



Greentech Atlantis Special Economic Zone (SEZ)

2015/16 Annual Report

Atlantis SEZ 2015/16 by Numbers

R680m
investments
into the SEZ
attracted,
of which:

R300m
(GRI, 2014,
wind tower
manufacturing)

R130m
Kaytech
(geotextiles,
expansion)

R175m
(GRI 2015,
expansion)

R25m
Resolux (wind
tower internals)

R50m
Skyward windows
(double glazed
windows, expansion)

**300 Jobs
Created:**

220
By Gestamp
Renewable
Industries
(GRI)

80
(Direct
and indirect)
by Resolux

35
Wind towers
manufactured in Atlantis
installed at the Noupoot
Wind Farm in the
Northern Cape

74
Investment
sessions
delivered
(target was
12)

78
Stakeholder
engagement
sessions
delivered

109
Skills
development
engagements

The Greentech Atlantis SEZ

GreenCape and the Department of Trade and Industry (dti) signed a Memorandum of Funding Agreement during the 2013/14 financial year to set up a Project Management Unit to facilitate the establishment of a green technology (greentech) Special Economic Zone (SEZ) in Atlantis. This work is a collaborative effort between GreenCape as the hosting agency, the City of Cape Town, Western Cape Provincial Government and the dti.

One way to pave the way for a greentech SEZ was to establish a greentech industrial park in Atlantis. The City of Cape Town provided 68ha of land for the park to support the revitalization of Atlantis as a strategic development node. The revitalisation work would involve a re-engineering of existing business clusters and support for future-focused sectors (in this case, the greentech sector). The greentech hub and proposed SEZ support the manufacturing sectors to become suppliers and component manufacturers for the renewable energy sector, in particular independent power producers in the government's Renewable Energy Independent Power Producers Programme (REIPPP).

Overview of Atlantis

Atlantis is the home of the proposed Greentech Special Economic Zone. This priority development node is situated approximately 40 km north of the Cape Town CBD, 19 km north of Melkbosstrand and 76km south of Saldanha Bay. It lies between the N7 to Namibia and the R27 West Coast Road.

Location of Atlantis



- Location of Atlantis

The role of the Atlantis SEZ in supporting and promoting regional development

Owing to its strategic location and envisaged growth, the SEZ has potential to contribute towards regional economic and spatial development by:

Enabling the socio-economic development leg of the National Development Plan (NDP) by supporting three NDP Strategic Infrastructure Projects (SIPs) - SIPs 8, 9 and 10 focusing on greening the South African economy, electricity generation and electricity transmission.

Supporting local content manufacturing linked to the Renewable Energy Independent Power Procurement Programme (REIPPP) driven by the National Department of Energy.

Highlights from the 2015/16 financial year

I. Sub-programme: Investment promotion and marketing

The unit is responsible for the facilitation of investment into the SEZ and marketing of Atlantis as an investment destination of choice.

Performance for 2015/16

- Targeted 12 & Delivered 74 investment sessions.
- The SEZ team also participated in renewable energy events in South Africa, Kenya and Namibia to network with and scout for potential investors. In South Africa the key strategic focus was to engage investors in renewable energy technologies such as wind and solar, and other related technologies.



Supporting growth of the West Coast Development Corridor through strategic positioning, linking the Saldanha SEZ, Port of Saldanha, Atlantis SEZ, Port of Cape Town and the economic nodes in the City of Cape Town.

Developing gas-to-power projects: The conversion of Ankerlig to gas creates an opportunity for additional gas-to-power and gas for industrial applications in the zone.

Contributing the achievement of national, provincial and city green economy vision through green industrialisation and manufacturing.

Contributing to climate change adaptation through green economic growth and industrialisation.

- R680 million investment has been attracted into the SEZ.
- R300m was invested by GRI in 2014 for construction of a wind tower manufacturing facility.

A strong indication of the momentum already created for the Atlantis SEZ, is that numerous existing companies have approached the team to discuss their long term expansion plans:

- R175m was invested by GRI in 2015 as part of their expansion plans.
- R50m expansion by Skyward Windows (Double Glazing)
- R130m expansion by Kaytech (geotextiles)

