
GOVERNMENT NOTICES

DEPARTMENT OF TRADE AND INDUSTRY

No. 780

4 August 2006

STRATEGIC INDUSTRIAL PROJECT (SIP)

I, Mandisi Mphahla, Minister of Trade and Industry hereby publish, in terms of section 12G(16)d of the Income Tax Act, 1962 (Act 58 of 1962) as amended (hereinafter referred to as the Act), particulars of an application received for approval of a strategic industrial project under section 12G of the Act and the Regulations promulgated in the Government Gazette No. 22848 of 21 November 2001.

1. PARTICULARS OF APPLICANT

1.1 Name of applicant: NGK Ceramics South Africa (Pty) Ltd

1.2 NGK Ceramics South Africa (Pty) Ltd is investing in a new plant and machinery to manufacture large size ceramic substrates, which will be used for heavy-duty vehicles. The project will be located at Airport Industria in Cape Town. The final product of the project is used in the exhaust manufacturing and will be supplied to South African coating firms. The project will invest a total **R58 791 445** in qualifying industrial assets. The project is classifiable under SIC code **3830**.

1.3 Description and costs of qualifying industrial assets:

The previous qualifying assets were as shown in the table below:

Assets	Value applied for (R)	Value of qualifying assets (R)
Plant and Machinery 04/05	3 021 100	3021 100
Kiln (1)	77 766 000	77 766 000
Kiln (2)	87 719 400	87 719 400
Machinery 2006	1 380 000	1 380 000
Buildings - Additions (New)	7 968 520	7 968 520
Buildings - Improvements	557 000	557 000
Totals	178 412 020	178 412 020

The approved amount of additional industrial investment allowance in respect of industrial assets was **R89 206 010**, 50% of **R178 412 020**, the cost of qualifying assets.

Assets	Value applied for (R)	Value of qualifying assets (R)
Plant and Machinery 04/05	53 875 834	53 875 a34
Buildings – Additions (New)	4915611	4 915 151
Totals	58 791 445	58 791 445

- 1.4 Date of reduction of industrial allowance: 22/05/2005
- 1.5 Envisaged date of commercial production: June 2005
- 1.6 Specified period: June 2005 to June 2008
- 1.7 NGK Ceramics South Africa (Pty) Ltd is now awarded 4 points and afforded a qualifying status. The approved amount of additional industrial investment allowance in respect of industrial assets to be used for NGK Ceramics South Africa (Pty) Ltd is R29 395 722 (twenty nine million, three hundred and ninety five thousand, seven hundred and twenty two rands only), 50% of R58 791 445, the cost of qualifying assets.
- 1.8 Potential national revenue to be forgone by virtue of deduction of the approved allowance for NGK Ceramics South Africa (Pty) Ltd will be R8 818 716.

2. ENQUIRIES RELATING TO THIS PUBLICATION SHOULD BE MADE TO:

The Secretariat: SIP
 Department of Trade and Industry
 Private Bag X84
 PREOTRIA
 0001

Telephone No. 012- 394 1259
 Fax No. 012- 394 2259
 For attention: **Ms** Francisca Strauss



 MANDISI MPAHLWA, MP
 MINISTER: DEPARTMENT OF TRADE AND INDUSTRY