ol style="list-style-type: none"> <li>1. <b>Marine Industrial Park (property)</b> R24m property loan unlocked R400m shipbuilding work, re-starting mothballed industry &amp; indirectly creating 1000+ jobs</li> <li>2. <b>Cement (manufacturing)</b> R55m cement grinding plant, 75% BEE</li> <li>3. <b>Marina (tourism)</b> R100m infrastructure investment to unlock R1.2 bn residential/commercial small craft marina</li> <li>4. <b>Power cable (manufacturing)</b> R45m electric power cable manufacturer</li> <li>5. <b>Herb exports (manufacturing)</b> R71m hydroponic agri-business on tribal land, 80% BEE</li> <li>6. <b>Cold storage (transport &amp; logistics)</b> R 62m specialist logistics facility, 66% BEE</li> </ol> |                       |                                   |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>14.7</b>           | <p align="center"><b>Key Lessons</b></p> <ol style="list-style-type: none"> <li>1. <b>Many entrepreneurs and investment opportunities.</b></li> <li>2. <b>Manufacturing is the dominant sector.</b> <ul style="list-style-type: none"> <li>• <b>Diverse range</b> within the sector</li> <li>• <b>Developmental impact</b></li> <li>• <b>Good BEE</b> profile opportunity</li> </ul> </li> <li>3. <b>Most projects not ready for an investment decision.</b> <ul style="list-style-type: none"> <li>• <b>Insufficient BEE</b></li> <li>• <b>Equity shortage</b></li> <li>• <b>83%</b> of the projects are <b>start-ups</b></li> </ul> </li> </ol>   |                       |                                   |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |
| <b>14.8</b>           | <p align="center"><b>NWGF Establishment steps: Update</b></p> <ol style="list-style-type: none"> <li>1. <b>External Capital Raising</b> <ul style="list-style-type: none"> <li>• <b>INCA and DBSA Commitment Letters</b> Received</li> </ul> </li> <li>2. <b>NWGF Website</b> (in progress)</li> <li>3. <b>NWGF office</b> in Boroleng House 2nd Floor</li> <li>4. <b>GF Project Appraisal:</b> <ul style="list-style-type: none"> <li>• <b>Project pipeline/templates/processes</b> are developed</li> <li>• <b>3 projects</b> so far</li> <li>• <b>Fund application of &gt; R200m</b></li> </ul> </li> </ol>  |                       |                                   |          |            |                 |           |            |            |                  |           |              |              |                 |           |              |             |                   |           |              |             |  |

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| <b>14.9</b> | <b>COMMENTS</b>  |  |
|             | <ul style="list-style-type: none"> <li>• <b>Project Proposals awaited</b></li> <li>• <b>NWGF could</b> identify and facilitate projects</li> </ul>   |  |
|             |  |  |
| <b>15.</b>  | <b>OTHER FINANCIAL INSTITUTIONS</b><br>ABSA, FNB, CAPITEC, DBSA, IDC, NEF, Other   |  |
|             |  |  |
| <b>15.1</b> | <b>ABSA: SPONSOR</b><br><b>Itumeleng (Tumi) Sengoara</b><br><b>National Manager External Strategic Partnerships and Black Business Development</b>   |  |
|             | <ul style="list-style-type: none"> <li>• <b>ABSA</b> has a <b>pro-active developmental</b> approach to business development and financing</li> <li>• Actively <b>committed to</b> business development and financing at the <b>MIDZ</b></li> </ul>   |  |
|             |  |  |
| <b>15.2</b> | <b>FNB: SPONSOR</b><br><b>Kelebogile McHarvey Seboka</b><br><b>North West Public Sector Manager</b><br><b>Mr C Mogadime</b>  |  |
|             | <ul style="list-style-type: none"> <li>• <b>FNB</b> is a contributor to the North West <b>Growth Fund</b> and is actively <b>committed to MIDZ</b></li> <li>• <b>Normal banking criteria</b> apply</li> </ul>  |  |
|             |  |  |
| <b>15.3</b> | <b>CAPITEC BANK: SPONSOR</b><br><b>Ms R Aghoo, Ms M Hutton, Mr M Phiriepa</b>  |  |
|             | <ul style="list-style-type: none"> <li>• Indicated <b>commitment to MIDZ</b></li> </ul>  |  |
|             |  |  |
| <b>15.4</b> | <b>DBSA</b>  |  |
|             | <ul style="list-style-type: none"> <li>• <b>Luther Mashaba</b> COO of SA Operations is an active member of the <b>MIDZ Board</b></li> <li>• <b>Bethuel Netshiswinzhe</b> Regional Manager <b>is involved hands-on</b> in project financing</li> <li>• <b>DBSA</b> is assisting with <b>infrastructure financing</b> and support services</li> <li>• Further engagement is needed on <b>infrastructure projects to be funded</b></li> </ul> |  |
|             |  |  |
| <b>15.5</b> | <b>IDC</b><br><b>Mr Ntokozo Mthembu</b>  |  |
|             | <ul style="list-style-type: none"> <li>• <b>MIDZ is actively engaging</b> with the IDC on financing industrial projects</li> <li>• <b>A specific project</b> to manufacture multi-purpose helmets on a contract was discussed</li> </ul>   |  |
|             |  |  |
| <b>15.6</b> | <b>NEF</b><br><b>Kentse Ntsamai, Ms K Yende</b>  |  |
|             | <ul style="list-style-type: none"> <li>• <b>MIDZ is actively engaging</b> with the NEF on financing BBBEE investments</li> <li>• <b>A Model</b> should be developed to facilitate Broad-based participation in MIDZ</li> </ul>   |  |
|             |  |  |
| <b>15.7</b> | <b>Other</b>   |  |
|             | <ul style="list-style-type: none"> <li>• <b>Other financial institutions and investors</b> are likely to be attracted to the</li> </ul>  |  |

