

Future world of work



LEDA

LIMPOPO ECONOMIC
DEVELOPMENT AGENCY

AN AGENCY OF THE LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

ROOTED IN THE FUTURE

SEKHUKHUNE DISTRICT

PROPOSED FETAKGOMO-TUBATSE SEZ (FTSEZ)

Briefing to the Portfolio Committee

21 September 2022

LEDA Group of Companies:

Risima Housing, Great North Transport, Corridor Mining Resources, Limpopo Connexion
New Era Life, MMSEZ, Limpopo Agribusiness



IMPLEMENTING PARTNERS



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA



SEKHUKHUNE
District Municipality



ROOTED IN THE FUTURE



the dtic

- Custodian of the SEZ Policy, SEZ Infrastructure Fund
- Responsible for the designation application (through the SEZ Advisory Board and Minister)
- Investment Facilitation and Promotion (one-stop shop and investment attraction missions)
- Provision of capacity building programmes for SEZ Operators and Entities
- Contribute to developing the most efficient method to be following, from lessons learnt

LEDET

- Allocate operational and bulk infrastructure budget
- Ensure that the SEZ satisfies the Government mandate by prioritising the issues that will result positively in the upliftment of the local community whilst supporting industrial development and economic growth within the Province
- Custodian and resource allocation for investment facilitation on behalf of Limpopo Province
- Appointment and resource allocation towards all sub-committee works streams
- Facilitate budget commitments to external infrastructure of roads , rail, etc

SDM & FTLM

- SEZ Landowner (Trust)
- Support with all required land permissions, zoning, etc
- Facilitate approvals for township establishment
- Allocates budgets for external infrastructure
- Appointment of Resources in term of Spatial planning and supporting services
- Custodian and resource allocation for investment facilitation on behalf of the Municipality
- Lead in local community engagement

Strategic Focus Areas for FTSEZ

1

Complete preparations for the designation and establishment of the SEZ

2

Aggressive investment promotion & attraction

3

Develop an industrial ecosystem

4

Engage stakeholders & manage development conflicts

5

Support smart city development

6

Accelerate Skills Development

7

Benchmark with existing SEZ's

8

Capacitate the PMU

FETAKGOMO TUBATSE SEZ: LIMPOPO PROVINCE (RSA)



Leaders in advancing industry to a greener future...

Strategic Location



Vanadium & Battery minerals

Rich Mineral Resources
+40 Mining Companies

Platinum Group Metals
20 companies



Chrome Iron Ore

Located within the Bushveld Igneous Complex (Eastern Limb), which hosts the well-known Merensky Reef in the Limpopo Province.

1256ha land Secured



Chrome Smelters:
Samancor & Lion Ferrochrome



Musina Beit Bridge Border Post 380km

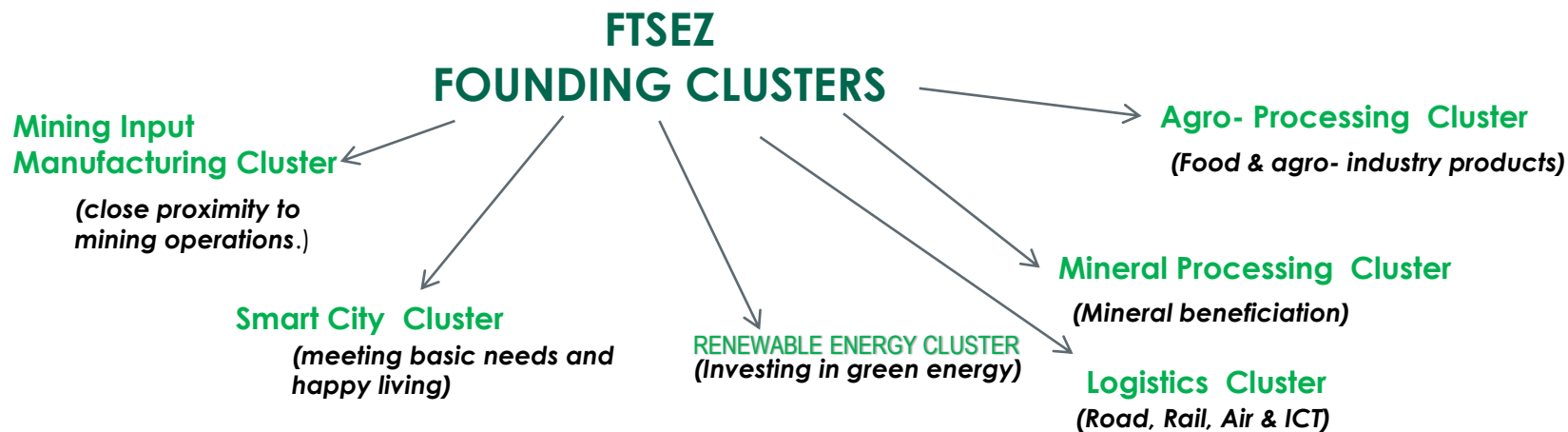
Port of Richards Bay 600km

Port of Maputo 380km



VISION

Global centre of excellence for sustainable solutions in green energy manufacturing, agro-processing and mineral beneficiation



WHY LOCATE IN THE FTSEZ?

