**THE NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**Question 828**

**Mr G K Y Cachalia (DA) to ask the Minister of Trade and Industry:**

What (a) amount has been budgeted to develop a special economic zone in Upington in the Northern Cape for the (i) 2018-19, (ii) 2019-20 and (iii) 2020-21 financial years, (b) progress has been made in the development of the specified special economic zone and (c) amount has been spent on the development of the special economic zone to date? NW913E

**Reply**

1. All provinces with proposed Special Economic Zones were allocated and received financial support from **the dti** annually from 2013/14 – 2016/17 financial years as part of the pre-designation support for the proposed SEZs. Northern Cape Provincial government was allocated **R31 938 587** for the preparation of the proposed Special Economic Zone (SEZ) in Upington, in particular, to fulfil the following key objectives:

* Pre-feasibility Study
* Feasibility Study
* Strategic Plans
* Establlishment of the Project Management Unit (PMU).
* Environmental Impact Assessment.
* Detailed Engineering and Site Assessment Services.
* Planning and Development of Strategic Industrial Clusters.
* Investment Facilitation and Promotion.

In line with the above stated objectives, the Northern Cape Economic Development Agency (NCEDA) was appointed by the province to undertake management and operationalisation of the SEZ PMU (Project Management Unit) as well as the management of the funds.

The PMU was established with the sole objective of undertaking all SEZ preparatory work over the years corresponding with the funding. To this effect, an MOU was signed between **the dti** and NCEDA for the transfer and management of the performance of the SEZ PMU.

1. There is no further allocation provided for the years beyond 2016/2017 except for the completion of outstanding work using savings accrued from the previous allocation by **the dti.** Therefore, no further allocation for 2018/19; 2019/2020 and 2020/2021 period for the Northern Cape.
2. Progress to date has been made in relation to the following areas:

* Pre-feasibility studies
* Technical Feasibility studies
* Land acquisition
* Environmental Impact Assessment (EIA).
* Detailed Engineering and Site Assessment Services.
* Investment Facilitation and Promotion
* Appointment of some key PMU staff position/s

The remaining work concerning the finalisation of the application for the designation of the proposed SEZ includes the finalisation of the sector strategy, strengthening of the investment pipeline, business plan, financial model as well as the supporting plans such as finalisation of the skills development plans, SMME strategy, etc. It is anticipated that the application will be submitted to **the dti** by second quarter (Q2) of the financial year of 2018/19 for the SEZ Advisory board’s consideration.

1. Northern Cape spent R17 394 328 as at the end of 2016/17 financial year in preparation of the Application for Designation of the proposed Special Economic Zone in Upington.