|        |   |  |
|--------|---|--|
|        | MIDZ as it becomes a vibrant industrial and trade centre, eg. Khula, Commercial Banks, Trade Financiers, local and global investors   |  |
|        |   |  |
|        | <b>OTHER OPPORTUNITIES AND CHALLENGES</b>   |  |
|        |   |  |
| 16.    | <b>BUSINESS AND INVESTMENT OPPORTUNITIES</b><br>African Chamber of Commerce (North West) CEO,<br>Adv Tshepiso Mphahlane<br>082 701 3769<br><a href="mailto:advocatetm@lantic.net">advocatetm@lantic.net</a>   |  |
|        |   |  |
| 16.1   | <b>AFRICAN CHAMBER OF COMMERCE (NW)</b><br><ul style="list-style-type: none"> <li>• Provincial business chamber.</li> <li>• Over 500 enterprises.</li> <li>• Members active mainly in the following sectors- <ul style="list-style-type: none"> <li>– Mining &amp; Minerals</li> <li>– Energy</li> <li>– Construction</li> </ul> </li> <li>• Transport</li> <li>• Tourism &amp; Hospitality</li> <li>• Agriculture</li> <li>• Entertainment</li> <li>• Information Communication Technology</li> <li>• Investment</li> <li>• Services <ul style="list-style-type: none"> <li>– Organisational Development</li> <li>– Training</li> <li>– Legal</li> <li>– Financial</li> <li>– Etc</li> </ul> </li> </ul> |  |
|        |   |  |
| 16.2   | <b>2008 PROGRAMMES</b><br><ul style="list-style-type: none"> <li>• Mafikeng Industrial Development Zone</li> <li>• NMMDM LED</li> <li>• South Africa/Botswana Trade Protocols</li> </ul>  |  |
| 16.3   | <b>2008 FOCUS BUSINESS AREAS</b><br><ul style="list-style-type: none"> <li>• Energy</li> <li>• Minerals beneficiation</li> <li>• Agriculture</li> <li>• Tourism &amp; Hospitality</li> <li>• Transport</li> <li>• Entertainment</li> <li>• Manufacturing</li> </ul>   |  |
| 16.4   | <b>SPECIFIC PROJECTS</b>  |  |
| 16.4.1 | <ul style="list-style-type: none"> <li>• Energy <ul style="list-style-type: none"> <li>– Energy Saving Interventions (in partnership with RBH, Zaptronics)</li> <li>– Alternative Sources : Solar heating (in process of identifying technological partners) <ul style="list-style-type: none"> <li>• Markets <ul style="list-style-type: none"> <li>– Municipalities (govt. institutions, commercial entities, households)</li> <li>– Industry</li> <li>– Botswana</li> </ul> </li> </ul> </li> </ul> </li> </ul>  |  |
| 16.4.2 | <ul style="list-style-type: none"> <li>• Minerals beneficiation <ul style="list-style-type: none"> <li>– Diamond Cutting &amp; Polishing</li> </ul> </li> </ul>   |  |

|               |  |  |
|---------------|--|--|
|               | <ul style="list-style-type: none"> <li>• Equity and technology partners in place.</li> <li>• Chamber, MIDZ Co. and Invest North West to facilitate constant supply of rough diamonds by State Diamond Trader and other mining companies.</li> <li>– <b>Jewellery Manufacturing</b></li> <li>– <b>Diamonds</b> safekeeping &amp; transportation as well as Foreign Exchange. <ul style="list-style-type: none"> <li>• Initial concept developed. <b>NEED a bank as a partner.</b></li> </ul> </li> </ul>  |  |
| <b>16.4.3</b> | <ul style="list-style-type: none"> <li>• <b>Agriculture</b> <ul style="list-style-type: none"> <li>– <b>Equity transaction with NWK</b> <ul style="list-style-type: none"> <li>• <b>Agricultural Trade</b> with Botswana &amp; other SADC countries. <ul style="list-style-type: none"> <li>– Discussions with Botswana Confederation of Industry &amp; Commerce scheduled for 26 Feb 2008.</li> <li>– Trade mission with Invest North West scheduled for May 2008.</li> </ul> </li> </ul> </li> </ul> </li> </ul>   |  |
| <b>16.4.4</b> | <ul style="list-style-type: none"> <li>• <b>Tourism &amp; Hospitality</b> <ul style="list-style-type: none"> <li>– <b>In partnership with Barolong &amp;</b> franchise holder of <b>Holiday Inn &amp; Days Inn</b> brands, conducting feasibility studies in respect of: <ul style="list-style-type: none"> <li>• <b>3-star hotel</b> within the zone;</li> <li>• <b>Resort and waterfront</b> development at Modimolola dam.</li> <li>• <b>Leisure resort</b> next to Sun City.</li> </ul> </li> <li>– <b>SEDA</b> need to assist with <b>specialised market research and EIAs.</b></li> </ul> </li> </ul>                            |  |
| <b>16.4.5</b> | <ul style="list-style-type: none"> <li>• <b>Transport</b> <ul style="list-style-type: none"> <li>– <b>Taxi Recapitalisation</b> Programme presents opportunities. <ul style="list-style-type: none"> <li>• <b>Vehicle parts &amp; accessories.</b></li> <li>• <b>Local manufacture</b> of recap approved vehicles. <ul style="list-style-type: none"> <li>– <b>China's Fonton, etc.</b></li> </ul> </li> </ul> </li> </ul> </li> </ul>   |  |
| <b>16.4.6</b> | <ul style="list-style-type: none"> <li>• <b>Entertainment</b> <ul style="list-style-type: none"> <li>– <b>Relaunch of Bop Recording Studios</b> as world class music recording destination. <ul style="list-style-type: none"> <li>• Resort operational.</li> <li>• Business Plan for recording studios developed.</li> <li>• Awaiting funding. (R20m required).</li> </ul> </li> <li>– <b>CD/DVD factory at the zone.</b> <ul style="list-style-type: none"> <li>• Potential venture with factory in <b>Brazil</b>. Meetings scheduled for September 2008 (Brazil) &amp; November 2008 (Mafikeng).</li> </ul> </li> </ul> </li> </ul> |  |
| <b>16.4.7</b> | <ul style="list-style-type: none"> <li>• <b>Manufacturing</b> <ul style="list-style-type: none"> <li>– <b>Condom Factory</b> <ul style="list-style-type: none"> <li>• <b>Phase 1: Import untested condoms from Brazil.</b> <ul style="list-style-type: none"> <li>– Test, Lubricate, Package, Distribute (60% of manufacturing process).</li> </ul> </li> <li>• <b>Phase 2: Import latex and manufacture.</b> <ul style="list-style-type: none"> <li>– Dept of Health receptive. Need SABS approval. Will submit samples in the next few weeks.</li> </ul> </li> </ul> </li> </ul> </li> </ul>   |  |
| <b>16.5</b>   | <b>OUR NEEDS</b>   |  |
|               | <ul style="list-style-type: none"> <li>• <b>Support Services</b> <ul style="list-style-type: none"> <li>– Feasibility Studies</li> </ul> </li> </ul>   |  |

