



**MINUTES FOR: INTER-DIVISIONAL TASK TEAM, REVIEW OF APPLICATION FOR THE  
PROPOSED MUSINA SPECIAL ECONOMIC ZONE (SEZ)**

Venue: **the dti campus, Block D, DG22**

Date: **08 October 2015**

Time: **10:00 – 12:30**

**1. Opening and Welcome**

The Chief Director, Mr Alfred Tau, welcomed everyone present and declared the meeting officially open.

**2. Attendance**

Mr Alfred Tau – Chairperson

Ms Lizzy Mashiloane – Secretariat

<b>In attendance:</b>	<b>In attendance:</b>	<b>Apologies</b>
Mr Mxolisi Matshamba	Mr Zakhele Mdlalose	Mr Yunus Hoosen
Mr Maoto Molefane	Ms Mariane Tsoeu	Mr Justice Ngwenya
Mr Bernd Oellermann	Ms Nelsiwe Ndinisa	
Mr David Ndhlela	Mr Nicholas Pule	
Mr Jabulani Sithole	Mr Wakhile Mkhonza	
Mr Patrick Mlangeni	Mr Sqhelo Ntshobane	
Mr Bhekisizwe Mbuli	Mr Tidima Mojapelo	

**3. Opening and Registration**

All members present at the meeting signed attendance register.

**4. Adoption of Agenda**

The agenda was adopted without any amendments

## **5. Introduction**

The chair, Mr Alfred Tau gave a background of the evolution of Industrial Development Zones (IDZs), the transition to SEZs and how they differ. He then informed the meeting that the new programme does not only consider port areas, but rather looks for economic potential throughout the country.

Mr Tau informed the meeting that various experts as well as sector specialists from the department were invited with the intention of having a holistic view of the application; and to be able to provide advice to the Minister to designate Musina. The team was advised to be factual and objective when assessing the application in order to assist the Minister in working on a well informed decision; and to be considerate of the large amount of funds required on the project.

Mr Tau then highlighted to the team that there shall also be implications of making recommending this crucial project to the Advisory Board; since the team should also consider the legal repercussions that may arise.

Delegates requested to understand their level of power, if their recommendations of the application, would be considered at the board.

They were advised that there will be meetings going forward, with the same team to create a building forum. Certain external stakeholders will be considered later, after we have our internal discussions and comfortable with the application.

## **6. Evaluation Matrix**

Mr Maoto Molefane provided his apology for postponing the meeting twice and explained that it was due to unavailability of certain key stakeholders from different fields.

He then made a presentation on the SEZ, Evaluation Matrix: Application for Designation. Took the meeting through the background and advised that when the team is satisfied with the application, it shall go through the following route:

- Advisory Board for recommendation,
- Minister for approval;
- Consultation with the Cabinet;

- Gazzetting;
- Public consultations;
- Packaged memo for approval;
- Designation.

## **7. Presentation of the Application**

Mr Bernd Oellermann made a presentation on summary of the application for designation including the context, goals of the programme and the pre- feasibility, feasibility and Business Planning studies that were conducted.

He highlighted the mission statement of Musana SEZ, performance indicators, value proposition, The Musina SEZ will consist of two phases:

- Phase 1 – Makhado (which consist of 700ha)
- Phase 2 – Antonvilla (which consist of 700ha)

The proposed clusters for the SEZ include: Metallurgical, logistics, petrochemical as well as bulk infrastructure. Key opportunities for each location, Investors which are on the pipeline and projected income and expenditures were also highlighted. The figures for both phases were projected on the feasibility studies, not the dti.

Mr Ollermann also indicated the impact of the SEZ on the (GDP) Gross Domestic Product GDP, job creation and contribution to tax of the country. The current activities which are under way for both phase 1 and 2 include:

- Investment promotion drive;
- Address bulk service infrastructure supply;
- Build regional industrial development support system;
- Explore alternative energy sources with DoE and Eskom;
- Business plan completed;
- Land/ property acquisition;
- Support capacity for SEZ addressed.

## **8. Discussions**

Mr Oellermann informed the meeting that:

- All raw materials are based within the Makhado area, and the coal reserves that would last the SEZ for over 200 years.
- The type of ownership for Makhado has not yet been clear, awaiting LEDA (Limpopo Economic Development Agency) to clarify.
- Antonvilla has no investment pipeline for now; however, their water requirements will be enough.

Mr Matshamba advised that information that was unrelated information regarding Musina SEZ be removed in order to minimise confusion of audience. To ensure that the presentation separate the 2 phases: Makhado and Musina.

## **9. Way Forward**

The team agreed on the following:

- Follow up SEZ team meeting to prepare the presentation for the Advisory Board ;
- Develop and agree on the presentation template for SEZ applications to be used when presenting applications to the SEZ Advisory Board. The main purpose of the proposed template is to ensure that it covers all the critical elements of the SEZ application so that the team can empower the Advisory Board to make informed decisions;
- To develop the structure of the submission and the executive summary that will be taken to the board as part of the Board pack and approval processes for the Minister and Cabinet;
- To develop key elements that need to be covered to ensure that the Advisory Board and the Minister are happy with the work that is presented to them for approval.
- To prepare well packed and well-presented work that will make it easier for the board to support and approve the work first time without any work being referred back. The plan is to ensure that approval is granted on first presentation for targets to be achieved;
- Obtain Inputs and sharing or best practice from Warren and Janice will be very important in this regard as they have been involved in the IDZ designation process and these two processes are not very different, and this will assist so that the team doesn't have to reinvent the wheel.

**10. Chairperson's Remarks**

Chairperson, Mr Alfred Tau provided his remarks. He Indicated that the team has a big role of driving the industrialisation agenda and to advise the Minister on key strategic issues. He urged the team to work together and prioritise the project.

**11. Date of the next meeting**

Date of the next meeting will be communicated in due course.

**12. Closure**

The Chairperson, Mr Alfred Tau thanked everyone for their attendance and declared the meeting closed.

**Approval by the chairperson:**

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**Mr Maoto Molefane**

Acting COO

SEZ&ET

Date: \_\_\_ / \_\_\_ / 2015

Supported/ Not Supported

\_\_\_\_\_  
**Mr Alfred Tau**

Chief Director

RSED

Date: \_\_\_ / \_\_\_ / 2015

Approved/ Not Approved