- **Enabling infrastructure & warehousing**
- **Close proximity to a concentration of mining operations**
- **Carbon credits to offset carbon tax**
- **Reliable & low carbon energy**
- **Global leadership in production of PGMs and Chrome**
- **Serviced land & security**
- **Abundance of Water – De Hoop dam with 348 million cubic metres water**
- **World class manufacturing & logistics platform with a reliable road & rail network, a heliport, and connectivity to ports & border posts**



DEVELOPING AN INDUSTRIAL ECOSYSTEM

* MINING & MINERAL BENEFICIATION

Fuel cells plants, auto-catalysts, platinum refinery, alloys, super-alloys, stainless steel Magnetite processing plants & fabricated metal products (APP, Glencore & Samancor, MCSA)

* **MANUFACTURING:** (MEMSA & MCSA) OEM in machinery, equipment and components manufacturing for mining operations &, rubber products

• RENEWABLE ENERGY PRODUCTION:

Fuel cells Hydrogen Valley, solar, battery, biodiesel (DSI, AAP, Belgium)



• TRAINING AND DEVELOPMENT

Centre of excellence on training and development with Trade Test, On job training placements, partnership with Industry, SETA's (MerSETA, MQA, etc) TVET's and Universities, DSI & DHET

- **AGRICULTURE & AGRO-PROCESSING** including citrus processing, cotton spinning, red & white meat processing plants and fresh produce market (CGA, Cotton SA,)
- **PHARMACEUTICAL AND MEDICAL** production & distribution
- **AUTOMOTIVE** (NAACAM) New energy vehicle components, OEM in components, Vehicle aftermarket replacement parts manufacturing,
- **BUSINESS PROCESS OUTSOURCING** call centers

LOGISTICS & ICT PLATFORM: RAIL, ROAD, AIR

Hydrogen Economy



The FTSEZ will not only play the role of a consumer of hydrogen in the Zone but will strive to become a producer of hydrogen and other clean energy technologies.

In Limpopo, we regard the Hydrogen Economy as a potential game-changer to reindustrialise the provincial economy. For the FTSEZ, the [Hydrogen Valley](#) platform will provide demand for mining inputs supplies, thereby creating an opportunity for large-scale industrialisation for both the manufacturing of mining inputs and the beneficiation of mining outputs.

PHASE 1: CRITICAL IMPLEMENTATION PATH MILESTONES



ACTION ITEM	Approving ENTITY	By when
Notarial Lease Agreement	Deeds Office	September 2022
Signing of Quadripartite Agreement	Accounting Officers	May 2022
Skills Audit & Development Plan	SEZ Steerco	June 2022
EIA approvals	LEDET	June 2022
Section 54 Approval for SEZ entity	LEDET & Treasury	August 2022
Finalise acquisition of MISP	LEDA & Industry Partner	August 2022
Electricity	ESKOM & DMRE	October/November 2022
Update SEZ Master Plan	FTSEZ	December/January 2022
Water	SDM & LWUA & DWS	October 2022
Township Establishment	Municipalities	November 2022
Capacitate the PMU	LEDA	Quarterly
Construction of security Perimeter Fence	Province/dtic	Oct/Nov 2022
Confirm investors	FTSEZ	Monthly
Top infrastructure (Buildings)	Province/dtic	November 2022

PHASE 1: Signing of the Quadrapartite Agreement: May 2022

ACTION

The dtic, LEDET, Sekhukhune District Municipality(SDM) and Fetakgomo-Tubatse Local Municipality (FTLM) to sign a quadrapartite agreement (QA) spelling out roles and commitments towards the establishment of the FTSEZ


PROGRESS

LEDET and the 2 Municipalities have signed the QA in June 2022. The agreement has been sent to the DG of the dtic for signing.

CHALLENGES & NEXT STEPS

The next step is for dtic to sign. The dtic legal has re-vetted the agreement and Province & Municipalities to review affected clauses

PHASE 1: Skills Audit & Development plan: June 2022

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
<p>Undertaking the skills audit of the District and developing a skills development plan</p> 	<p>A service provider appointed.</p> <p>Stakeholder Consultation done</p> <p>Municipal Scoping Exercise completed.</p> <p>Data collection & capturing completed.</p> <p>Data analyses and draft skills report completed.</p> <p>MoU's with SETA's in progress.</p> <p>Consultation held with mines and TVET to support training for SEZ and hydrogen energy skills.</p> <p>OTP, TUT & TVET planning for Hydrogen Energy and Mining School (HEMS)</p>	<p>Final report submitted 30 June 2022.</p> <p>Workshop held 7 September 2022 in SDM (Government & Private Sector)</p> <p>MoU being drafted between Province, TUT & TVET on HEMS</p>

PHASE 1: EIA: June 2022

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
Get a record of decision from the competent authority in compliance with NEMA & LEMA	EIA authorization awarded 30 June 2022 and the 20 days appeal window lapsed	None & no appeals



PHASE 1: SMME AND ENTERPRISE DEVELOPMENT

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
<p>Develop SMME participation strategy and manufacturing incubation</p>	<p>SMME needs assessment event held with 400 SMME's in partnership with FTLM. FTLM leading on SMME cluster engagement rollout plan.</p> <p>LEDA in partnership with SEDA on business, services & manufacturing incubation</p>	<p>Establishment of a Community Project Committee, and Community Skills/SMME centre drawing from all structures: Ring fencing local work packages & employment during construction phase & operational phase:</p> <ul style="list-style-type: none"> - Skills and SMME Development Program - Database Development Program



PHASE 1: SEZ Entity as a subsidiary of LEDA: July 2022

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
Establish an SEZ entity as a subsidiary of LEDA	Submissions to LEDA Exco & Board approved December 2021. Business case developed and submitted to LEDET for Section 54 concurrence with Treasury. MEC LEDET approved and submitted for concurrence with MEC Treasury on the 18 August 2022.	Mec Ledet submitted & requested for concurrence with Mec Treasury on the 18 th August 2022.