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|      | <ul style="list-style-type: none"> <li>– Market Research</li> <li>– Environmental Impact Assessments</li> <li>• <b>Reliable Financier</b></li> <li>• <b>Skills Development</b> <ul style="list-style-type: none"> <li>– MOU with IDZ &amp; ABSA: Meeting 1 held.</li> </ul> </li> <li>• <b>Equity &amp; Technology Partners</b></li> </ul>   |  |
| 17.  | <b>Conceptualisation and implementation of a best practice model for the Acceleration of the Land and Agrarian Reform Programme (LARP)</b><br>Mr George Fullard<br>Africon Putfoa Moroke Director  |  |
| 17.1 | <p style="text-align: center;"><b>Purpose of the presentation</b></p> <ul style="list-style-type: none"> <li>• Provide the MIDZ with a <b>brief background on an innovative alternative initiative</b> that will, inter alia, also address the concepts of poverty alleviation, job creation and food security</li> <li>• To create <b>awareness</b> with various stakeholders of the existence of the <b>LARP</b></li> <li>• To inform stakeholders that Africon is in the process of conceptualising a best practice implementation model</li> </ul>   |  |
| 17.2 | <p style="text-align: center;"><b>Background</b></p> <ul style="list-style-type: none"> <li>• In 1994 the Government inherited one of the <b>worst racially skewed land distributions</b> in the world           <ul style="list-style-type: none"> <li>– 87% of agricultural land owed by whites</li> <li>– 13% of agricultural land owed by blacks</li> </ul> </li> <li>• The undoing of this legacy is not just about <b>redistribution</b> of land but also ensuring the <b>productive use</b> of the land</li> <li>• The Government committed itself to an <b>ambitious programme of land and agrarian reform</b> <ul style="list-style-type: none"> <li>– <b>Completion of the restitution</b> process during <b>2008</b></li> <li>– <b>Redistribution of at least 30%</b> of the agricultural land <b>by 2014</b> (currently only <b>4,3%</b> of the land has been transferred)</li> <li>– Similarly ambitious targets exist for <b>black empowerment</b> in agri-businesses</li> </ul> </li> <li>• During the past 14 years, the overall <b>pace</b> of land and agrarian reform has been <b>slow</b> and the impact of improved livelihoods for beneficiaries disappointing</li> <li>• Subsequent to <b>the Land Summit in 2005</b>, the <b>DLA formulated a New Strategic Framework</b> for land reform           <ul style="list-style-type: none"> <li>– Framework conceptualises land reform as a <b>multi-faceted process</b> aimed at creating <b>sustainable economic development</b> and improving the <b>quality of life of the previously disadvantaged</b> – aligned with core objectives by Government in general</li> <li>– The framework <b>should pro-actively</b> <ul style="list-style-type: none"> <li>• Contribute to <b>poverty alleviation</b> and <b>economic development</b> through land reform and administration</li> <li>• <b>Be aligned</b> to various other government programmes, resulting in restitution, redistribution and tenure security being the catalyst for development</li> </ul> </li> </ul> </li> <li>• There is now strong consensus in Government that an <b>accelerated programme</b> for land and agrarian reform is the <b>key</b> to create higher growth and more jobs in rural areas</li> <li>• A restructured rural economy with more equal distribution of land and capital will further contribute to peace and stability in the country</li> </ul> |  |
| 17.3 | <b>Acceleration of the Land &amp; Agrarian Reform Programme</b>  |  |

