

About the Atlantis Greentech Special Economic Zone

Background

Special Economic Zones (SEZs) are key tools used by the South African government for driving industrial and economic development. Within SEZs, cluster industries from a particular sector locate in geographically designated areas to get the benefits of scale and co-location. SEZs are governed by the SEZ Act (No.16 of 2014) and are supported by a range of incentives aimed at attracting foreign and local investment.

The City of Cape Town established a greentech manufacturing hub in Atlantis in 2011, in response to the Department of Energy's Renewable Energy Independent Power Producer Programme (REIPPP).

The hub has already attracted four large Greentech investors that are fully operational:

- Gestamp Renewable Industries (GRI, wind towers, investment R300m),
- Resolux (wind turbine internals, R25m)
- Kaytech expansion (geotextiles, R130m)
- Skyward Windows expansion (double glazing, R50m)

The Atlantis Greentech SEZ

An application has now been submitted by the Western Cape Provincial Government for the entire Atlantis Industrial area to be declared a Special Greentech Economic Zone. A decision on the application from the South African Department of Trade and Industry (dti) is expected in 2016. Situated on the West Coast of South Africa, 40kms from Cape Town, the proposed Atlantis SEZ (ASEZ) capitalises on the province's already booming renewable energy and green technology sector.

Greentech refers to green technologies that reduce or reverse the impact of people on the planet. This includes renewable energy technologies. Wind turbines, solar panels, insulation, biofuels, electric vehicles, materials recycling and green building materials are all examples of green technology.



- Siemens wind towers manufactured at Gestamp Renewable Industries in Atlantis -

Six reasons for the renewable energy and green technology sector to locate in the Atlantis SEZ

1. Strong and growing South African and African markets for Greentech

- Independent market research shows strong demand for renewable energy and green technologies from South Africa and the African continent.
- Support for the renewable energy market was reinforced when the Department of Energy announced in 2015 an additional 6,3GW of renewable energy procurement through the REIPPP.

2. Well-located & development-ready area

- Large tracts of industrially-zoned land with appropriate bulk infrastructure in place (green and brown fields).
- New public transport links and fibre connectivity.
- Well located.
 - Close proximity to Saldanha port (105kms), airports, and Cape Town (40kms).
 - Good access to major national road network (N1, N2 and N7 routes).
 - Proximity to key renewable energy markets.

3. A strong support base and existing relationships for investors to tap into

- Partnerships and relationships that will help facilitate investment and doing business are already in place with business, government and labour.
- A large range of institutions will provide investor support. (See page 4)
- International support from the International CleanTech Network, with strong connections to clean technology clusters across the globe.

4. A One-Stop-Shop (OSS) for wide-ranging investor support

 The ASEZ team can assist with information, and facilitate access to permits, licenses, planning and development approvals, incentives and finance.

5. Incentives for investors and tenants

 The ASEZ, City of Cape and the national government offer a range of attractive incentives for investors and tenants. (See page 5)

6. Attractive, wide-ranging skills base to recruit from

- The City of Cape Town and the Western Cape province offer a large range of unskilled, semiskilled, technical and professional candidates.
- A skills development drive is underway in Atlantis through partnerships with youth organisations, local TVET colleges and high schools.



Location of Atlantis





- View of Table Mountain from the GRI site -



- Inside the South African Renewable Energy Business Incubator in Atlantis -

Institutions that will support the ASEZ & investors

GreenCape (www.greencape.co.za) will act a single point of contact linking investors to:

Investment Support:

Investment South Africa www.thedti.gov.za/about_dti/tisa2.jsp

Wesgro www.wesgro.co.za

Business networks:

Atlantis Industrial Initiative (AII)

Business Western Cape

Black Management Forum www.bmfonline.co.za

Cape Chamber of Commerce www.capechamber.co.za

City of Cape Town Atlantis Investment Facilitation Office (AIFO) www.capetown.gov.za South African Renewable Energy Business Incubator (SAREBI) www.sarebi.co.za

Academia:

University of Cape Town www.uct.ac.za

Energy Research Centre (University of Cape Town) <u>www.erc.uct.ac.za</u>

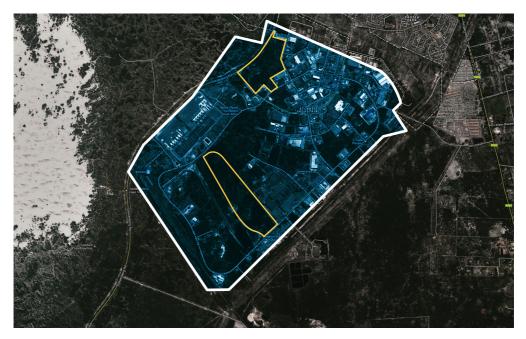
Stellenbosch University www.sun.ac.za

Centre for Renewable and Sustainable Energy Studies (CRSES) (Stellenbosch University) www.crses.sun.ac.za

Cape Peninsula University of Technology www.cput.ac.za

South African Renewable Energy Technology Centre (SARETEC) www.saretec.co.za





Incentives:

SEZ incentives include:

- Preferential 15% Corporate Tax and Tax Relief.
- Building allowance and Tax Relief.
- Employment Tax Incentives.
- Customs Controlled Area Tax Relief.

City of Cape Town incentives:

- Attractive land purchase and lease arrangements for green field sites with environmental authorisations in place. (See table on page 6)
- A quick, clear, transparent application process for business sites.

- Fast-tracked development approvals for land use and building plan applications.
 Fee exemptions for land use and building plan application fees and development contribution deferrals.
- A municipal electricity tariff subsidy.

National incentives:

- include the 12I Tax Allowance which supports capital investment and training.
- All other national incentives are also applicable. (See www.investmentincentives.co.za)

Current rates for greenfield sites (for qualifying companies) on City of Cape Town sites

	Sale		Lease	
Extent/size m ²	Sale price/m²	Sale price/market value for largest size in the range	Monthly rental/m ²	Monthly rental
0 - 500	R180	R 90 000	R1.20	R600
501 - 1 000	R180 - R165	R165 000	R1.10	R1 100
1 000 - 5 000	R165 - R150	R 750 000	R1.00	R5 000
5 001 - 10 000	R150 - R120	R1 200 000	R0.80	R8 000
10 001 - 50 000	R120 - R100	R5 000 000	R0.67	R33 000
50 001 - 70 000	R100 - R80	R5 600 000	R0.53	R37 000
70 000 - 100 000	R80 - R65	R6 500 000	R0.43	R43 000
100 001 - 386 500	R65	R65 00 000 - R251 00 000	R0.43	R43 000 - R167 300



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