PHASE 1: Acquisition of the MISP : August 2022

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
<p>Acquire the industrial mining input supplier park to integrate into and expand the FTSEZ</p>	<p>Independent valuation of the property completed by LEDA/IDC. Glencore also undertook & submitted independent valuation.</p> <p>Board requested on re-look & confirming NPV, IRR, payback period and cash flow for resubmission.</p>	<p>LEDA has approved the business case on 16th Sep 2022.</p>




PHASE 1: ELECTRICITY : October/December 2022

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
<p>Provide adequate electricity power to complement current capacity at the MISIP to satisfy expansion into further development guided by Just Transition imperatives.</p>	<p>Existing MISIP using one third of capacity.</p> <p>TOR's for existing capacity and gaps finalised. ESKOM engaged on options. MoU signed with international company for a 100 MW solar plant in the SEZ for green energy production.</p>	<p>Phase 1a electricity available.</p> <p>Service provider being appointed to assist with electricity study Phase 1. There's existing electricity sub-station to support project start-up. Exploring PPA for implementation</p>



PHASE 1: UPDATE THE SEZ MASTER PLAN : December 2022

ACTION	PROGRESS	CHALLENGES & NEXT STEPS
<p>Update the current 2016 master plan to include current focus areas, SOP's , financials and detailed layouts in preparation for submission of application for designation</p> 	<p>The completed Master Plan was done in 2016. TOR's finalised</p>	<p>The international standard norm is that Master Plans should be updated every 2nd year to incorporate changing circumstances. Procurement process being finalised</p>

PHASE 1: WATER: October 2022

ACTION

Source to Tap: Confirm adequate sources for water and reticulation (estimated at 10 ML)

PROGRESS

Engagement with SDM and Leballo Water Use Association (LWUA) confirms two water solution approaches (next slide):
(A)

- Ga Malekane WTP 12ML to 24 ML
- Spitskop Pump Station
- Steelpoort Pump Station

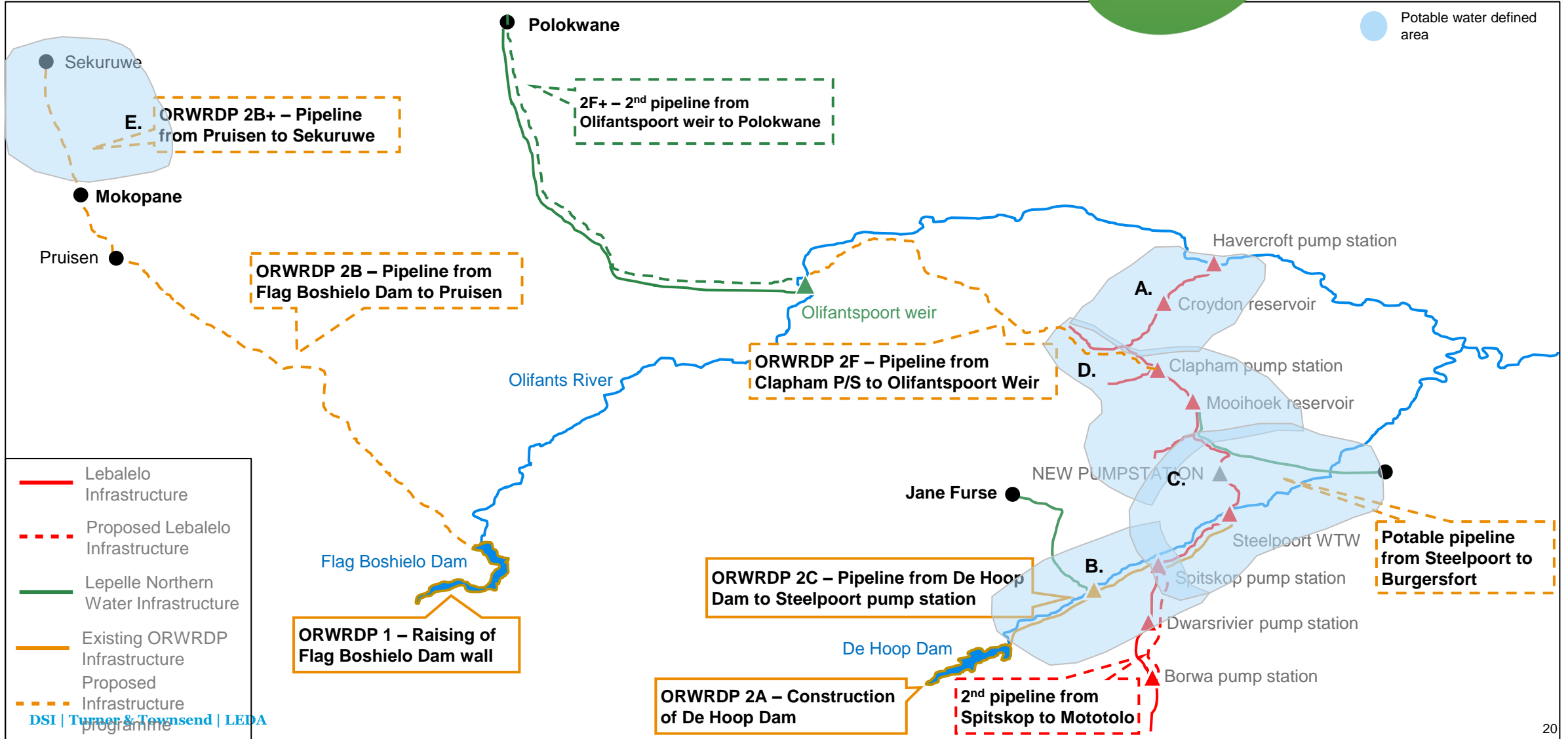
B) Partnership with industry, SDM and DWS

CHALLENGES & NEXT SSTEPS

Capacity of SDM on water engineering.