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|  | <p>The <b>Agriculture and Land Affairs joint programme for land and agrarian reform</b> is Project 7 of the 24 Presidential Apex Priorities.</p> <p><b>Key principles:</b></p> <ul style="list-style-type: none"> <li>• <b>Use <i>focus areas</i></b> to concentrate service delivery in order to better exploit synergies between land redistribution, agricultural production and agri-business development</li> <li>• Put in place a <b><i>comprehensive support package</i></b> to cater for the inherently multi-sectoral requirements to make sustainable agricultural production and agri-business development a success</li> <li>• <b>Put <i>co-operative government</i></b> in place by establishing joint planning, budgeting, approval and implementation procedures between various government departments and programmes</li> <li>• <b><i>Decentralise implementation</i></b> to the lowest possible level depending on the specific programme activity</li> <li>• <b><i>Form partnerships</i></b> in order to exploit the relative strengths and capabilities of the key stakeholders</li> <li>• <b>The project is to be rolled out in all nine provinces, with the Farm dwellers as first priority</b></li> </ul> <p><b>By</b></p> <ul style="list-style-type: none"> <li>• <b>Redistributing land</b></li> <li>• <b>Increasing tenure security and black entrepreneurship</b></li> <li>• <b>Improving access to support services</b></li> <li>• <b>Increasing production and trade</b></li> </ul> <p><b>The Presidential Project will directly contribute to the overall goals of</b></p> <ul style="list-style-type: none"> <li>• <b>Agricultural Sector Plan</b></li> <li>• <b>White Paper on South African Land Policy</b></li> </ul> |
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| 17.4 | <p style="text-align: center;"><b>Opportunity for North West Province</b></p> <ul style="list-style-type: none"> <li>• <b>Integrated implementation</b> of programmes between DLA and DoA <b>never materialised</b></li> <li>• Until today programmes are not synchronised and operate in <b>silos</b></li> <li>• Given the existing legal and policy framework and strong programme principles the <b>opportunity</b> exists to provide a <b>solution</b> with the necessary <b>flexibility</b> to continuously improve and innovate in implementation</li> <li>• Opportunity for the Province and other stakeholders to conceptualise and implement an <b>LARP</b> to assist government to implement jointly, be more proactive and encourage community participation</li> <li>– The LARP will aim to reverse the fragmented and inadequate implementation approach and pro-actively intervene to accelerate implementation and improve impact</li> <li>– The <b>pilot LARP project</b> could be used by Government as a <b>best practice implementation model</b> for future projects</li> <li>– <b>Key areas</b> of intervention include <ul style="list-style-type: none"> <li>– <b>Economic</b> development</li> <li>– <b>Physical</b> infrastructure investment</li> <li>– <b>Social</b> infrastructure investment</li> <li>– <b>Human</b> resource development</li> <li>– <b>Natural</b> resource based programmes</li> </ul> </li> <li>– <b>Gaps that will be closed by LARP</b></li> <li>– <b>Lack of close engagement</b> between units involved in land reform and post settlement support within <b>DLA and DoA</b></li> <li>– <b>Lack of alignment</b> between PLRO's and Prov Dep of Agriculture. None of the provs have achieved effective integration</li> <li>– <b>Weak links</b> between National DLA, DoA, Municipalities and other key</li> </ul> |
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|             | <p>departments i.e. Housing, Education, etc</p> <ul style="list-style-type: none"> <li>- <b>Community participation</b> in development</li> <li>- <b>CASP contributes 70% to LARP</b></li> </ul>  |  |
| <b>17.5</b> | <p style="text-align: center;"><b>SUMMARY</b></p> <ul style="list-style-type: none"> <li>- Concentrating project activities on carefully selected <b>focus areas to capture synergies</b> between various departments and exploit linkages which will create sustainable rural development</li> <li>- Supplying a <b>co-ordinated comprehensive support package</b> for new owners of land and agri-business</li> <li>- Putting in place an innovative <b>model for co-operative government and funding</b> based on <b>team work and joint</b> planning, budgeting, approval and implementation processes with the focus on <b>community driven</b> development</li> <li>- After principle approval to pilot the LARP in the North West Province, various other stakeholders including the MIDZ, will be engaged to determine the extent of involvement, to ensure a sustainable best practice implementation model</li> </ul> |  |
| <b>18.</b>  | <p><b>QUANTIBUILD – NEW GORDONIA INVESTMENTS JOINT VENTURE: SPONSOR</b><br/><b>Neil van der Watt</b></p> <ul style="list-style-type: none"> <li>• <b>The Joint Venture</b> has been engaged as engineering contractors in the MIDZ infrastructure</li> <li>• <b>The Joint Venture is a successful BBEE</b> partnership in which responsibility and benefits have been shared and skills transferred</li> <li>• <b>MIDZ</b> was thanked for its support in ensuring <b>delivery and timeous payment.</b></li> <li>• It is hoped that a <b>productive long-term relationship</b> will be sustained with the MIDZ</li> </ul>   |  |
| <b>19.</b>  | <b>DISCUSSION COMMENTS</b>  |  |
| <b>19.1</b> | <p><b>Nelson Mongale, NWU Centre for Adv. Manufacturing</b></p> <ul style="list-style-type: none"> <li>• <b>A Centre of Excellence</b> is proposed for MIDZ which could be partly covered by the CFAM's existing dti contract</li> <li>• Ready to play an <b>active role</b> in the <b>manufacturing</b> working group</li> </ul>   |  |
| <b>19.2</b> | <p><b>SMME, BBEE &amp; SKILLS WORKING GROUP</b></p> <ul style="list-style-type: none"> <li>• <b>SEDA, ABSA, DOL, FNB, IDC, NEF, NMMDM, MLM, MIDZ Chairperson, Business Chambers, Service Providers</b> and others indicated commitment</li> <li>• <b>An SMME Incubator</b> was discussed similar to the SEDA incubator in Rustenburg</li> <li>• <b>Skills and business development</b> opportunities are mutually reinforcing</li> </ul>  |  |
| <b>19.3</b> | <p><b>TRANSPORT CLUSTER / WORKING GROUP</b></p> <ul style="list-style-type: none"> <li>• <b>All roleplayers</b> to be involved including National and Provincial <b>Departments, Airport, SANRAL, TRANSNET</b>, operators and service providers</li> <li>• <b>The Airport License</b> is a priority to be approved by the Minister of Transport in liaison with the Minister of Trade and Industry</li> <li>• <b>The Aviation Cluster</b> is taking shape in consultation with various major roleplayers.</li> </ul>  |  |
| <b>19.4</b> | <p><b>MINERALS BENEFICIATION CLUSTER</b></p> <ul style="list-style-type: none"> <li>• <b>Meshack Malie</b> of DME indicated commitment to champion the cluster in line with DME's minerals beneficiation and BBEE mandates</li> <li>• <b>Sodhie Naicker of Mintek</b> has since expressed interest in a facilitative role, including key contacts within the Diamond, Platinum and other sectors</li> </ul>   |  |

