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**ECDC'S PROJECTS AND
INVESTMENT OPPORTUNITIES
IN THE EASTERN CAPE PROVINCE**



EASTERN CAPE FACTS AND FIGURES

	Eastern Cape Province	SA
Population (million) – 2006	7.05	47.4
Area (sq km)	169,580	1,219,912
GDP (billion) – 2005	\$16	\$200
Per capita income	\$2,307	\$4,219
Budget (billion) – 2006	\$3.5	\$63.02

	Eastern Cape Province	SA
GDP growth – 2005	4.8%	5.1%
GDP growth – 5 year ave	2.8%	3.5%
Unemployment – 2005	22.1%	25.6%

THE EASTERN CAPE DEVELOPMENT CORPORATION



ROLE OF ECDC

Economic development agency of the provincial government tasked to facilitate and support private sector development in the Eastern Cape

WHO ARE WE?

Provincial Parastatal, Section 3D public entity comprising

- Enterprise promotion
- Property development
- Enterprise development
- Development projects
- Development finance

**EASTERN CAPE
PROJECTS BY REGION**

DISTRICT	No. Projects	Capex	Jobs
ALFRED NDZO	3	R 14,199,000	?
AMATOLE	12	R 108,680,000	2,105
CACADU	12	R 224,000,000	3,434
CHRIS HANI	5	R 22,000,000	2,250
O R TAMBO	2	R 80,260,000	610
UKHAHLAMBA	6	R 104,550,600	65
Total	40	R 553,689,600	8,464

EASTERN CAPE VALUE PROPOSITION

THE PLACE TO LIVE, WORK AND INVEST

1. Launch pad for the sub-Saharan African market
2. Duty Free Access into the USA & EU (FTA)
3. Multi-modal logistics (rail, road, air and port)
4. Duty & VAT Suspension Regime in IDZ'S
5. Emerging market cost advantages
6. Relatively low cost of electricity
7. National investment incentives
8. Lifestyle
9. Benefits from 2010 World Cup
10. Investor Support
 1. Eastern Cape Development Corporation
 2. Municipal economic development agencies
 3. Two IDZ's

EASTERN CAPE VALUE PROPOSITION

COEGA & EAST LONDON IDZ'S

- Close relationship with both IDZ's
- Marketing the opportunity internationally
- Unbiased marketing of the opportunities
- Supporting infrastructure involvement – e.g. EL Port Expansion

INVESTMENT OPPORTUNITIES AUTOMOTIVE

AUTOMOTIVE ASSEMBLY

- Home to DaimlerChrysler, VW and GM OEM's
- Manufacturing 50% SA's passenger vehicles (51% of all exports) SA market size 588,000 units
- Exports valued at \$2.45 billion (2003)
- Destination for exports: Japan 35%, USA 20%
- Motor Industry Development Plan (MIDP)
- Competitive advantages:
 - flexible production ability
 - low tooling costs
 - first world production testing
- Opportunity
 - New vehicle assembler
 - Component suppliers

INVESTMENT OPPORTUNITIES BUSINESS PROCESS OUTSOURCING

CALL CENTRES

Competitive advantages:

- People: Cultural affinity, low labour costs, low staff attrition and strong work ethic
- Educated workforce with good English language skills
- Central time zone, geographically well-positioned
- Infrastructure: Cost efficient and reliable electricity supply
- First World transport, telecommunications, financial and administrative infrastructure
- Well-developed call centre knowledge



INVESTMENT OPPORTUNITIES AGRICULTURE

AGRICULTURE & AGRO-PROCESSING

- SA's main livestock province:
2.6-million cattle 7-million sheep
3.2-million goats
- World leader in high quality merino wool and luxury mohair fibres
- 30% of SA's wool and 80% of SA's mohair production
- 400-million litres milk per year - 20% of SA's production
- One of world leaders in production of pineapples and chicory.
- Major producer of deciduous and citrus fruit, tomatoes and tea.

INVESTMENT OPPORTUNITIES AGRICULTURE

FORESTRY AND TIMBER PROCESSING

- 130,000 ha existing forest
- 100,000 ha new afforestation
- New Steinhoff processing plant – the most modern in world – ongoing ECDC support
- Three year goal:
 - develop 30,000 ha of new plantations
 - rehabilitate 10,000 ha existing state plantation
 - establish downstream wood processing facilities (Mthatha)
- First phase investment required:
 - New afforestation \$56-million
 - rehabilitation \$12-million
 - furniture production \$10-million

INVESTMENT OPPORTUNITIES AGRICULTURE

NATURAL PRODUCTS

- Indigenous plants: Aloe gel, Bulbine gel, Sutherlandia, Honeybush, Melonseed oil, Pelargonium sidoides, Hypoxis, Lippia
- Used in the production of personal care/cosmeceuticals, nutraceuticals, beverages, phytopharmaceuticals and essential oils
- Climate: Large number of micro-climates enable the horticultural propagation of a broad range of indigenous and exotic plant species
- Capacity, expertise to develop new propagation protocols, develop elite strains of plants that are disease resistant and EU compliant