- 1) *Short term:* Undertake immediate technical study to confirm source from three existing options (i.e. A). Technical study underway..
- 2) *Medium term:* Partner with LWUA on confirming water for both surrounding communities and industry (i.e. B):

'Source to Tap' solution for the FTSEZ



PHASE 1: Township Establishment: November 2022

ACTION	PROGRESS	CHALLENGES & NEXT SSTEPS
Rezone the land for industrial use.	<p>Service Provider has been appointed and started work.</p> <p>A weekly Township Establishment Committee has been established (FTSEZ, Coghsta, FTLM, SDM, Dep of Agriculture, Land Claims Commissioner, DRDLR, Register of Deeds)</p>	<p>An action plan with timelines is monitored by a Friday weekly Committee. Appointment of notary public done.</p>

TOWNSHIP ESTABLISHMENT ACTION PLAN

Phase 1

Project Initiation	Status	Time
• SLA (6 May 2022)	Completed	Completed
• Establish Project Steering Committee	Completed	Completed

Phase 2

Scoping Report	Status	Time
• Assessment of previously conducted investigations	Green	Completed
• Power of Attorney	Orange	End Aug 2022
• Updating of Engineering Outline Scheme Reports	Orange	End Sept 2022

Phase 3

Township Establishment	Status	Time
• Preparation of Application for Township Establishment	Orange	Mid Sept 2022
• Submission of Application	Red	End Sept 2022
• Approval of Application	Red	End Nov 2022

Green	Completed
Orange	In Process
Red	Not yet Started

PHASE 1: Security Perimeter Fence: Nov/Dec 2022

ACTION	PROGRESS	CHALLENGES & NEXT SSTEPS
Construct perimeter fence and security amenities	Inception report concluded	Application submitted to DBSA for technical appraisal and submission to dtic CIP. Province to consider top infrastructure for first 6 investors in MTEF bilaterals

PHASE 1: Capacitate the FTSEZ PMU

ACTION	PROGRESS	CHALLENGES & NEXT SSTEPS
Roll out a phased technical implementation staffing approach for the PMU	<p>2 seconded officials from SDM (Engineer & Senior Planner).</p> <p>2 new appointments assumed duty in June 2022 (Infrastructure Manager & Budget & Operations)</p>	<p>Current financial year target:</p> <p>Social Facilitator & Stakeholder Manager</p> <p>Marketing Manager</p> <p>Safety, Health, Environment, and Quality (SHEQ) is also a legal requirement.</p> <p>Subsidiary organogram finalised awaiting Board approval (7 critical priority posts 2023/24)</p>

DEVELOPMENT PHASES

Phase 1a: Expand the 36ha industrial park (MISP). Funding for bulk infrastructure & top infrastructure & locate 6 investors

Phase 1: West of R555: Integrate the 36ha Mining Input Supply Park (MISP), set up top infrastructure for the initial 5 investors who are ready to locate. Construct perimeter fence and clear 280ha site.

Anchor Investments: Machinery & equipment manufacturing suppliers, green energy manufacturing, agribusiness and green vehicle components cluster.

Phase 2: East of R555: Clear site and fence the 980ha site and provide bulk services.

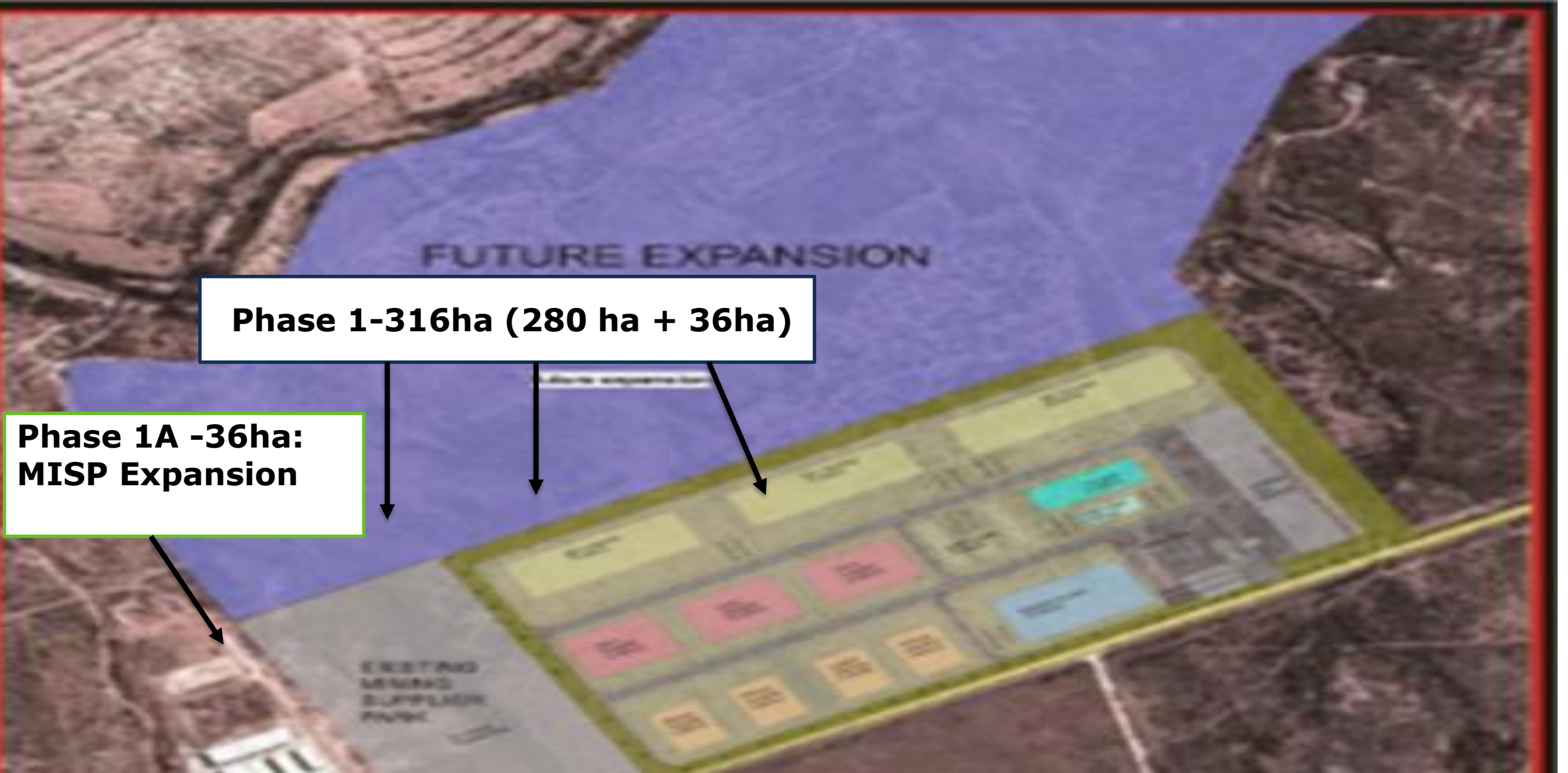
Anchor investments: Renewable energy companies, smelter and refinery and chrome products.

