



**MEMORANDUM OF UNDERSTANDING**

**ON**

**PROMOTING KEY PROJECTS OF  
COOPERATION ON PRODUCTION CAPACITY**

**BETWEEN**

**THE DEPARTMENT OF TRADE AND  
INDUSTRY OF THE REPUBLIC OF SOUTH AFRICA**

**AND**

**THE NATIONAL DEVELOPMENT AND REFORM  
COMMISSION OF THE  
PEOPLE'S REPUBLIC OF CHINA**

**WHEREAS** in November 2016, the National Development and Reform Commission of the People's Republic of China and the Department of Trade and Industry of the Republic of South Africa (hereinafter referred to as "the Participants"), under the witness of the leaders of the two (02) countries signed the Framework Agreement for Developing Cooperation on Production Capacity;

**AND WHEREAS** the said Framework Agreement aims to promote production capacity cooperation for further progress and realize mutual beneficial, win-win results and common development, based on the principles of mutual respect, equality and equal benefit;

**NOW THEREFORE** the Participants have reached consensus on the following:


1. The Participants agree that the projects on the list will be priority production capacity cooperation projects and the Participants will play the role of working mechanism of the cooperation on production capacity, enhance communication and coordination and encourage relevant companies and financial institutions to participate in investment and financing activities with relation to the projects based on the principle of "participation by companies, oriented towards the market, in accordance with business operations and based on the international rules". The list is attached hereto as **Annexure "A"**.
2. The Participants agree that the Project List will be updated regularly by agreement and each potential project will be discussed prior to it being included on the list.
3. This MOU does not constitute legally binding obligations for the Participants. It only expresses the positive attitude and common aspiration of the Participants to push forward cooperation on production capacity.

**LIST OF PROJECTS TO BE SIGNED AT THE 2018 BRICS BUSINESS CONFERENCE**

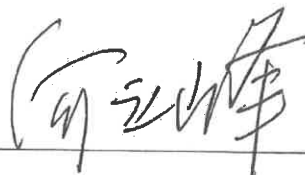
1. Prioritized Project List of China-South Africa Production Capacity Cooperation – To be signed between the dti and The National Development Reform Commission (NDRC)	
No.	Contents
<b>Manufacturing and industrial park</b>	
1	BAIC Automobile SA Located in Zone 1, Coega IDZ, and port of Elizabeth. Planned to produce 100,000 passenger vehicles and SUVs annually. It is planned to be constructed in two phases with 50,000 production capacity for each phase.
2	SA Ferroalloy Industrial Park To build ferroalloy smelter, coal-fired power generating units, infrastructure and supporting facilities.
3	Hisense Factory Expansion Project The project contains two phases. 364 thousand production capacity for phase I and 413 thousand production capacity for phase II
4	MCC International Incorporation 1. Construction of supporting infrastructures for Musina-Makhado SEZ, and construction, Investment and Project Financing for SEZ projects (including coking plants, ferromanganese plants, ferrochromium plants, silico-manganese plants, stainless steel plant, supporting administrative service center, living area

	<b>project</b>	service center, highways, and shipping integrated logistics center Etc.) 2. Complete the project feasibility study report before December 15, 2018 6-year project construction period, phased construction
5	<b>Tianjie GROUP CO tpa plant in Musina-Makhado SEZ</b>	1. Investment in the construction of a 100,000 tpa refractories plant and a 800,000 tpa cement plant 2. Complete the project feasibility study report before October 15, 2018 Project construction period of 3 years, phased construction
6	<b>Taiyuan Iron&amp;Steel project in Musina-Makhado SEZ</b>	1. Invest, plan and construct South African Energy Metallurgical SEZ projects such as coal mine, chromium mine, vanadium mine, coal washing plant, coking plant, captive power plant, Ferro-chromium/manganese plants, ironworks, stainless steel plant, hot rolling mills, etc... a connected sequence energy metallurgical production flow, iron melt, Ferroalloy melt directly hot load and deliver to the steel plant, greatly reducing metallurgical energy consumption, as well as production costs. 2. Complete the project feasibility study report before December 15, 2018
7	<b>Power International Energy project in Musina-Makhado SEZ project</b>	1. Invest in the construction and operation of 4*600MW 2*300MW coal-fired power plant 2. Complete the project feasibility study report before October 15, 2018 6-year project construction period, phased construction.

4. Signed at Beijing on this 02 day of September 2018, in two originals each in Chinese and English languages, both texts being equally authentic.



**For the Department of Trade and  
Industry  
of the Republic of South Africa**



**For the National Development  
and Reform Commission  
of the People's Republic of China**