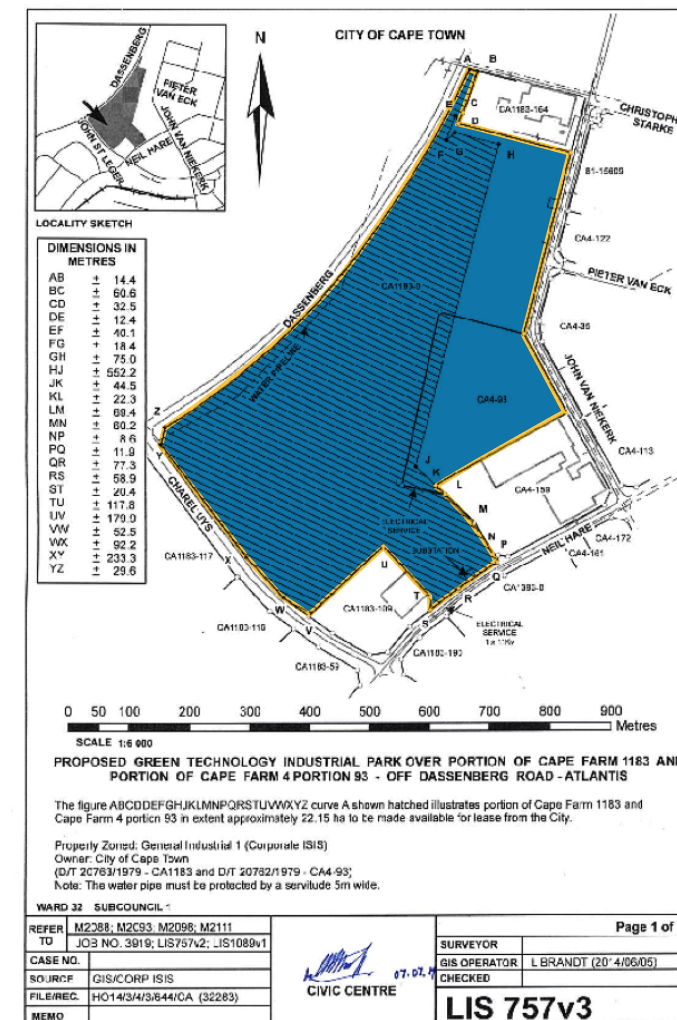
The GRI story: City's accelerated land disposal process creates early successes for Atlantis SEZ

Land allocation by the City

The Council for the City of Cape Town approved the allocation of 68ha greenfield sites for the development of a green industrial park to support the development and growth of the green economy and local content manufacturing. Land is available through an accelerated land disposal process.

Important Milestones

- March 2016: City extended access to the accelerated land disposal process from 12 to 24 months.
- March 2016: Competitive land prices revised and approved by Council in March 2016.
- 2014: GRI purchased 7.8ha of the 29ha site to build a wind tower manufacturing facility.
- The Environmental Impact Assessment (EIA) for gas-to-power on 38ha site will be completed in 2016/2017.



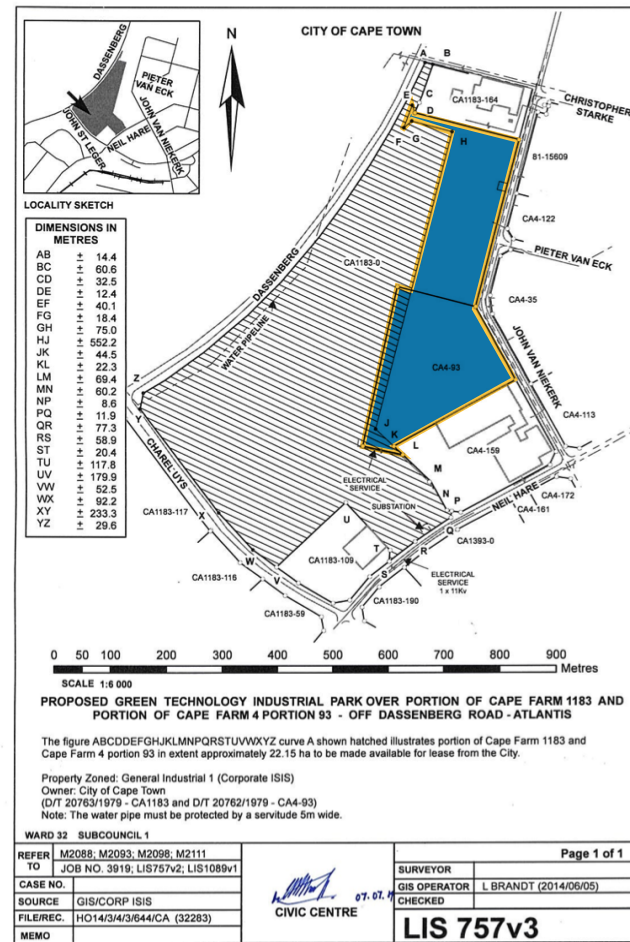
- City's 29.99ha Site 1 for the SEZ



- City's 38ha Site 2 for the SEZ

The GRI Story: The Atlantis SEZ gets its first anchor tenant

The map on the left shows GRI's 7.8 ha site for the construction of the R300m wind tower manufacturing facility. GRI has made a significant contribution to local content and green manufacturing.



- Part of the GRI manufacturing facility



- GRI building

The GRI story: Launch of the GRI factory in Atlantis

Negotiations with GRI on the purchase of land in the greentech industrial park started in late 2013. In 2014, GRI purchased a 7.8ha site from the City Cape Town to build a 12000sqm factory to manufacture wind towers in Atlantis; they broke ground in March 2014. The factory was launched in November 2014 and full production started in January 2015. The expansion in 2015 shows GRI's confidence in Atlantis and South Africa.