Concurrent Phase 3: Design and build a logistics hub for export markets. Just-on-time delivery and efficiencies.

Anchor investments: Logistics Hub Station.



Phase 1A & PHASE 1



Companies ready to locate in the Phase 1A

Sector	Estimated Start	Export	Land requirement	Top structure m2	Top infrastructure cost Rand million	Investment Rand million
Pharmaceutical	6 months	Yes	2ha	700	R5.3	R14.
Green building technology manufacturing	6 Months	Yes	4ha	10 000	R75	R432
Manufacturing Polyethylene liner	6 months	Yes	2ha	10 000	R75	R123
Hydrogen energy production	6 months	No	10ha	100	R10	R4.8bn
Automotive Scania workshop	6 months	No	1ha	2 500	R18	R26m
Metal fabrication	6 Months	No	2ha	3 000	R26m	R24m
Airline (Heliport)	6 Months	No	tbd			R65m
		Total	21ha	23 300m2	R209m	R5.419bn

Companies ready to locate in Phase 1: 280ha

Sector	Estimated Start	Export	Land requirement	Top structure m2	Top infrastructure cost Rand million	Investment Rand million
Agroprocessing	12 months	Yes	7ha	6 480	R48	R86.8
BioFuels and Marula Oil	12 months	Yes	10ha	250	R2	R54.2
Mineral beneficiation	12 months	Yes	10ha	3500	R26	R38
Green Energy	12 Months	No	300 ha	tbd		R1,3 bn
		Total	27ha	10 230m2	R76m	R1,3 bn

INFRASTRUCTURE PROJECTS PLANNING READINESS

1. **Environmental Impact Assessment (EIA): ROD/ Authorisation granted on the 29th June 2022**
2. **Perimeter fence and integrated security infrastructure (Designs and Costing): service provider appointed completion date September 2022**
3. **Engineering Services report service provider appointed completion date October 2022**
4. **Township Establishment: Service provider appointed completion date November 2022**
5. **Hydrology Feasibility Study for water supply to the FTSEZ in the short term : Service Provider appointed**
6. **Industrial Hub (MISP) acquisition approved by end August 2022**
The following bids expected for appointment pending availability of funds:
 1. **Bulk Water Supply and Water Treatment works**
 2. **Bulk Sewer and Waste Water Treatment Works**
 3. **Bulk Electricity Supply**
 4. **Update of the FTSEZ Engineering Master Plan**

STAKEHOLDER ENGAGEMENT & CONSULTATION PROGRESS

**Implementation of Stakeholder Management Plan,
Establish Community Project Committee: Drawing from various community structures in FTLM & SDM;**

Establish a Community Socio-Economic Project Centre for skills training, employment & SMME databases as well as procurement



SMME AND SKILLS DEVELOPMENT FRAMEWORK

- **Community Liaison Program**
- **Skills Management Program**
- **SMME Management Program**
- **Database Development Program**



COMMUNITY LIASON PROGRAM

- **Define Community Target Areas**
- **Identify leaders & community formations (Women, People with disabilities, youth, business forums, etc)**
- **Establish Community Project Committee**
- **Identify & elect Community Liaison Officers from Wards**



COMMUNITY SOCIO-ECONOMIC DEVELOPMENT PROGRAM

**Establish a
Community
SMME & Skills
Development
Centre**



- **Database of SMME's & skills for employment during construction phase**
- **Database of SMME's and Skills during Operational Phase (SMME's to supply material production & employment opportunities)**



**Community
Needs Analysis
(Skills Audit
Report)**



**Determine
Training
Programs
(TVET, SETA's &
Industry)**



**Identify & appoint
Service Providers
(MerSeta, SEDA,
MQA, etc)**



ROADS INFRASTRUCTURE (SANRAL)

Project	Progress	Comments
R37 Section 2 from Burgersfort for 14,0 km (Reseal)	Construction - completed	Projects funded from board approved budget. As per allocation from National Treasury.
R37 Section 1 from Modikwa Mine (Driekop) to Burgersfort (upgrade)	Construction - 60% progress	
R37 Sec 1 from Polokwane to R518 (km 40) (upgrade)	Currently in the planning phase	
R37 Sec 1 from R518 (km 40) to Bogalatladi (km 67) (upgrade)	Procurement stage - Designs	
R37 Sec 1 from Bogalatladi (km 67) to Driekop (km 118) (upgrade)	Currently in design – early stages	
R37 Routine Road Maintenance	On-going for the next 3yrs	



