

Fetakgomo-Tubatse Special Economic Zone



Prime location in minerals-rich area will boost green energy and bolster manufacturing.



The Fetakgomo-Tubatse Special Economic Zone (FTSEZ) is being developed in the mineral-rich Sekhukhune District of Limpopo Province. It offers an attractive investment proposition for companies in green technology, renewable energy, mineral beneficiation, manufacturing related to green technologies and mineral value chains, and mining supplies and logistics.

Vision

Fetakgomo-Tubatse SEZ to be a globally recognised Centre of Excellence for green energy technology and mineral beneficiation.

Objective

The main objective is to develop a low-carbon green economy which will offer promising opportunities not only to fight climate change, but to enhance energy security and develop local industries. The strategic aim of the SEZ is to develop a supply of green primary energy to local manufacturers of both upstream and downstream activities of the platinum group metals (PGMs) and chrome value chains.

Location

The proposed Fetakgomo-Tubatse SEZ (FTSEZ) is located in the south-east of the Limpopo Province of South Africa. It is hosted by the Fetakgomo-Tubatse Municipality in Sekhukhune District and is located within the Bushveld Igneous Complex (Eastern Limb), which hosts the well-known Merensky Reef in the Limpopo Province.


The area boasts one of the highest concentrations of rich mineral resources in the world and is a global leader of platinum group metals and chrome resources, hosting over 40 mining operations which also

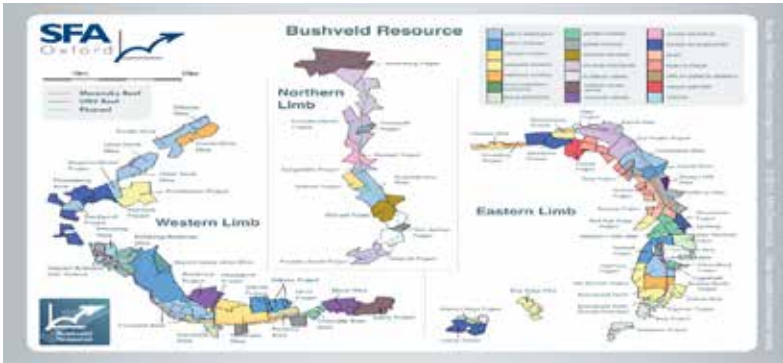
includes vanadium, iron ore and selected battery minerals. The FTSEZ is projected to be a catalyst for economic growth, industrialisation and mineral beneficiation by localising the various links of the value chain, both upstream and downstream.

The demand for the mining inputs supplies from the region’s mines has created an opportunity for large-scale industrialisation for both the manufacturing of mining inputs and the beneficiation of mining outputs. The aim is to support a broader-based industrialisation growth path, balanced regional industrial growth and development of more competitive and productive regional economies with strong upstream and downstream links in strategic value chains especially in PGMs.

The proposed FTSEZ forms part of the South African Government’s SEZ Programme which is aiming to enhance the country’s manufacturing and export capabilities and to attract foreign direct investment. Anchored in the Limpopo Development Plan (LDP), the FTSEZ is positioned and designed to be a top investment destination for companies seeking to be at the forefront of pushing the green energy “Just Transition” frontier outward, towards communities, towards local and international firms and markets seeking to build low-carbon economies.