Minister Rob Davies (2nd from the right) with Western Cape MEC for Transport and GRI Executives launched the GRI facility in November 2014

The GRI story: GRI growth creates 220 jobs and supply renewable energy market with 35 wind towers

- GRI has created 220 jobs to date.
- The GRI factory is fully operational and delivered its first towers to the market in October 2015 and March 2016.
- 35 towers manufactured in Atlantis have been installed at the Noupoot Wind Farm in the Northern Cape.



- The GRI factory is fully operational. Its first towers were delivered to market in Oct 2015 and March 2016.

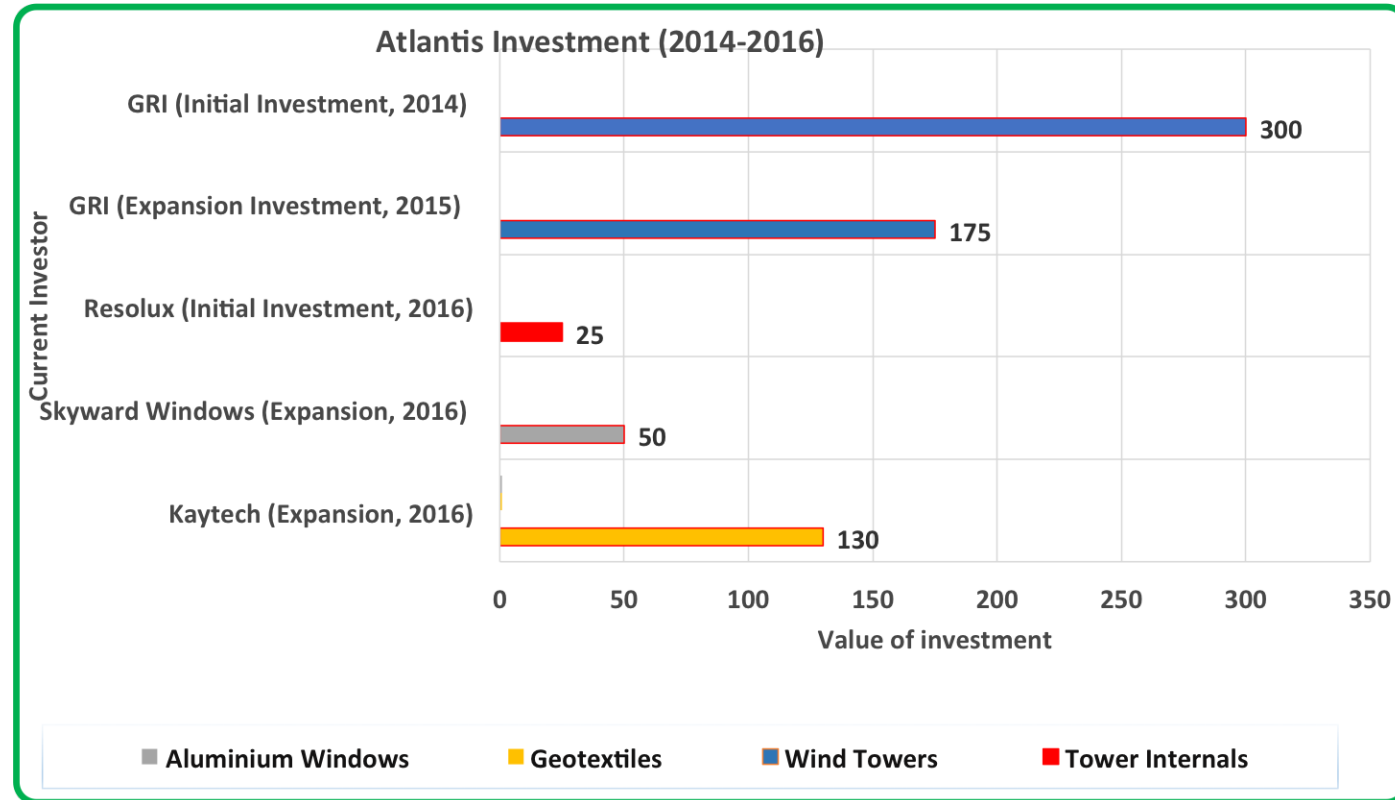
The Resolux Africa story: Wind tower internals manufacturing company creates green value chain in Atlantis

- In 2014 the SEZ started discussions with Resolux Africa, a 51% black women owned company, on its interest to set up a wind tower internal manufacturing facility in Atlantis.
- By March 2016, Resolux launched a R25m project to create 80 direct and indirect jobs.
- Resolux manufactures wind tower internals such as LED lights, stepladders, cables and fasteners to supply GRI and others in the renewable energy space.
- By joining the green value chain in Atlantis, Resolux will contribute in achieving local content manufacturing.

