COEGA SPECIAL ECONOMIC ZONE

Water for Industrial Development

06 October 2017
Index

1. The Coega SEZ Overview
2. The Package of Plans Approach
3. Water Demand Planning
4. Conclusion
## Coega Overview: current status

<table>
<thead>
<tr>
<th>43 Operational investors IDZ &amp; NMBLP</th>
<th>17 International companies 26 Home-grown companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R6.682 bn</strong> private sector investment</td>
<td><strong>R2.646 bn</strong> top-structures for investors</td>
</tr>
<tr>
<td><strong>16 686</strong> Jobs have been created in the SEZ</td>
<td>7 575 Operational jobs 9 107 Construction jobs</td>
</tr>
<tr>
<td>Over <strong>85 886</strong> people trained since inception</td>
<td>4 x Customs Controlled Areas (CCA) to reduce costs for exporters (Zone 1 &amp; 2)</td>
</tr>
</tbody>
</table>
Current Investors

- FAW
- Rotamex
- Digistics
- DC
- ICE Cold Storage (Pty) Ltd
- Agni Steels SA
- DHL
- GM
- Coega Dairy
- APM Terminals
- WNS
- ESKOM
- Discovery
- Famous Brands Limited
- Faurecia
- Rehaul
- Electrquis
- ID Logistics
- Antolin Automotive
- Benteler
- Hella
- DCD
- DSV
- Air Products
- Vactor
- AFrox
- Cerebos
- INERGY
- Tomato Paste Factory
- QPlas
- Lention
- Malaysia
- Speculative Warehouse

- Other
- Projects Being Implemented
<table>
<thead>
<tr>
<th>Award</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 2030 (infrastructure award)</td>
<td>2017</td>
</tr>
<tr>
<td>Top Performing Public Service</td>
<td>2016</td>
</tr>
<tr>
<td>Job Creation</td>
<td>2016</td>
</tr>
<tr>
<td>2030 Vision</td>
<td>2016</td>
</tr>
<tr>
<td>Legends of Empowerment &amp; Transformation</td>
<td>2016</td>
</tr>
<tr>
<td>Top Empowered: Public Service</td>
<td>2015</td>
</tr>
<tr>
<td>Top company in Infrastructure Development</td>
<td>2014</td>
</tr>
<tr>
<td>Top Performing Public Service</td>
<td>2014</td>
</tr>
<tr>
<td>Top Employer in SA: Public Sector</td>
<td>2014-16</td>
</tr>
<tr>
<td>Best Provider of Services to Exporters</td>
<td>2014</td>
</tr>
<tr>
<td>Most Empowered Enterprise</td>
<td>2014</td>
</tr>
<tr>
<td>Best company with most jobs created</td>
<td>2014</td>
</tr>
<tr>
<td>Top Green Organisation</td>
<td>2014</td>
</tr>
</tbody>
</table>
“I’ve been to many developing countries and industrial development zones, the Coega IDZ is by far the best of them all”
- Dr LI Yuanchao, Vice President of the People’s Republic of China.
Project implemented - Dedisa Peaking Power Plant

- Project Name: Dedisa Peaking Power Plant
- Investment Value: R3.5 billion
- Project Type: Energy
- Origin: France
- Jobs: 30 Operational; 1490 Construction
- Start of Operations: 2015
Project implemented - Vector Logistics

- Project Name: Vector Logistics
- Investment Value: R170 million
- Project Type: Logistics
- Origin: South Africa
- Jobs: 16 Operational; 150 Construction
- Start of Operations: Q3 2015
Project implemented - ID Logistics

- Project Name: ID Logistics
- Investment Value: R30 million
- Project Type: Logistics
- Origin: South Africa
- Jobs: 30 Operational; 150 Construction
- Start of Operations: Q2 2015
Project implemented - Coega Cheese Expansion