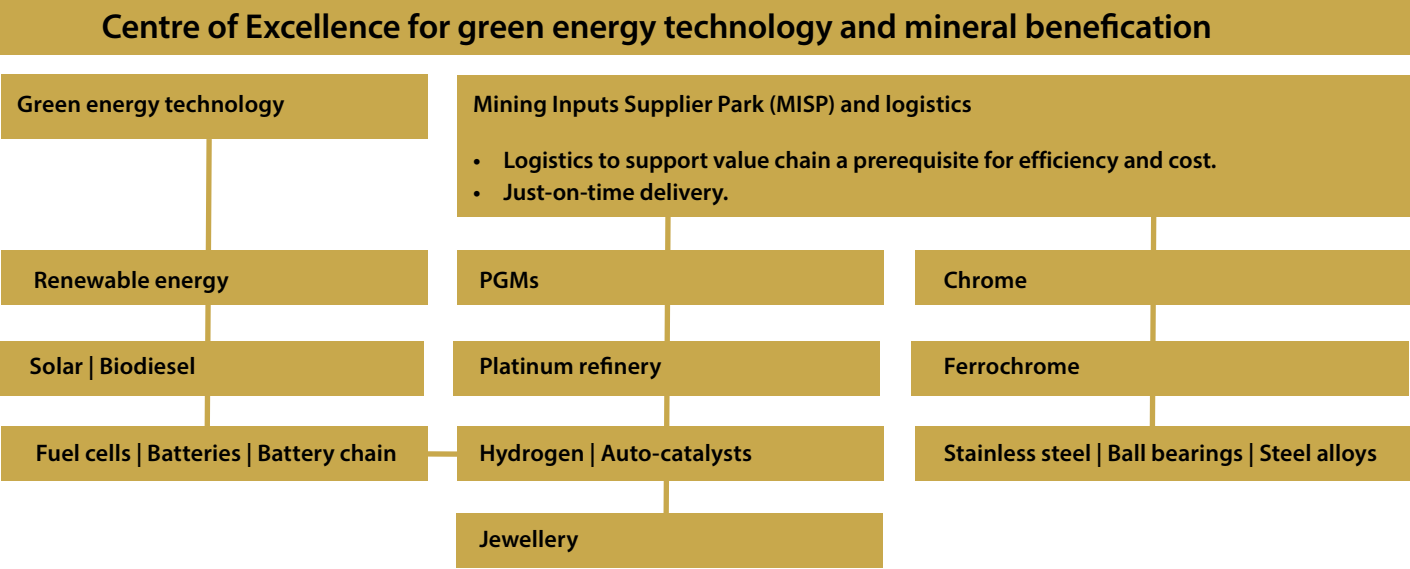
The priority industries in the FTSEZ will enhance local manufacturing capacity and contribute to a low-carbon green economy which will offer socio-economic opportunities (for jobs and small businesses), not only to fight climate change, but to enhance energy security and develop local industries over the next five to 10 years.

The FTSEZ is being developed in a quadripartite partnership between the Department of Trade, Industry and Competition (dtic), the Limpopo Provincial Government, Sekhukhune District Municipality and Fetakgomo-Tubatse Municipality. 



SFA/Oxford: Bushveld resource

Sekhukhune regional industrial hub mapping



Limpopo’s Special Economic Zones to drive industrialisation

MEC for Economic Development, Environment and Tourism Thabo Mokone invites investors to be part of an exciting journey to creating a green energy supply to bolster localised manufacturing.



The Provincial Government of Limpopo invites investors to partner with us in developing a low-carbon green economy while at the same time enhancing energy security and developing local industries.

Special Economic Zones (SEZs) are the key tools within our Economic Reconstruction plans to ensure that we create sustainable job opportunities for all. This applies to both the Fetakgomo-Tubatse SEZ as well as the Musina Makhado SEZ.

True development is about people

When South Africa achieved democracy nearly three decades ago, who would have dreamed of a Special Economic Zone in the Steelpoort area. But today, a Special Economic Zone is our new reality.

The proposed FTSEZ is gearing up to become a centre of excellence for green energy manufacturing, agro-processing and mineral beneficiation. The SEZ is positioned to be a

game-changer in shaping and adding momentum to the industrialisation growth path as espoused in the socio-economic recovery plan of the Limpopo Province.

It is strategically located in the industrial hub of Steelpoort between two huge mining establishments, the Samancor smelter and the Lion ferrochrome smelter, which are strategic landmarks for the establishment of the SEZ.

The Fetakgomo-Tubatse SEZ will not only play the role of a consumer of hydrogen in the Special Economic Zone but will strive to become a producer of hydrogen and other clean energy technologies.

In Limpopo we see the Hydrogen Economy as a potential game-changer to reindustrialise the provincial economy.

For the Fetakgomo-Tubatse SEZ, the Hydrogen Valley platform has the potential to drive the 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.

The efforts which we have put into Fetakgomo-Tubatse SEZ have so far led to us acquiring:

- 1 220ha of land.
- An EIA process is currently underway.
- The application for a Record of Decision (RoD) process has commenced.
- The SEZ Master Plan (Development Framework) and layout is complete with full infrastructure designs and costs in readiness for infrastructure roll-out.
- 16 companies have shown a keen interest in the SEZ by signing letters of intent (combined investment value of approximately R38-billion).
- Four companies have shown a readiness to locate inside the SEZ by 2022. A due diligence process is underway.