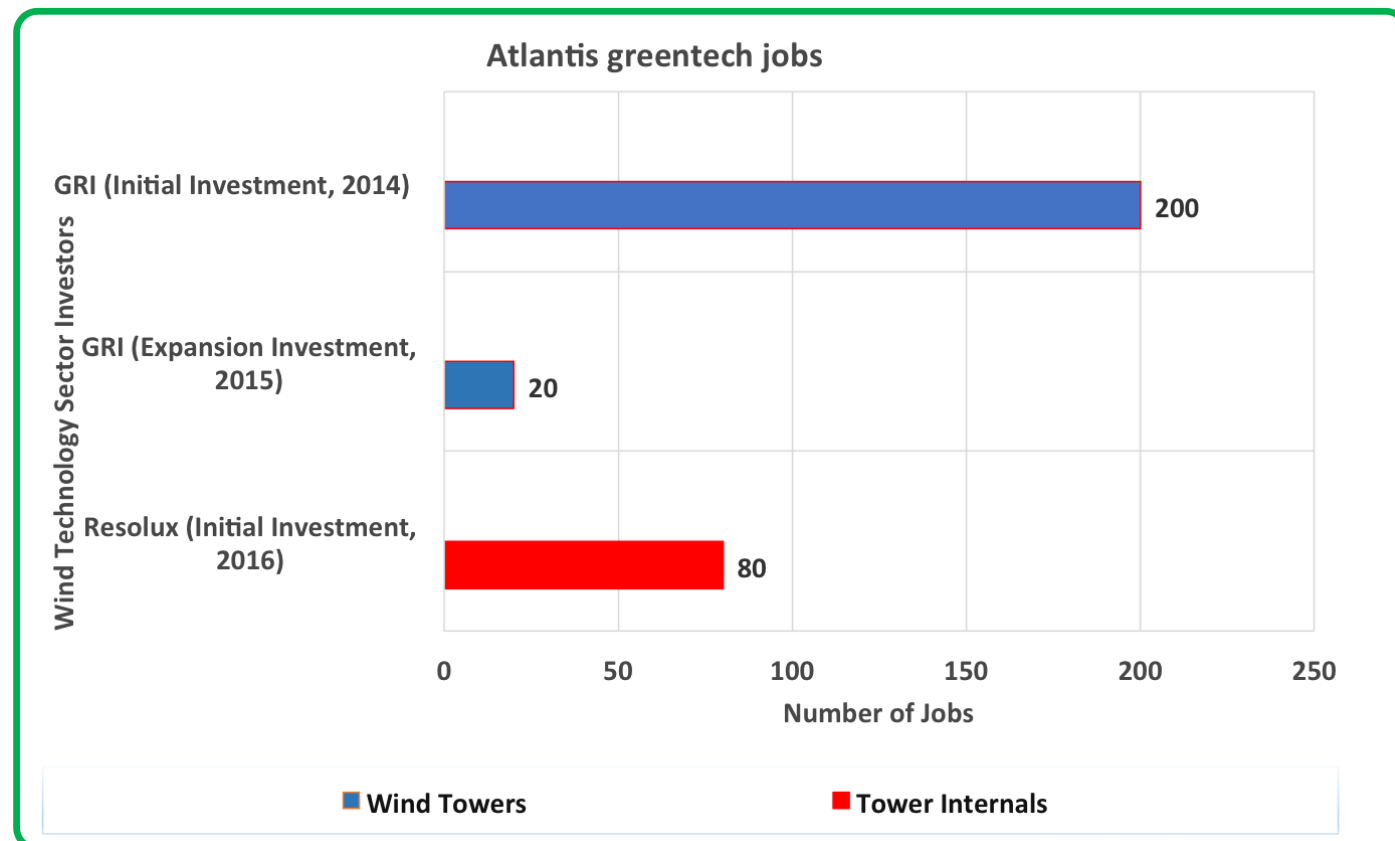


- Resolux Africa launch in March 2016

Summary: SEZ investment to date



Summary: SEZ job creation to date



Highlights from the 2015/16 financial year

II. Sub-programme: Stakeholder Management & Communication

- Performance for 2015/16: Targeted 12 & delivered 78 sessions.

The unit is responsible for the facilitation of stakeholder engagement and communication with different stakeholders, including the community, the business sector, potential investors, industry, trade unions, government departments and academia.



Top: GreenCape CEO, Mike Mulcahy addresses the Atlantis community during one community meeting
 Bottom: Viola Manuel, Executive for Stakeholder Engagement and Communication, presents on SEZ processes.

Highlights from the Financial Year 2015/16

III. Sub-programme: Skills Development and Internship

Skills programme builds local skills

Skills development has been prioritised to ensure local skills meet the needs of industry locating in Atlantis. A skills audit was done in 2015, and local skills mapped to current and projected future demand.

- **Building high-level welding skills:** To ensure GRI has access to highly skilled welders, the PMU engaged the West Coast FET College in Atlantis to reintroduce welding into the curriculum. This has been successful and the welding programme will be implemented in the next financial year.
- **Solar PV Installation Training:** Master Artisan Academy South Africa (MAASA) facilitated PV Installation Training in Atlantis on the 1-5 & 8-12 February 2016.
- **Skills development engagements:** 109

SEZ Internship Programme provides development opportunities for women from Atlantis

Three female interns from Atlantis recruited in 2014 to assist in executing different work packages for the SEZ.