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INVESTMENT OPPORTUNITIES AGRICULTURE

PECTIN

- Demand in SA stands at 350 to 400 tons per annum and growing
- SA imports from pectin from Germany, Brazil, Denmark, France and the Czech Republic.
- SA citrus peels production is more than 120,000 tons
- Translates into 2,500 tons of pectin
- Capital investment required:
\$7.62-million (400 ton plant)
\$8.5-million (800 ton plant)



ESSENTIAL OIL PRODUCTION

- ECDC and ASPIRE are co-funding a study to determine how to expand the industry on the R63 route into a cluster and to investigate value adding possibilities including tourism
- Current sites include Hogsback, Barthurst, Peddie, Woodlands, Graaff Reinet and Keiskammahoek being the most advanced with 22ha, a nursery and a distillation plant for rose geranium
- Income could range between R10 000 to R25 000 per ha



INVESTMENT OPPORTUNITIES AGRICULTURE

BERRY PRODUCTION

- Berry corridor planned EL-Cathcart
- Starting with blueberries
- 3 primary production projects underway
- Processing option being explored
- Further berry species being investigated



PINEAPPLE PRODUCTS - BATHURST

- Adapting to market demands
- Supporting the industry to remain globally competitive
- Development of new value-added products:
 - Juice concentrate
 - Dietary fibres

INVESTMENT OPPORTUNITIES MARICULTURE

ABALONE MARICULTURE

- South African abalone, *Haliotis midae*, one of the top three species - demand and price
- Market stable
- Exports mainly to Far East
- Competitive advantages:
 - Land price
 - Warmer sea temps allow animals to reach market size in 3.5 years rather than 4 years



INVESTMENT PROJECTS MARICULTURE

FINFISH

- Strong interest in this market in spite of high energy coastline
- Current finfish culture projects: landbased kob culture, pilot scale cage culture of kob, yellowtail
- Advantages: Suitable land at low prices
- Warmer sea temperatures, animals reach market size in a shorter time than in the Western Cape
- Potential to develop two mariculture nodes in province



INVESTMENT PROJECT MARICULTURE

SHRIMP – SEA ARK AFRICA

- Strong interest in this market in spite of high energy coastline
- Current finfish culture projects: landbased kob culture, pilot scale cage culture of kob, yellowtail
- Advantages: Suitable land at low prices
- Warmer sea temperatures, animals reach market size in a shorter time than in the Western Cape
- White shrimp facility established at Coega for export to US market
- Potential to develop two mariculture nodes in province



INVESTMENT OPPORTUNITIES TOURISM

EASTERN CAPE TOURISM LANDSCAPE

- Average of 300 sunshine days a year
- Pristine, untamed, next to Western Cape
- Several unique features: Highest bungee jump, SA's only ski resort, Nelson Mandela Museum, Big 7, all seven of SA's vegetation types
- Political heritage
- Nine tourism routes
- Several incentives for investors
- Strong marketing/regulatory/oversight tourism infrastructure

KABELJOUWS DEVELOPMENT PROJECT

- Location: Jeffrey's Bay, 120 km from Port Elizabeth
- Scope: five-star accommodation (hotel), with ancillary facilities, eco-lodges, chalets, golf estate, environmental education centre, outdoor education initiative, cultural centre, hiking and bike trails, other recreational facilities, nursery for indigenous plants, camping and caravan sites, marine farming
- Investment value: Est \$66.6-million
- Nature of investment: Public private partnership
- Main financial assumptions: SEA is essential for site which include valuable historical and cultural heritage assets; environmentally sensitive area

BUSHMAN SANDS, ALICEDALE

- Location: Alicedale 110 km from Port Elizabeth
- Scope: Golf estate and related tourism development
- Nature of investment: Public private partnership
- ECDC has increased its shareholding and is involved in completing the infrastructure
- Opportunities exist for further property development in the village

INVESTMENT OPPORTUNITIES TOURISM

ALIWAL SPA HOLIDAY RESORT

- Scope: Revitalisation and redevelopment of spa
- Infrastructure considerations: Current infrastructure includes conference centre, indoor swimming pool, outdoor Olympic sized pool, indoor sports hall, self catering chalets, super-tube, amongst others which need upgrading
- Current project status: Facility operational
- Investment required: \$18-million

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INVESTMENT OPPORTUNITIES INFRASTRUCTURE

- **UMZIMVUBU BASIN DEVELOPMENT**

- Average annual water run-off: 2,787-million cubic meters
- Forestry and agriculture could to increase 30%
- Water storage and transfer
- Hydro electricity
- Potential to create 300,000 jobs
- Investment R28 bn in total
- New “rurban” socio-economic communities

CONTACT DETAILS



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