ROADS INFRASTRUCTURE (SANRAL)

Project	Progress	Comments
R555 Sec 3&4 from Steelpoort Riv(62) to Ga-Mapodila (17.4) (Reseal)	Construction in progress - mobilisation stage	Projects funded from board approved budget.
R555 Sec 4 from Ga-Mapodila (17.4) to Burgersfort (37.4) (Reseal)	Construction in progress - mobilisation stage	
R555 Sec 3 from Stofberg to Steynsdrift (Improvement)	Design	As per allocation from National Treasury.
R555 Sec 3 from Steynsdrift to Steelpoort River (Improvement)	Design	
R555 Sec 3 from Steelpoort River to Kokwaneng (upgrade)	Planning phase	
R555 Sec 4 from Kokwaneng to Burgersfort (upgrade)	Planning phase	
R555 Routine Road Maintenance	On-going for the next 3yrs	



ROADS & RAIL INFRASTRUCTURE (RAL & MINES)

Ga-Malekane Steel Bridge

The steel bridge is located near the intersection of road D2219 and R555 in the Greater Tubatse Local Municipality within the Greater Sekhukhune District Municipality just outside of the Ga Malekana and Kokwaneng Villages.

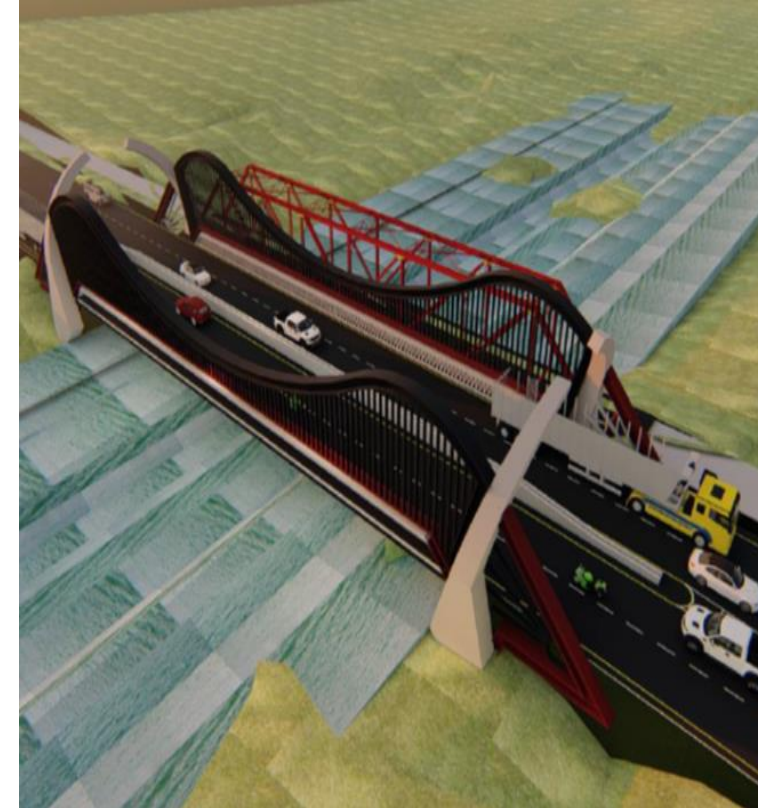
The existing steel bridge was constructed in the year 1928 (94 years ago).

TRANSNET: Design for multi user rail facility and extension of rail from SAMANCOR to the SEZ site (site visit with Transnet done)

RAL has engaged local mining companies to contribute to the construction of a new bridge alongside the existing bridge. Funding is secured..

RAL is finalising the designs for the appointment of a contractor. The design phase is expected to be completed in the first half of 2022/23 FY.