- Project Name: Coega Cheese
- Investment Value: R70 million
- Project Type: Agro processing
- Origin: South Africa
- Jobs: 30 Operational; 150 Construction
- Start of Operations: Q4 2015

- Project Name: ID Logistics
- Investment Value: R30 million
- Project Type: Logistics
- Origin: South Africa
- Jobs: 30 Operational; 150 Construction
- Start of Operations: Q2 2015
Project implemented - Coega Dairy

- Project Name: Coega Dairy
- Investment Value: R50 million
- Project Type: Agro processing
- Origin: South Africa
- Jobs: 54 Operational; 150 Construction
- Start of Operations: Q4 2015
Projects implemented: Discovery Phase 2 & WNS

Discovery Phase 2 - R10 million
- Jobs: 300 Operational
- Start of operations: Q4 2015

WNS R33 million
- Jobs: 950 Operational
- Start of operations: Q4 2015
Project implemented - REHAU Phase 2

- Project Name: Rehau
- Investment Value: R15 million
- Project Type: Automotive
- Origin: Germany
- Jobs: 45 Operational: 150 Construction
- Start of Operations: Q4 2015
About BAIC International

- SOE with global footprint
  - 20 countries
- 207 on the Global Fortune 500
- Top 4 largest Chinese Automaker
  - 2nd in Heavy Commercial Vehicles
  - 4th in Passenger & Light Commercial Vehicles
- Annual production of 2.5 million vehicles (3.6 times as SA)
- Targeting 5 million units by 2020
  (> UK + Italy + Turkey + Africa)
- 2015 Revenue approx. Half a Trillion Rand
BAIC Project Specifics

- Phased approach in NMB:
  - Initial Phase: **30,000** units
  - Full capacity: **100,000** units (over 5 years)
- **Expected 800 - 1,500** operational jobs
- **10,500** indirect jobs at entry
- New supplier base to be developed
- **4,000** direct jobs at peak
- **50%** Exports
- **$770** million investment (Exch. 04/05/2016)
- Breaking ground: **30 November 2016**
- Start of Production: **Mid 2018**
What Sets Coega Apart

• Only Metro in SA served by two ports:
  [93% of EC container handling capacity]
• 2.6 million TEU capacity
• Served by major shipping lines & car carriers
  [90% of EC capacity]
• CCA: 70% saving on surety bond
• CDC institutional capacity:
  - Labour & SHEQ Services
  - Project development
  - Regulatory approval
• Services
  • Roads, Electricity, Waste, Waste Water
  • Water
The Package of Plans Approach
PACKAGE OF PLANS APPROACH