- To date, they have received training and other opportunities for development, including:
 - **Drivers license preparation** funded by GreenCape and the PMU.
 - **Enrolment on study programmes** with the University of South Africa and the University of the Cape Peninsula.
- The interns have gained experience in a range of renewable energy technologies including wind and solar farms and manufacturing facilities.



- 'SEZ Interns, Soraya Copoto, Elmarie September and Charlotte Perang

Skills programme builds PV installation capacity in Atlantis and surrounds

The Master Artisan Academy South Africa (MAASA) delivered PV Installation Training in Atlantis in February 2016



Top and bottom: Class session and participants

Skills programme exposes Atlantis learners to renewable energy technologies

184 Learners from Atlantis attended WINDaba and the South African International Renewable Energy Conference (SAIREC)

- 162 learners from Atlantis high schools attended WINDaba, an annual exhibition showcasing the wind power generation industry (Nov 2015).
- 22 learners from the Atlantis School of Skills and Proteus High School attended the SAIREC (renewable energy) Expo (Oct 2015).



- Learners from Proteus Technical Senior Secondary School at WINDABA



- Learners from Robinvale High School at SAIREC

Highlights from the financial year 2015/16

IV. Sub-Programme: Infrastructure Development

The City of Cape Town and Eskom are upgrading the power supply to Atlantis. The images below show a new sub-station to upgrade the existing electricity supply in Atlantis. Completion is targeted for the end of 2016.



- Construction work in progress at the new sub-station in Atlantis

Strategic interventions and work packages to fast-track SEZ growth and development

1. Energy services interventions

A service provider has been appointed for the development of a standard contract for Energy Services Contracting (ESCO). The aim is to develop energy supply through the ESCO - providing cheap and sustainable energy, affordable energy efficiency services and piloting a solar PV project in the Atlantis Industrial area.

2. Long term work packages

- Assessing implications of West Coast Corridor development on the SEZ.
- Stakeholder engagement on West Coast Corridor development.
- Stakeholder engagement on SEZ application for designation.
- Setting up Atlantis SEZ One Stop Shop.
- Setting up SEZ entity to manage development and implementation after designation.



Industrial symbiosis links Atlantis companies to identify and share each other's underutilised resources

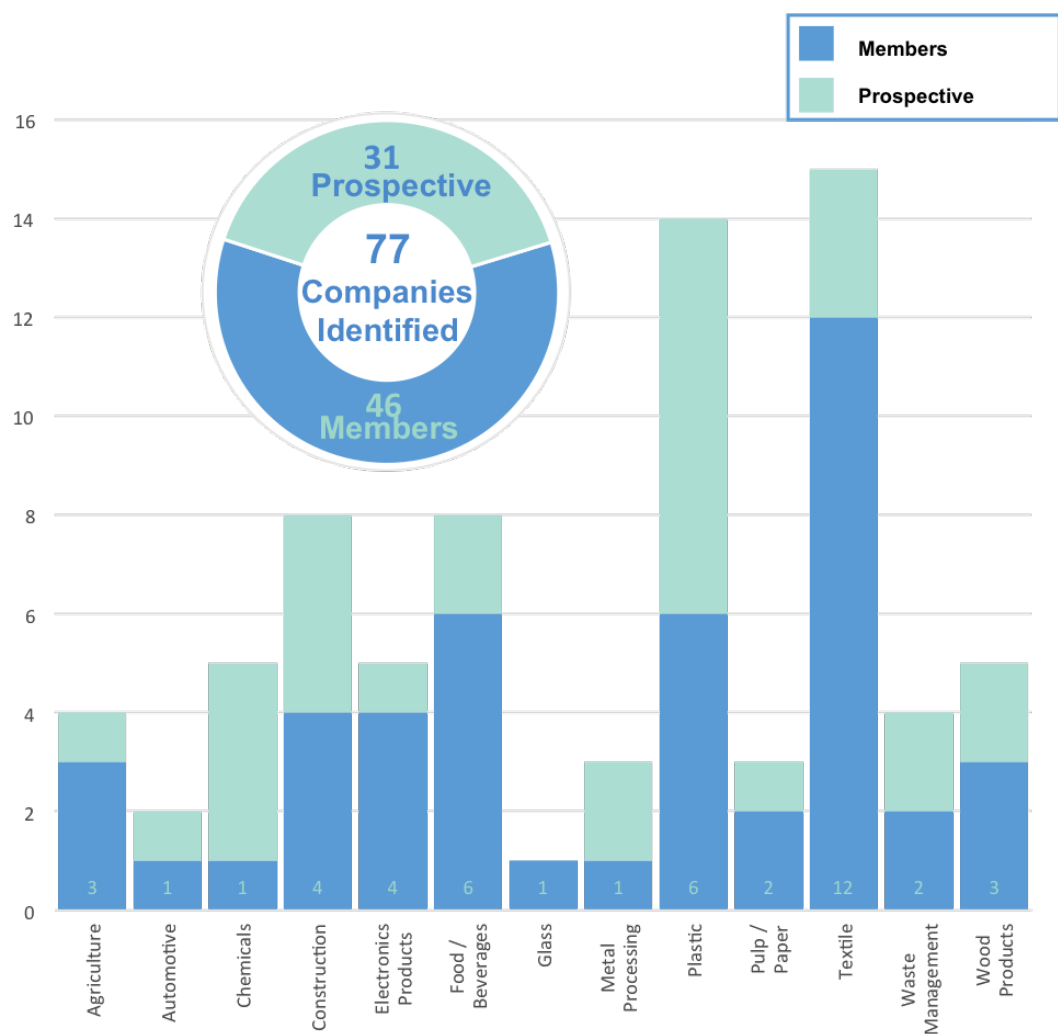
WISP is a free facilitation service that enables the implementation of Industrial Symbiosis by connecting companies so that they can identify and realise the business opportunities from using each other's underutilised resources (materials, energy, water, infrastructure and assets, logistics and expertise).