LEDET & LEDA ongoing engagements with Transnet

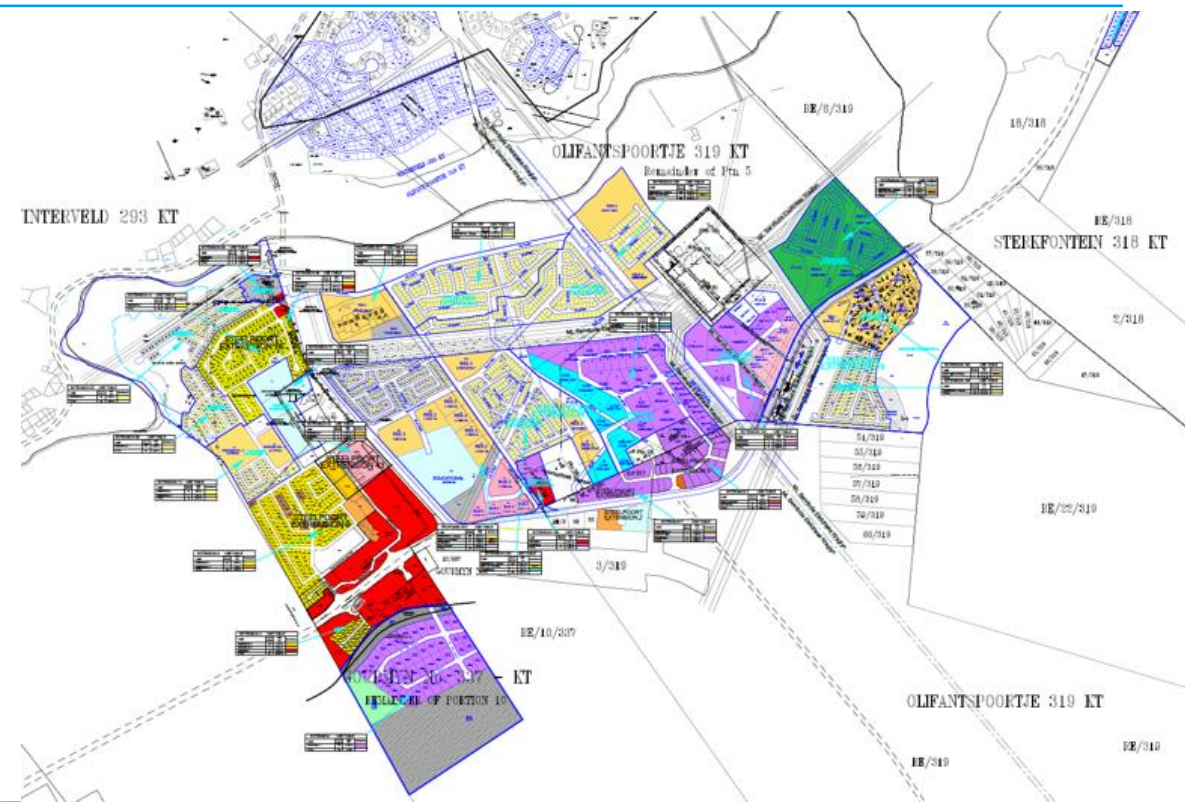


STEELPOORT SMART CITY INFRASTRUCTURE

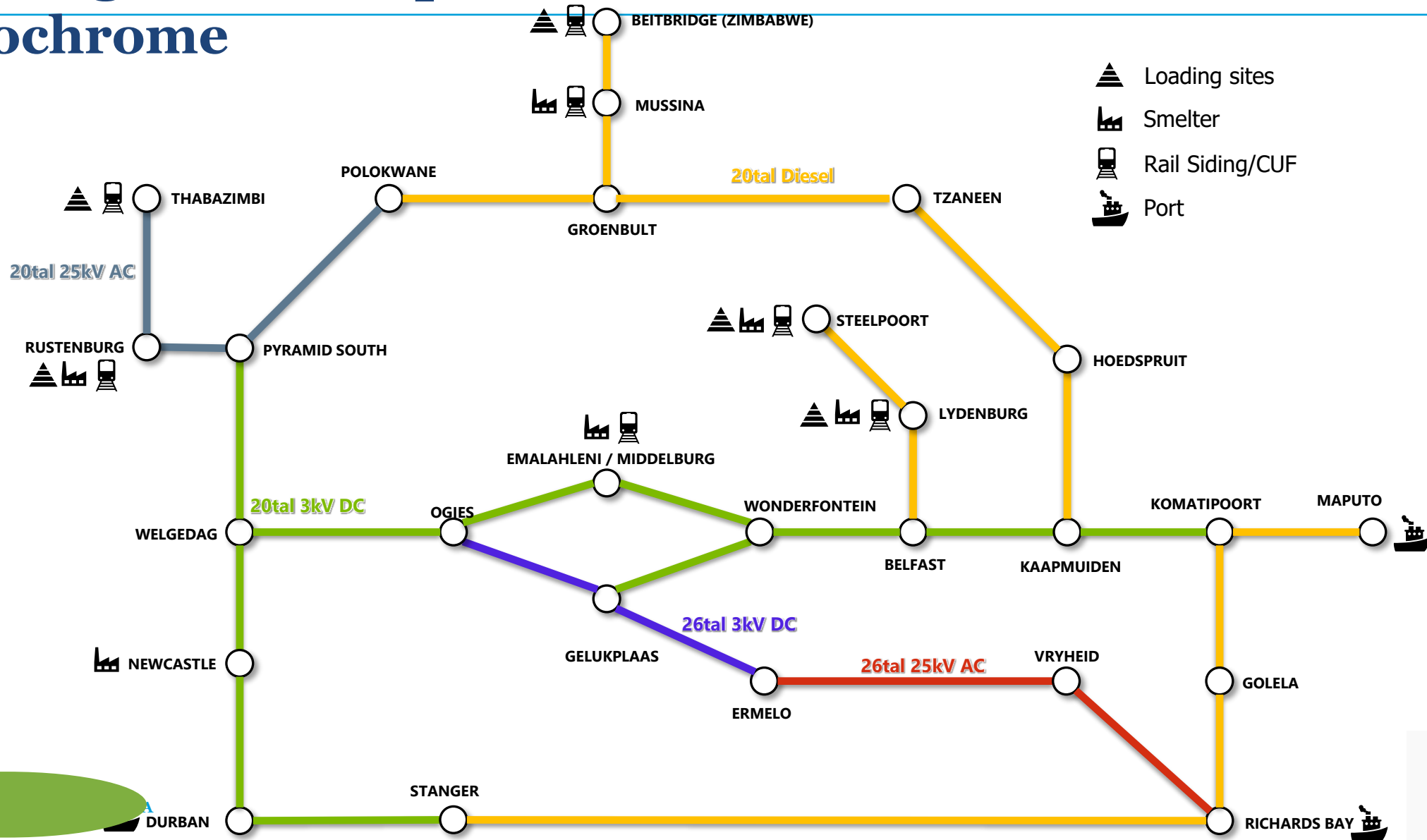
The Steelpoort Smart City Development Corridor : R1.6 billion committed by Private

Sector as follows:

- R200 million committed for Waste Water Treatment works
- R 300 million committed for a water purification plant and reservoir (completed)
- R 280 million expansion of 30 000 m² retail shopping mall
- R330 million committed for a 100 bed private hospital – construction 2023
- State of the art private school in design phase
- Integrated Human Settlement for over 3 500 households – designs completed