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|             | <ul style="list-style-type: none"> <li>• <b>The existing Mineral Beneficiation Park</b> role-players need to be involved in the cluster</li> </ul>  |  |
| <b>19.5</b> | <b>AGRO-PROCESSING CLUSTER</b> <ul style="list-style-type: none"> <li>• <b>NW Department of Agriculture to champion</b></li> <li>• <b>George Fullard of Africon</b> to liaise with the Department on the proposed LRAP Model</li> </ul>   |  |
| <b>19.6</b> | <b>LOGISTICS AND ICT CLUSTER</b> <ul style="list-style-type: none"> <li>• <b>Mr N Mashalaba OF Dimension Data</b> indicated interest in the working group</li> <li>• <b>Di-Data could mobilise</b> interest in MIDZ from its client base</li> </ul>   |  |
| <b>19.7</b> | <b>PROGRAMME DIRECTORS: NATGROWTH</b> <ul style="list-style-type: none"> <li>• <b>Eric Stillerman, CEO Natgrowth, Artie Phatlane</b> and team thanked the the Organisers, the <b>MIDZ</b> team and the <b>CEO</b> for his inspiration and entrepreneurial drive in directing the MIDZ towards its <b>exciting Vision and Mission</b></li> <li>• <b>Natgrowth</b> is committed to a long-term <b>Strategic Partnership with MIDZ</b> contributing to business development, investment facilitation and success.</li> </ul>   |  |
| <b>19.8</b> | <b>Tebogo Kebothhale CEO MIDZ:</b> <ul style="list-style-type: none"> <li>• <b>Thanked all</b> participants, sponsors, presenters and organizers for their contributions to the successful Strategic Business Workshop, which generated substantial interest, confidence and potential for the MIDZ.</li> <li>• <b>Thanked the MIDZ Board</b> for its overwhelming support</li> <li>• <b>This Report</b> will serve as a basis for action plans, elevating issues to the right level and further discussions with stakeholders and the dti as custodians</li> <li>• <b>Strategic Relationships</b> need to be structured with all roleplayers, including definition of roles, responsibilities, <b>Action Plans</b>, targets, timeframes and resource commitments</li> <li>• <b>The Infrastructure</b> programme is proceeding on track for funded projects.</li> <li>• <b>The Mineral Beneficiation Park</b> construction should commence in June 2008</li> <li>• <b>50 Serviced Erven</b> will be ready by <b>Dec 2008</b></li> <li>• <b>19 Potential Investors</b> have indicated interest</li> <li>• <b>Discussions</b> are continuing on all relevant issues including infrastructure, funding, transport, the airport license, the IDZ application, strategic partnerships and ongoing operational issues.</li> <li>• <b>RFP's</b> are in progress on infrastructure projects and will be issued in due course for <b>Industrial Operators, Service Providers and Investors</b> in the various sectors</li> <li>• <b>Investor Briefings</b> are planned from May 2008</li> <li>• <b>The MIDZ Flower is blossoming</b> with the various <b>role-players</b> who should ask:</li> <li>• <b>Where do we fit in?</b><br/><b>What contribution can we make?</b></li> </ul> |  |
| <b>20.</b>  | <p style="text-align: center;"><b>CLOSURE</b><br/><b>Mr S Ngwenya, MIDZ Deputy Chairperson</b></p>  |  |
|             | <b>Thanked all participants and congratulated MIDZ</b> on a highly productive Strategic Business Workshop which bodes well for the <b>future of the MIDZ.</b>   |  |

## BACKGROUND

### TO THE MIDZ BUSINESS PLAN AND STRATEGIC BUSINESS WORKSHOP

#### 1. STRATEGIC BACKGROUND

The MIDZ has been conceptualised within the enabling manufacturing development policy frameworks of national Government with the aim of making a significant contribution to the manufacturing base of the North West Province, South Africa and the SADC region. **The MIDZ aims** to become a world class hub for the manufacturing of hi-tech electronic components, wireless tracking and tracing equipment, systems, minerals beneficiation and the processing of agricultural products.

**The location** of the MIDZ, adjacent to Mafikeng International Airport (MIA), provides the necessary access to an international port and the establishment of a customs secure area in compliance with the guidelines in the IDZ Programme of National Government.

Whilst **IDZ status** is considered beneficial for the region as a whole, it is not seen as limited to the development potential for the proposed investment projects in and around the airport. The IDZ application process is therefore running in parallel with the broader development aims of the MIDZ company in promoting investment projects which will derive greater feasibility and functionality as a result of the proximity of the airport.

## 2. VISION. MISSION AND STRATEGIC OBJECTIVES

**The vision** of the MIDZ Company is stated as the establishment and operation of -

*“a world class multi-modal hi-tech hub for the manufacturing of electronic components and systems, mineral beneficiation and processing of agricultural products”*

**The mission** in support of the vision statement is -

*“to provide integrated and well managed infrastructure and export orientated operational support systems capable of promoting economic growth and industrialisation at Mafikeng.”*

**The strategic objectives** of the MIDZ Company are:

- To establish sound project management, information and administrative systems;
- To facilitate the creation of an industrial complex that can generate strategic and economic advantages;
- To take advantage of existing under-utilised infrastructure and capacity;
- To promote integration of local industry and export orientated value add production;
- To promote economic and social equity;
- To protect the environment and the utilisation of natural resources in a sustainable manner; and
- To promote BEE and SMME development and participation.

## 3. STRATEGIC BUSINESS MODEL

The Overall Strategic Business Model will be reviewed and enhanced in terms of gaps, opportunities, strategies, models and processes such as the following:

3.1 **Shared Vision and Mission:** may be enhanced in a number of aspects such as

- **Sharing** of a common purpose with **buy-in** amongst all relevant stakeholders
- **A market-related business definition** and long-term view of the role of the MIDZ in the broader economic environment eg.
- The role of the MIDZ in promoting **International and African Trade**
- The role of the MIDZ as **catalyst for Shared Growth and Development** in North West Province and the surrounding region

3.2 **Industry and Competitor Analysis:** Contextualising the MIDZ within the **broader** industrial and competitive environment and within the **specific** Sector Investment Programmes, in order to **strengthen MIDZ's Competitive Strategies** and Business Plan using models such as Porter's in terms of:

- **Industry Structure:** Markets, Channels, Suppliers, Rivals, Substitutes, Potential Competitors, Entry Barriers, Exit Barriers
- **Industry Dynamics and Forces** such as Rivalry, Bargaining Power of Markets, and Suppliers, Threat of Substitution and New Entrants and the "Rules of the Game": "How do you win in this game?"
- **Industry Attractiveness:** Size, Growth, Margins, Returns, Favourability of Industry Forces and Structure: "Can you succeed in this game"?

3.3 **Value Chain Analysis: Analysis of Activities, Costs, Value-add and Margins,** within the Industry Value Chain and the Organisational Value Chain in order to develop and **enhance competitive strategies and linkages** including:

- **Industry Value Chain / Supply Chain:** Raw Materials, Extraction, Distribution, Processing, Trading, Retailing, End-user Consumption and Support Services
- **Direct Activities:** Inbound logistics, Operations, Outbound logistics, Sales and Marketing and Service
- **Indirect Activities:** Infrastructure, Procurement, Technology, Human Resources, Management and Administration

3.4 **Situation Analysis: Updating the MIDZ "SWOT"** along the Value Chain:

- **Strengths** and Competencies
- **Weaknesses** and Challenges
- **Opportunities**
- **Threats**
- **Key Issues**
- **Critical Success Factors**

3.5 **Competitive advantages and strategies:** Why should Investors, Operators and Traders come to the MIDZ? Development of Sustainable Competitive Advantages for the MIDZ in terms of eg.