Using its recruitment methodology WISP was able to:

- Identify 77 potential companies from 13 sectors, including SMMEs and large companies
- Register 46 (60%) of those as WISP members
 - / 29 companies recruited via site visits and meetings
 - / 17 were signed up via business opportunity workshops

The Atlantis SEZ commissioned WISP to:

- improve resource efficiency within its boundaries
- identify opportunities for green enterprise development
- demonstrate regional development using Industrial Symbiosis

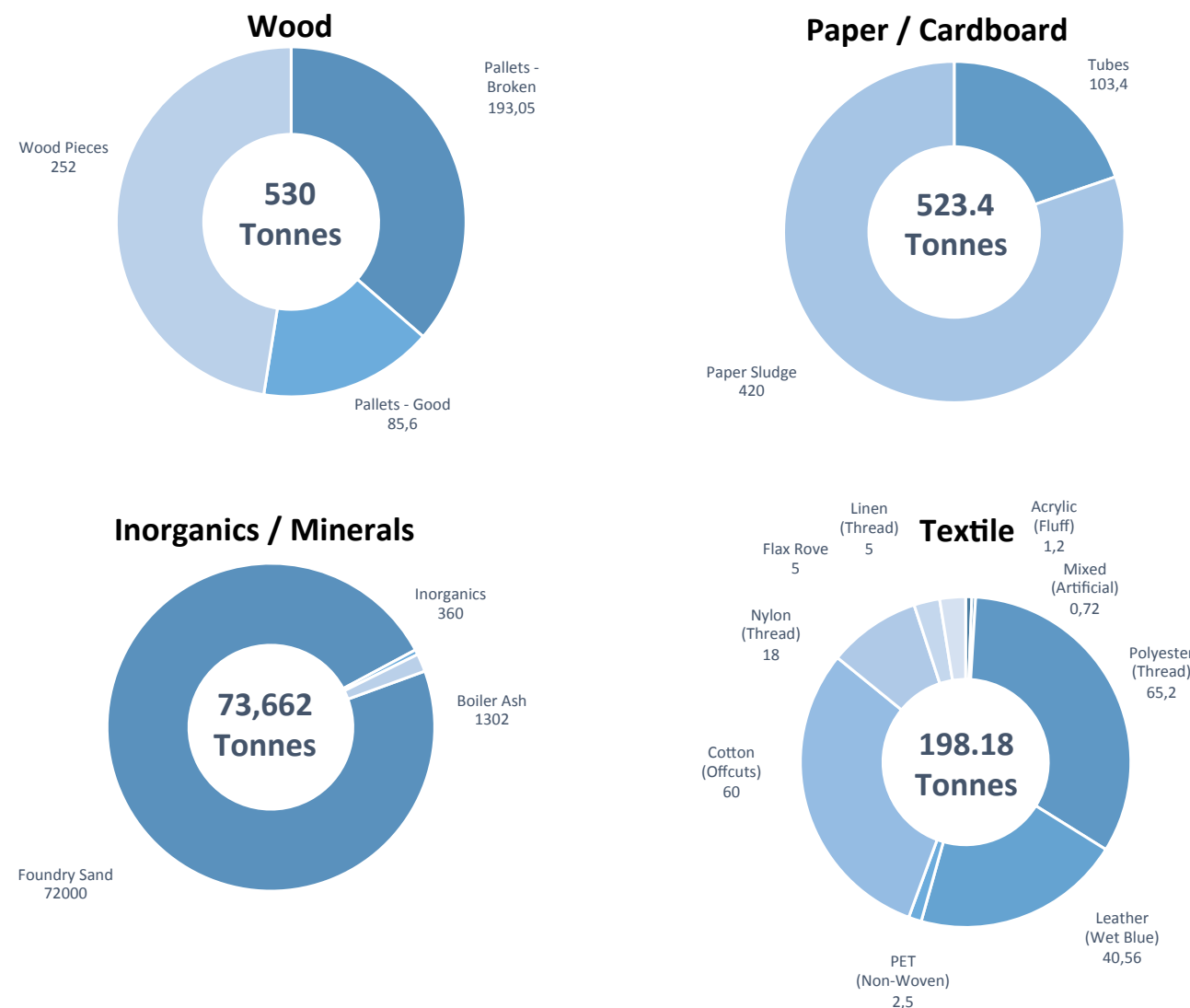


Opportunities for industrial symbiosis in Atlantis

Through company engagements WISP was able to:

- Document 412 resources that were needed or underutilised:
 - / 209 were resources companies had
 - / 208 were resources companies wanted

- Top four underutilised material resource types (by volume per annum) include:
 - / Inorganics / Minerals
 - / Wood
 - / Paper / Cardboard
 - / Textile
- Top two service resource types
 - / Energy Expertise
 - / Logistics





Financial and environmental benefits from industrial symbiosis in Atlantis

Three opportunity time horizons were identified:

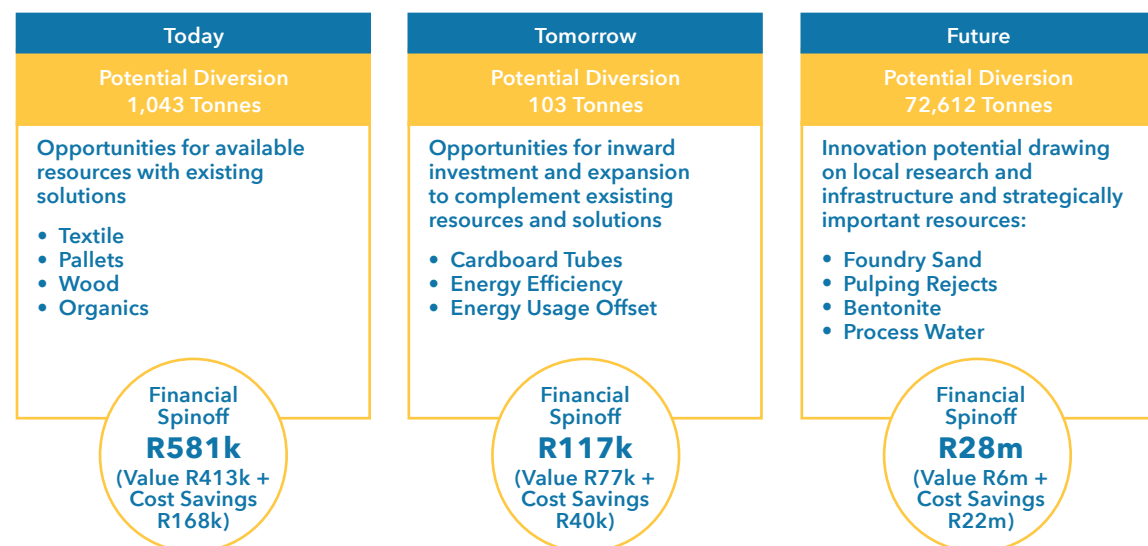
- Today (quick wins)
- Tomorrow (requiring some investment)
- Future (opportunities for new business development)

Which could result in

- A total diversion from landfill of 73,759 tonnes; and
- R29 million financial spin off
 - / R22 million in cost savings
 - / R6 million in additional revenue

To date WISP has facilitated:

- 5 synergies completions (companies linked, and using under-utilised resources)
- Resulting in the following impacts:
 - / 32 tonnes diversion from landfill
 - / R2.1 million additional revenue
 - / R2.7 million cost savings
 - / 3,500 tonnes green house gas reduction



WISP Business Opportunity Workshop held in Atlantis on 26 August 2015



- Left and right: Delegates identifying needed and underutilised resources during the WISP Business Opportunity Workshop held at the Atlantic Beach Golf Club.

Renewable SMME incubation in Atlantis - South African Renewable Energy Business Incubator (SAREBI)

SAREBI was officially launched by the dti in 2013. The Manufacturing Technical Centre was opened to incubate renewable energy SMMEs in 2015.

Current SAREBI incubatees include:

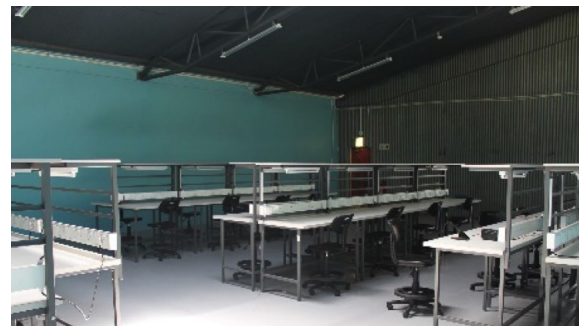
- iSolar (solar water heater manufacturing and installations)
- LEDZshine (LED manufacturing and installations)
- NASAM Electrical Engineering (will be contracted to work with Resolux Africa)



Left & above: iSolar is incubated by SAREBI and manufactures 100% local solar water heaters in the Manufacturing Technical Centre. They offer a internship programs for the manufacturing and assembly of solar water heaters. Top right: Langa Housing Project 2015 - iSolar supplied and fitted 476 solar water heaters.