We envisage creating 8 000 jobs in the short term and 20 000 jobs in 10 years. The main objective of this SEZ is to develop a low-carbon green economy which will offer promising opportunities not only to fight climate change, but to enhance energy security and develop local industries.

The strategic aim of the SEZ is to develop a green primary energy supply for localised manufacturing of both upstream and downstream activities of the platinum group metals and chrome value chains.

Our passion in ensuring operational Special Economic Zones within local municipalities as well as working with various private partners is a clear indication that we are committed to “Building better communities together”.

Why business locate in the FTSEZ

Outstanding incentives and world-class facilities.

Fetakgomo-Tubatse SEZ provides a secure business environment and is designing a world-class manufacturing and logistics platform that will be positioned to support transportation efficiencies through road, rail and heliport connectivity to ports and border posts.

As part of the SEZ Master Plan, the environmental impact assessment (EIA) is expected to be ready for 2022.

A number of infrastructure new builds and upgrades are underway, including: security and site clearance; state-of-the-art top infrastructure; water provision; reliable road and rail network; extension of rail link to the SEZ industries and to the Musina-Makhado SEZ (Beit Bridge); electricity substation designs underway for substation; upgrading of roads and building of a new steel bridge; engineering works for piping water from the De Hoop Dam to the SEZ site.

Identified Cluster Opportunities

Agro-processing

Development of ICT infrastructure

Mineral Beneficiation

- Chrome, platinum group metals, iron ore and magnetite
- Development of platinum refinery

Green Energy

- Production of solar and biomass energy
- Hydrogen energy from fuel cells as part of the South African Hydrogen Valley led by the Department of Science and Innovation



Fetakgomo-Tubatse SEZ, as depicted in the SEZ Master Plan.

Manufacturing

- Production and refurbishment of batteries
- Auto-catalysts
- Green energy automotive components and electric vehicles (manufacture and assembly)
- Trucking components
- Mining machinery, equipment and components

Why businesses locate to the FTSEZ

- Enabling infrastructure and warehouses
- Close proximity to mining operations
- Carbon credits
- Reduced carbon tax
- Reliable and low-carbon green energy
- Global leadership in production of chrome and huge resources of platinum group metals
- Land and security

Generic SEZ incentives

- Vat and customer relief
- Employment tax incentives
- Building allowance
- Reduced corporate income tax (15% corporate tax)
- 12i tax allowance and incentives
- One Stop Shop Facility

Distances to key points

- Port of Maputo (Mozambique) 380km
- Port of Richards Bay 600km
- Musina Beit Bridge Border Post 400km



The Tubatse Hydrogen Valley and Mineral Beneficiation Journey

Construction Phases of FTSEZ

The Fetakgomo-Tubatse SEZ will cover a total area of 1 220ha of land. Phase 1 consists of 316ha which is reserved mainly for a mix of light and heavy industrial use and other hydrogen energy related uses, while Phases 2 and 3 will be developed in line with market demands and will include:

- Renewable energy
- Heavy industry
- Additional light industry space
- Mixed use and residential

More than six tenants have already committed to setting up operations for Phase 1 implementation in chrome-related beneficiation, hydrogen energy components assembly, electric vehicles, solar energy and pharmaceuticals.

Deputy Minister meets with private sector and assesses progress

National government’s robust industrialisation agenda is reflected in the SEZ programme.

The Deputy Minister of Trade, Industry and Competition, Mr Fikile Majola, conducted an oversight visit to the proposed Fetakgomo-Tubatse Special Economic Zone in Steelpoort, Limpopo, in October 2021.

Deputy Minister Majola was joined by the MEC for Economic Development, Environment and Tourism in Limpopo, Mr Thabo Mokone, MEC for Finance in Limpopo, Mr Seaparo Sekwati, the Executive Mayor of Sekhukhune District Municipality, Councillor Stanley Ramaila, and the Acting Mayor of Fetakgomo-Tubatse Local Municipality, Councillor Hlatsoayo.

The purpose of the oversight visit was to assess progress registered in the implementation of the proposed Special Economic Zone (SEZ) project and to meet with potential private sector partners. According to Mr Majola, the visit was part of a consultative process on the SEZ Programme. Information on the new approach in the implementation of the programme was also shared.