CDC PACKAGE OF PLANS

MACRO

IDP / SDF

DEVELOPMENT FRAMEWORK PLAN

STATUTORY ZONING

MASTER PLANS FOR CDA & OTHER

LAYOUT PLANS

SITE DEVELOPMENT PLANS

BUILDING PLANS

MICRO
TABLE 1

<table>
<thead>
<tr>
<th>ZONE</th>
<th>MAIN SECTOR</th>
<th>Gross Area (Ha)</th>
<th>Lettable Area (Ha)</th>
<th>OSMP Areas (Ha)</th>
<th>Roads, Services &amp; Undevelopable Land (Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1N</td>
<td>Commercial</td>
<td>166</td>
<td>66</td>
<td>34</td>
<td>66</td>
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<tr>
<td>1S</td>
<td>Logistics</td>
<td>298</td>
<td>187</td>
<td>-</td>
<td>112</td>
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<tr>
<td>2</td>
<td>Automotive Cluster</td>
<td>394</td>
<td>303</td>
<td>-</td>
<td>91</td>
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<td>3</td>
<td>General Industries Cluster</td>
<td>181</td>
<td>130</td>
<td>-</td>
<td>51</td>
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<tr>
<td>4</td>
<td>Training / Academic Cluster</td>
<td>199</td>
<td>102</td>
<td>-</td>
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<td>5</td>
<td>Metallurgical Cluster</td>
<td>810</td>
<td>421</td>
<td>163</td>
<td>226</td>
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<td></td>
<td>TOTAL CDA</td>
<td>2048</td>
<td>1208</td>
<td>196</td>
<td>643</td>
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<td>n6&amp;11</td>
<td>Metals &amp; Petrochemical</td>
<td>2313</td>
<td>1988</td>
<td>104</td>
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<td>7</td>
<td>Chemical Cluster</td>
<td>960</td>
<td>628</td>
<td>-</td>
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<td>9</td>
<td>Materials Handling Cluster</td>
<td>278</td>
<td>151</td>
<td>109</td>
<td>18</td>
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<td>10</td>
<td>Mariculture &amp; Aquaculture Cluster</td>
<td>897</td>
<td>247</td>
<td>564</td>
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<td>12</td>
<td>Advanced Manufacturing Cluster</td>
<td>838</td>
<td>641</td>
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<td>Energy Cluster</td>
<td>409</td>
<td>125</td>
<td>175</td>
<td>109</td>
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<tr>
<td>14</td>
<td>Aeronautical &amp; Aerospace</td>
<td>2264</td>
<td>1040</td>
<td>1101</td>
<td>122</td>
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<td>TOTAL COEGA EAST</td>
<td>7948</td>
<td>4820</td>
<td>2188</td>
<td>940</td>
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<tr>
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<td>TOTAL IDZ</td>
<td>9996</td>
<td>6028</td>
<td>2384</td>
<td>1583</td>
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</tbody>
</table>

Note: RED = OPERATIONAL % OF LETTABLE
Water Demand Planning
Water Demand Planning

Spatial Planning to support water demand for long term growth and short term demand
Well documented by David Raymer, 2008
Purpose is to determine the current water balance situation and to develop various possible future water balance scenarios for at least a 25-year planning horizon.

Identifies responsibilities and timing of actions that needed to reconcile available resources and requirements,
ANNUAL USE (ALGOA WATER SUPPLY SYSTEM)

Current potable water use from the AWSS
(million m³/a)

- NMBM: 107.0
- Coega IDZ Potable: 7.0
- Small towns: 58.8
- Irrigation: 7.0
- Canal losses & unaccounted-for-water: 0.8
- Water Conservation and Demand Management

- Nooitgedacht Low Level Scheme
  - Phase 1: 90 ML / day
  - Phase 2: 125 ML / day (Completed August 2017)
  - Phase 3: 160 ML / day

- Desalination
  - Schoenmakerskop
  - Coega Marine Servitude
  - Zwartkops River & Sea Salt options

- Groundwater
  - Coega Groundwater (30 ML / day)
AWSS AUGMENTATION FOCUS AREAS

- Industrial Process Water
- Fish Water Flats Waste Water Treatment Works
  - First phase 30 Ml / day
  - Second Phase 60 Ml / day
  - Membrane Biological Reactors (MBR)
- Coega Waste Water Treatment Works
  - First phase 20 Ml / day

<table>
<thead>
<tr>
<th>Phase</th>
<th>Date</th>
<th>Volume per Phase (Ml/d)</th>
<th>Cumulative volume (Ml/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Domestic</td>
<td>Industrial</td>
</tr>
<tr>
<td>1</td>
<td>2019</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2024</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>2029</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>2034</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>5</td>
<td>2038</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>
COEGA SEZ WATER REQUIREMENTS

- Interim Use of Potable Water
COEGA SEZ WATER REQUIREMENTS

- Seven Growth Scenarios Developed
CONCLUSION

- Master Planning in Place to accommodate various growth scenarios
- Scale and Uncertainty are key issues
- Institutional issues are still a key focus area
- Funding is a key issue
- Environmental studies completed and / or in progress for various components
- Collaboration is an imperative
- Options for Industrial ecology / Industrial Symbiosis
THANK YOU