**Types of Competitive Advantage** eg. Porter's Generic Strategies:

- **Cost leadership:** Can we / Should we compete as the **lowest cost** operator eg in terms of location, transport, warehousing, processing and logistics?
- **Differentiation:** Can we / Should we provide unique **value added** advantages eg. Opening up Unique Trade Routes, Unique South African, African and Global Positioning, World Class Manufacturing, Processing, Trade and Services?
- **Focus:** Can we / Should we concentrate on specific **market niches?** Eg. Particular regions, sectors or types of operation?
- **Outpacing combinations:** Can we / Should we offer the **best value for money** combining the above and/or other competitive propositions?

**Sources and Drivers of Competitive Advantage:** How do we gain competitive advantage in terms of Cost Leadership and/or Differentiation?

- **Scale advantages:** Is bigger better or cheaper?
- **Scope advantages:** Broad "1stop-shop" vs narrow specialized focus of activities
- **Capacity utilisation advantages:** Can we offer lower costs or more value added by keeping a steady flow of activity throughout the year?
- **Location advantages:** Do we have proximity advantages relative to specific resources, channels and/or markets
- **Linkage advantages:** eg. Can we create synergies within and between the organization and/or a cluster of organizations and service providers?
- **Integration advantages:** eg. Can we create Upstream / Backward, Downstream/ Forward and/or Sidestream / Horizontal integration advantages?
- **Timing:** eg. Can we create 1<sup>st</sup> mover advantages?
- **Switching advantages:** eg. Can we commit customers over the longer term?
- **Reconfiguring the Value Chain:** Can we change the Rules of the Game to our advantage eg. By combining activities
- **Institutional advantages** eg. Can we / Should we seek preferential advantages through Legislation, IDZ status etc.
- **Discretionary policies:** eg. . Can we / Should we seek preferential advantages through a specific package of Incentives etc.

3.6 **Investment attractiveness** and strategies:

- **What are the compelling reasons** for Investors to invest in MIDZ? Eg. Return on Investment, Growth, Unique Business Development and Trade opportunities
- **How do we Attract Investors?** Consideration of the costs and benefits of various Marketing and Promotion Strategies, Networks, Channels and Linkages

### 3.7 Trade opportunities and strategies

- **How do we develop MIDZ into a significant International Trade Centre** eg. Opening up major Trade Routes as a preferred Gateway to Africa and Global Markets backed by world-class services?

### 3.8 Transport and logistical requirements and strategies

- **How do we meet the major Transport and logistical requirements** to service the MIDZ and customers? Eg. Upgrading Road, Rail and Airlift capacity in strong partnerships with all relevant National, Provincial and Local authorities.

### 3.9 Capacity requirements and strategies

- **How do we meet the key Capacity requirements for MIDZ's successful operation** ? Eg. In terms own staffing, strategic partnerships and/or outsourcing

### 3.10 Provincial Growth and Development Strategies (PGDS)

- **How do we maximize the linkages, benefits and contributions** to the PGDS Strategies, Projects, Initiatives, Budgets and Growth Funds including
- The **Platinum Corridor** eg. Mineral Beneficiation, Manufacturing, Transport
- The **Treasure Route** eg. Tourism, Agro-processing, Manufacturing, Transport
- The **Western Frontier** eg. Agro-processing, Tourism, Transport

### 3.11 District and Local Economic Development Strategies

- **How do we maximize the linkages, benefits and contributions** to the District Growth and Development Strategies (DGDS), Local Economic Development (LED) Strategies, Projects and Investment initiatives, including
- **NMM District and Mafeking** as primary partners in MIDZ with multiple spin-offs in all sectors
- **Bojanala District** eg. Linkages to Platinum Beneficiation, Auto industry, Mining and industrial supply park, Transport and Tourism **Bophirima District** eg. Linkages to the Greater Taung Project in terms of Cattle Beneficiation, Meat Processing, Diamond Trade and Processing, Transport and Tourism
- **Southern District** eg. Linkages to Manufacturing, Minerals Beneficiation, Agro-processing, Tourism, Education and other sector initiatives.

### 3.12 Regional Growth and Development Strategies

- **How do we maximize the linkages, benefits and contributions** to the broader Regions of SA including
- **Direct neighbours:** Gauteng, Free State, Limpopo, Northern Cape
- **Broader regions:** Mpumalanga, KZN, Eastern Cape and Western Cape?

**3.13 National Opportunities and Strategic Initiatives** such as those arising from **ASGISA** (Accelerated and Shared Growth Initiative for South Africa) which aims to achieve 6% Growth, halve unemployment and poverty by 2014 such as the following:

- Infrastructure Investment Initiatives and Funding
- Industrial Policy
- Improving Competitiveness
- Improving the National Logistics System
- Reducing the cost of doing business
- Priority Sector Strategies
- Integrating the “Second Economy”
- Broad-based Black Economic Empowerment (BBBEE)
- Enterprise Development
- JIPSA (Joint Initiative for Priority Skills Acquisition)
- Improving Management and Strategic Leadership

#### **3.14 Africa and Nepad Growth and Development Strategies**

- **How do we maximize the linkages, benefits and contributions to Africa and Nepad** including direct and indirect **trade and investment** opportunities ie.
- **SADC:** Namibia, Botswana, Angola, Zambia, Zimbabwe, Lesotho, Swaziland, Mozambique and the Island States
- **WEST AFRICA**
- **CENTRAL AFRICA**
- **EAST AFRICA**
- **NORTH AFRICA**

#### **3.15 Global Growth and Development Strategies**

- **How do we maximize the linkages, benefits and contributions to Global Markets and regions**, including trade and investment opportunities, international Partnerships and Trade Agreements emerging in all NEWS Directions ie.
- **North:** EU and Eastern Europe
- **East:** China, India, Japan, Asia, Australasia
- **West:** USA, Canada and South America
- **South-South:** China, India, Japan, Asia, Australasia, South America