“This new approach encourages collaborative engagements through which the implementation of the SEZ Programme is aligned with national,



FTSEZ Implementation Approach
Phase 1: West of R555: Integrate the 36ha Mining Integrated Supply Park (MISP), set up top infrastructure, fence and clear 280ha site. Anchor Investments: Input manufacturing suppliers and green vehicle components cluster.
Phase 2: East of R555: Clear site and fence the 980ha site and provide bulk services and begin housing development. Anchor investments: Renewable energy companies, smelter and refinery and chrome products.
Phase 3: Design and build a logistics hub for export markets. Just-on-time delivery and efficiencies. Anchor investments: Logistics Hub Station with a strong 4IR platform.



provincial and local objectives, as well as planning strategies to maximise synergies and promote cooperation. This will result in provinces and municipalities benefiting from strong National Government support in areas of limited capacity,” said Mr Majola.

He added that the South African Government was seeking to transform the economy into a globally competitive economy, built on the full potential of all citizens and regions.

“To achieve this, the government is driving a robust industrialisation agenda supported by Spatial Industrial Development Programmes such as the SEZ Programme. Our department is driving the SEZ Programme as one of the strategic interventions to catalyse economic and industrial development in the country,” he added.

Water, roads and rail: infrastructure projects are underway

The Fetakgomo-Tubatse Special Economic Zone received from the Limpopo Department of Economic Development, Environment and Tourism an allocation of R35-million (FY 2021/22) which was earmarked for the following activities and projects: District Skills Audit, environmental impact assessments (EIAs), township establishment (land rezoning), engineering designs and costing for the perimeter fence, site clearance, Eskom cost estimation and acceptance of quote, engineering designs for an Eskom switching station, water allocations (assessment of demand per industry), an Implementation Readiness Study and engineering designs. The whole R35-million is committed to the enlisted projects.

Existing and current projects in the District

Project	Value	Responsible institution	Status
Steelpoort Wastewater Treatment Works	R70-million	DBSA/Sekhukhune District Municipality	Existing WTW on private land. Construction at Steelpoort.
Steelpoort Water Treatment Works	R65-million	DBSA	Complete.
Ga-Malekana Water Treatment Works upgrade	R121-million	Sekhukhune District Municipality	Technical report approved; planning stage.
R37 and R555 main roads	R2-billion	SANRAL	Underway.
Steelpoort railway siding	Not given	Transnet	Initiation phase.
Regional External Master Plan	R1.6-million	Sekhukhune District Municipality	Initiation phase.
Steel Bridge upgrade	R70-million	Roads Agency Limpopo and mining companies	Initiation phase.
SEZ human settlement scoping report	Not given	CoGHSTA/HDA	Underway.

Solly Kgopong, Executive Manager



Solly Kgopong is the Executive Manager of the Fetakgomo- Tubatse SEZ. Before joining the Department for Economic Development, Environment and Tourism, he was General Manager of Absa Bank. His work experience started as Business Analyst at Trade and Investment Limpopo until he became Executive Manager Strategic and Economic Planning.

During this period, Solly was a part-time lecturer at the University of Limpopo. A USA-Mandela Scholar Alumni, Solly holds a MSc in Economics degree from the Ohio State University. He was recently seconded to Head the Fetakgomo-Tubatse SEZ Project Management Unit by the Provincial Government.

Contact details: Tel: 082 455 4220 | Email: Solly.Kgopong@lieda.co.za

Bunjiwe Gwebu, Project Executive



Bunjiwe Gwebu is the Project Executive for the Fetakgomo-Tubatse Special Economic Zone, having joined the Limpopo Economic Development Agency in 2014 when the Special Economic Zones programme was being rolled out nationally. She is an Economic Development Specialist who holds a Master’s in Development Studies from the University of KwaZulu-Natal. She has held positions

at executive and senior management levels in government and non-governmental institutions such as eThekweni Municipality, Slum Dwellers International, uTshani Fund and the Housing Development Agency where she was responsible for strategy, programme planning and management, implementation and monitoring and evaluation.

Contact details: Tel: 076 521 5077 | Email: Bunjiwe.Gwebu@lieda.co.za