SMME incubation in Atlantis - South African Manufacturing Technology Demonstration Centre (SMTDC)

The work done by the SMTDC adds value to the SMME in the Industrial sector and compliments the work done by SAREBI within the renewable energy space. The SMTDC forms part of an active business and incubation eco-system in Atlantis.



The South Africa Manufacturing Technology Demonstration Centre (SMTDC) Stakeholder Briefing.

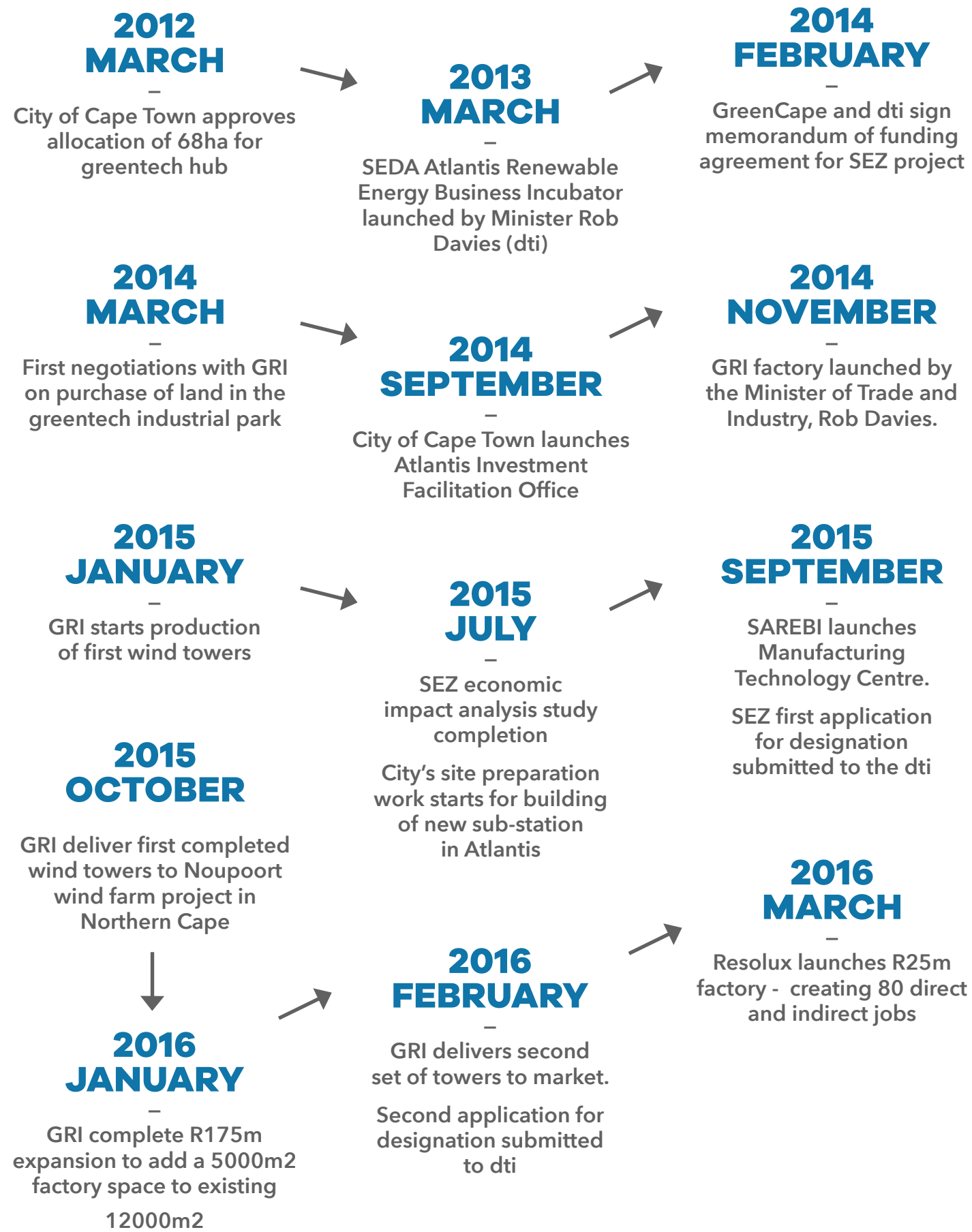


SMTDC stakeholder briefing



- SMTDC Manger briefing the SEZ team and City on its work in Atlantis

Atlantis SEZ Development Milestones





GreenCape

Mike Mulcahy
CEO

Atlantis Greentech SEZ

E mike@greencape.co.za
L + 27 21 811 0250

Atlantis Green Technology Industrial Park
Cnr Neil Hare Road and John Dreyer Street
Atlantis Industrial, 7350, South Africa