### 3.16 Marketing and Promotion Strategies

It is considered that the **Marketing and Promotion of the MIDZ will be a Critical Success Factor** in terms of Trade and Investment. Accordingly, the assignment will address issues such as:

- **Trade and Investment Marketing Strategies**
- **Linkages with National and Provincial Trade and Investment Agencies**
- **Linkages with Marketing and Promotion Service Providers**

### 3.17 Detailed Operational Business Model

The Background documents indicate that the Detailed Operational Business Model will be covered in a **separate assignment**. The present assignment may provide certain **strategic insights** into the issues in the background documents including:

- **Identification and management of revenue**, from :-
  - Sale / lease of serviced sites within the MIDZ.
  - Management / development levies on MIDZ sites.
  - Commissions / sponsorships of investment opportunities.
  - Any other sources of revenue which may be identified.
- **Operational expenditure requirements**, including:
  - Direct operating costs (Personnel, rentals, commissions, fees, etc.).
  - Indirect operating costs.
  - Long term cost commitments, for aspects such as taking back of awarded concessions at term, etc.
  - Any other operating costs which may be identified as being necessary

The background documents indicate that the business model should ensure that the MIDZ co., although primarily established to facilitate manufacturing and development with a view to accelerating economic development in the province, is **not envisaged** to operate **as a cash cow** in its own right, but should none the less be **sustainable** by being able to cover its own operating costs to a substantial degree, at least over the medium / long term.

The background documents indicate that in order to define many of the above inputs, a detailed organizational and staffing structure will have to be developed for the MIDZ Co., in order to ensure that it can meet all of its obligations and responsibilities which may arise as a result of the arrangements, agreements and contracts which will emanate from the process as described below.

It is considered that **MIDZ** should cover all its costs and obligations and have the **potential** to generate a significant return on investment which may be **ploughed back** into further growth and development initiatives.

### 3. STRATEGIC INVESTMENT PROGRAMME (SIP) THEMES

#### 3.1 Background

The overall strategic thrust in support of the SIP is to create a platform from which complementary business activities can collectively synergise and leverage their upstream and downstream commercial opportunities. The designation of the airport as an inland “dry” port and gateway for import and export transactions as well as the availability of a bonded warehouse with customs and excise services will not only simplify such international trade transactions, but also assist a landlocked area like the North West Province to have more direct control and access to international trade.

The investment theme and **Sectoral Investment Programme (SIP)** of the IDZ at Mafikeng is to become a **world class hub** for

- **Manufacturing** eg. **hi-tech electronic components**, wireless tracking and tracing equipment and systems
- **Minerals Beneficiation**
- **Processing of Agricultural products.**

The **SIP themes** may be enhanced by **articulating the sector strategies** and opportunities further within the broader trade and industrial environment.

In addition, the MIDZ will provide the following types of trade-related services which require more **detailed strategies** as central themes in the MIDZ Business Model:

- **Trade Facilitation**
- **Support Services**

#### Investment Opportunities

The background documents list **specific investment opportunities** that have been identified and **tested** with potential investors. These opportunities need to be **integrated** within the overall **SIP Strategies**

#### Beneficiation

- **Petroleum beneficiation**, storage and distribution; bulk liquid fuel farm operations;

### Trade Support Services

- **container park**, inclusive of container manufacturing, maintenance and repair services;
- **forwarding, clearing**, customs, excise, bonded warehousing and immigration services;
- **wholesale and retail trade services** with electronic Order Board capabilities which system provides for open membership to all suppliers in the region in order to promote regional market integration, trade facilitation, imports and exports to and from SADC countries, as well as customs, excise and financial services that are capable of promoting the area as a one-stop trading point.

The objective is to give demonstrative effect to SADC's Trade Protocol which protocol provides for the creation of "Free Trade Areas" that can serve multiple countries and markets through the use of multi-modalism, demand responsive and seamless supply chains that can realise the inherent comparative cost advantages and investment incentives to be created for the IDZ;

- **cargo break-bulk**, consolidation, storage and materials handling facilities serviced by air cargo, land and rail-based operations;
- re-opening of a **regional rail maintenance** workshop for SADC member states;
- the possible establishment of **logistical support base** for the United Nations;

### Specialised Aircraft Manufacturing and related Maintenance Services

- **Aircraft maintenance workshop** which programme and services comprise the following key areas:

#### **Complete aircraft engine overhauls;**

- Routine maintenance services;
- Stock holding and on-selling of key components/spares;
- Component manufacturing including the fuselage, navigational aids, etc
- Staff training and management outsourcing contracts;

- **Safety inspections** and calibration services of aeroplanes of airlines applying for Foreign Operator Permits (FOP's) to provide air services into the region on behalf of the National Department of Transport, the International Air Services Licensing Council of South Africa and SADC member states, etc.

Establishing these **specialised aircraft manufacturing and maintenance technical capacities** to the manufacturing and professional services sectors of South Africa further complements the existing aviation knowledge base, whilst promoting economic diversification and local specialisation opportunities in the aviation sub-sector.

The direct and indirect contributions to improved aviation safety, quality standards, condition of aircraft, promotion of and protection of the public interest and improved aircraft operating efficiencies are immense not just for South Africa but also for the African continent as a whole.

### Market and Sectoral Linkages

The identification, conceptualisation and specification of the Sectoral Investment Programme are viewed as critical in attracting the "right" investments that can contribute to sustainable economic growth and development in Mafikeng.