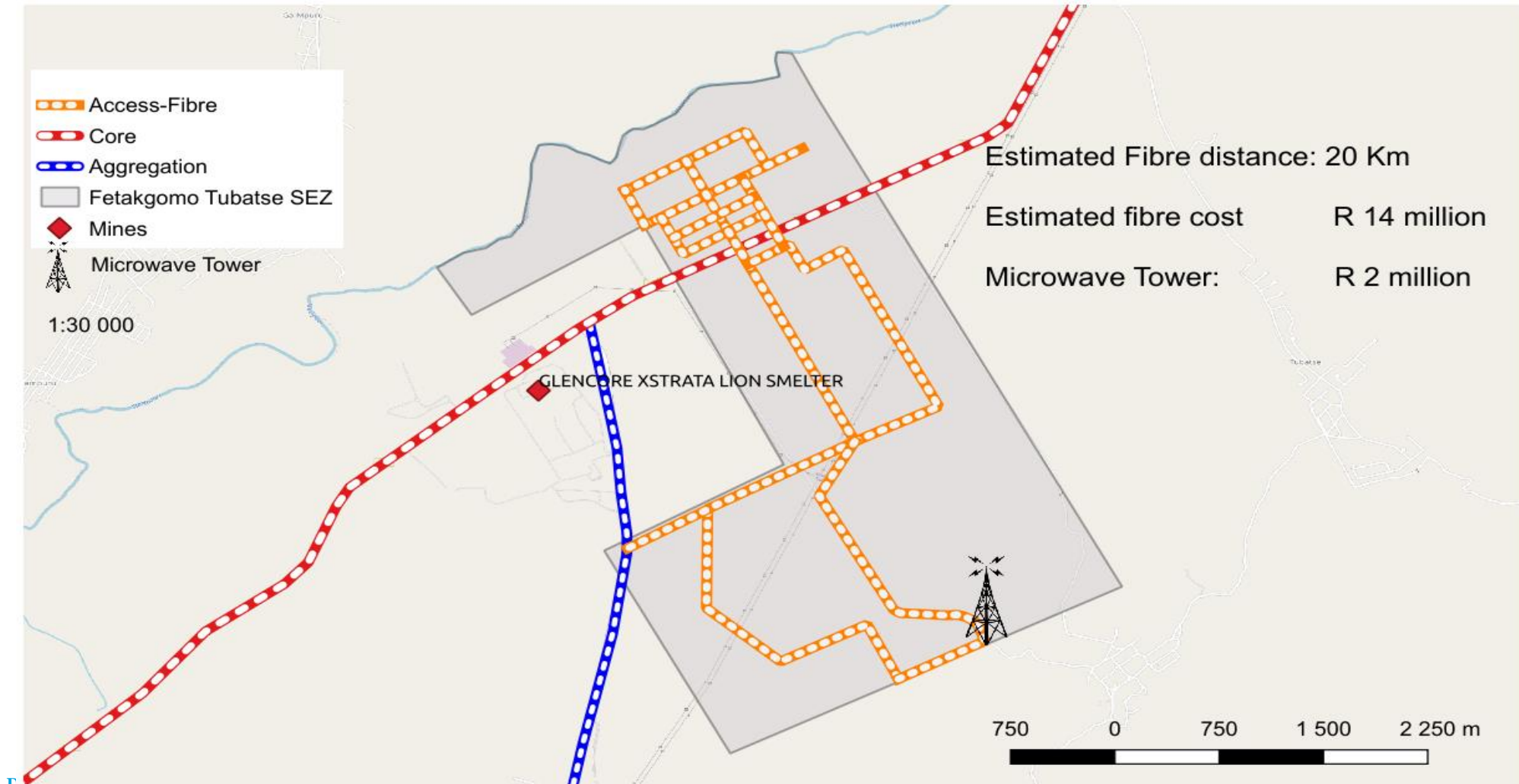
Commodity network for Northeast Corridor alongside Beitbridge and Steelpoort for Chrome and Ferrochrome



Creating a competitive edge through ICT: Rolling out fibre



FETAKGOMO TUBATSE
LOCAL MUNICIPALITY



BENCHMARKING & BEST PRACTICE

Benchmarking and site visits to Coega 2021 & Tshwane Automotive Special Economic Zone

(TASEZ) in August 2022:

Draft Collaborative MoU forwarded to TASEZ on:

- Township establishment
- Planning and implementation of Infrastructure projects (Bulk & Top)
- Training and skills development
- Management of development conflicts & stakeholders
- Collaborative marketing (Inward & Outward Missions)

Internationally: **Incheon SEZ in South Korea**

TASEZ April 2021



TASEZ April 2022



NEXT STEPS: AUGUST-DECEMBER 2022

- Solicit approval for Section 54 in line with PFMA by August 2022 and corporatize the subsidiary by October 2022
- Finalise notarial lease and submit township establishment application by end of November 2022
- Finalise acquisition of the MISP & signoff transactional agreements by end October 2022
- Lock-in investors through pre-lease agreements upon corporatization of the subsidiary by December 2022
- Roll-out MISP bulk infrastructure expansion for Phase 1a
- Complete design guidelines for construction theme (landscaping, etc)
- Appoint stakeholder relationship management official by October 2022
- Follow-up funding approvals for perimeter fence with dtic
- Prepare & submit application for designation in Q4

INVESTMENT AND DEVELOPMENT PARTNERS



**BAMBILI
ENERGY**



The town of
Steelpoort



GLENCORE

samancor ^{CR}

ANDÓ Energy
Efficient Water & Energy Solutions



 **hyaromatimba**
Hydrogen energy solutions