The implementation of the Sectoral Investment Programme of the IDZ to its full potential through both public and private sector initiatives includes but is not limited to the creation of the following sectoral and market linkages:

| <b>MARKET AND SECTORAL LINKAGES OF MIDZ's OPERATING CONCEPT</b>  |  |
|--|--|
| <p><b>1. Fixed Infrastructure</b></p> <ul style="list-style-type: none"> <li>▪ Roads</li> <li>▪ Rail</li> <li>▪ Dry Port</li> <li>▪ Transhipment Point</li> <li>▪ Office Complex</li> <li>▪ Inland Container Park</li> <li>▪ Industrial Park</li> </ul>  | <p><b>2. Trade Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Bonded Warehouse</li> <li>▪ Central Order Board (electronic trading floor)</li> <li>▪ Business Promotion</li> <li>▪ Trade and Exhibition Centre</li> <li>▪ Free Trade Area</li> <li>▪ Customs Secure Area</li> </ul>  |
| <p><b>3. Services</b></p> <ul style="list-style-type: none"> <li>▪ Bulk Services</li> <li>▪ Project Management</li> <li>▪ Hub for Non-Scheduled Air Cargo Services</li> <li>▪ Investment &amp; Project Promotion</li> <li>▪ Development Facilitation</li> <li>▪ MOU's &amp; Co-operation Agreements</li> <li>▪ Information Centre</li> <li>▪ Outsourcing Services</li> </ul> | <p><b>4. Institutional</b></p> <ul style="list-style-type: none"> <li>▪ SDI Corridor Committees</li> <li>▪ Federation of Regional Road Freight Associations (FRRFA)</li> <li>▪ Dry Ports Authority</li> <li>▪ IDZ Authority</li> </ul>   |
| <p><b>5. Systems</b></p> <ul style="list-style-type: none"> <li>▪ Automated System for Customs Data (ASYCUDA)</li> <li>▪ Automated Cargo Information System (ACIS)</li> <li>▪ Rolling Stock Information System (RSIS)</li> <li>▪ National Traffic Information System (NATIS)</li> <li>▪ Traffic Model</li> <li>▪ Incoterms</li> </ul>  | <p><b>6. Programmes</b></p> <ul style="list-style-type: none"> <li>▪ Co-operative Governance</li> <li>▪ Cross Border Initiatives (CBI)</li> <li>▪ Mineral Beneficiation</li> <li>▪ Free Trade Area (FTA)</li> <li>▪ One-Stop Border Post Project</li> <li>▪ Industrial Development Zone</li> <li>▪ Agro-processing</li> <li>▪ Hi-tech manufacturing</li> </ul> |

The market and sectoral linkages will be enhanced using the following investment principles:

- set aside principle (Equity participation for local businesses i.e. SMME's and BEE groups );
- promotion of local content and local sourcing of inputs;
- comparative cost advantages;
- public comparator;
- value for money principle;
- total cost concept;
- skills development;
- preferential procurement; and
- affirmative action.

The operating concept is to ensure international competitiveness and to maximise value add production. It is considered that **Integrated Business Strategies and further Specific opportunities** are required for all SIP Themes and related sectors including the following.

### 3.1 Minerals Beneficiation

**Integrated Business Strategies and further Specific opportunities** are required eg.

- **Platinum products** eg. catalytic convertors
- **Related Platinum Group Metals** processing and products
- **Gold** processing, jewellery and other products
- **Diamond** processing, jewellery and other products

### 3.2 Manufacturing

**Integrated Business Strategies and further Specific opportunities** are required eg.

- **Electronic** components, products and systems building on above opportunities
- **Other related downstream products** building on Advanced Manufacturing expertise available in North West
- **ASGISA** priority sectors and **dti** Customised Sector Programmes (CSP) such as Appliances, Metals and Chemicals

### 3.3 Agro-processing

**Integrated Business Strategies and further Specific opportunities** are required eg.

- **Cattle Beneficiation and Red Meat** production linked to Western Frontier projects
- **Bio-Fuels production, related co-products** and support services linked to plants planned in Central District and Southern District
- **Other Agro-processing and related Packaging, Marketing, Branding and Distribution** opportunities eg. Hydroponics, Intensive farming, Floriculture, Maize

### 3.4 Trade facilitation and support services

It appears that a **number of specific opportunities** have been identified and tested for trade facilitation and support services. **Integrated Business Strategies and further Specific opportunities** are required to do justice to the potential of MIDZ eg.

- **Positioning MIDZ as a major Trade Centre and Gateway** to Africa and international markets
- **Trade Marketing and Promotion** Strategies and linkages to related Services within South Africa, Africa and international markets
- **Revival of Mafeking** and North West as a Strategically important Region as evident from history some 100 years ago with the Siege of Mafeking
- **Capitalising on World Cup 2010** and the growth of **“Shopping Tourism”** which comprises the main attraction for the majority of foreign visitors from Africa.

### 3.5 Related and Other sectors

**The MIDZ presents opportunities for a number of other sectors**, related to its core SIP themes and its role in the growth and development of the province and region.

**Strategies and Opportunities** need to be explored in collaboration with National, NWPG, CDM and Mafeking Role-players in sectors such as the following:

- **ICT and BPO&O:** The MIDZ SIP Sectors such as Electronics, Systems, Trade and Transport are vitally interlinked with ICT: Information and Communication Technologies and BPO&O: Business Process Outsourcing and Offshoring. Thus **ICT and BPO&O Strategies and specific Opportunities** need to be explored and integrated into the Business Plan.
- **Tourism: Domestic, African and Foreign Leisure,** Accommodation, Entertainment and **Shopping** Facilities and **Business Tourism** including the MICE industry: Meetings, Incentives, Conferences and Exhibitions
- **Property: Integrated mixed use commercial, industrial and residential** upgrading and new **developments** in terms of the needs and opportunities arising within Mafeking and the surrounding region in due course.
- **Financial Services: The MIDZ Trade and Investment** activities will naturally give rise to the demand and opportunities for a wide range of financial services which should be incorporated in the integrated MIDZ business strategy, including: Project Finance, Asset Finance, Trade Finance, Corporate Finance, Corporate Finance, Insurance s well as Commercial and Retail Banking services.
- **BBBEE, SMME and Coop Development** need to be incorporated in the integrated business plan in terms of both imperatives and opportunities arising
- **Education, Training and Human Resource Development Strategies** need to be incorporated in the Business Plan including aspects such as
  - **The Needs** for Scarce Skills, Skills Transfer, BBBEE and ongoing training
  - **Opportunities** to develop education and training as a viable industry in its own right based on the expertise to be gained and the existing education and infrastructure within the province.