
GENERAL NOTICE

NOTICE 336 OF 2014

DEPARTMENT OF TRADE AND INDUSTRY

I, Dr Rob Davies, Minister of Trade and Industry, hereby:

- (a) Issue for public comment, the **APPLICATION FOR DESIGNATION OF AN IDZ AT DUBE TRADEPORT, LA MERCY, KWAZULU-NATAL, and THE GRANTING OF THE OPERATOR PERMIT**, and
- (b) Invite interested persons and the public to submit comments on the application for designation within 10 days of this publication.

Interested parties are requested to access the details of this application on the **dti's website** (www.thedti.gov.za), and respond to the email address provided. Alternately, interested parties can forward their comments in writing for attention of Mr Warren Smith of **the dti**, or Mr Owen Mungwe of Dube TradePort, at the following addresses:

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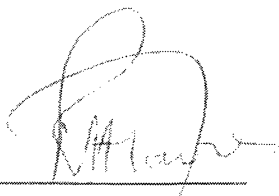
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Signed



Dr Rob Davies, MP
Minister of Trade & Industry
Date: 23/4/14

APPLICATION FOR IDZ DESIGNATION AND OPERATOR PERMIT FOR THE DUBE TRADE PORT INDUSTRIAL DEVELOPMENT ZONE

INFORMATION DOCUMENT FOR GOVERNMENT GAZETTE NOTICE

SUBMITTED ON BEHALF OF:

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APRIL 2014

Final



SOUTHERN AFRICA'S PREMIER
AIR LOGISTICS PLATFORM



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1. Introduction

1.1. Purpose of this Document

This document provides an introduction to the proposed Dube TradePort Industrial Development Zone (DTP-IDZ); a summarised background of the development as a whole, and details relating to the current areas within the Dube TradePort zone which are applying for IDZ status.

1.2. Legislative Framework

The IDZ programme was gazetted in 1999 as an incentive programme under the Manufacturing Development Act (no. 187 of 1993). The regulations for the IDZ programme were promulgated in 2000, published under regulation gazette number 1224 of 1 December 2000, as amended by government notice number R1065, published in the Government gazette number 29320 of 27 October 2006. The overall regulatory framework for the IDZ programme comprises of the following legislation:

- The Manufacturing Development Act (MDA), Act 87 of 1993 as amended.
- The IDZ Regulations and subsequent amendments.
- Section 21A of the Customs and Excise Act, and relevant provisions of the Value Added Tax.
- Report No. 14 promulgated by the International Trade Administration Commission in accordance with the Customs and Excise Act.

The IDZ programme is aimed at promoting the competitiveness of South African enterprises through leveraging investment in export-oriented manufacturing industries and promoting the competitiveness of South African firms through the export of value-added manufactured products. The key objectives and rationale behind the IDZ programme is to:

- Position South African-based manufacturing industries to meet the challenges of globalisation.
- Attract advanced foreign production and technology methods in order to gain experience in global manufacturing and production networks through attracting foreign direct investment (FDI).
- Develop linkages between local and international-based industries.
- Provide world class infrastructure and proximity to international ports to offer low cost and efficient logistics services.
- Provide services to facilitate overcoming administrative hurdles for investors securing permits required for their operations.

1.3. Structure of this Document

In accordance with the purpose stated previously, this document has been compiled on the basis of the application at hand, namely to develop an IDZ in KwaZulu Natal, by the **Dube TradePort Corporation**, which services the needs of the export and import oriented firms that contribute to the competitiveness of the KwaZulu Natal provincial economy.

The document starts off by introducing the Dube Tradeport (DTP) development, the rationale and background behind it, as well as the various development precincts within DTP. Dube Tradeport Corporation, as the operating entity for this precinct, is then explained in detail.

Thereafter, the commercial sustainability of the development as well as key market research is put forward, in order to prove that the development is commercially viable and sustainable into the future.

The master plan for the development is then elaborated on in detail, as well as the expected economic impact of the DTP, as implementation occurs into the future.

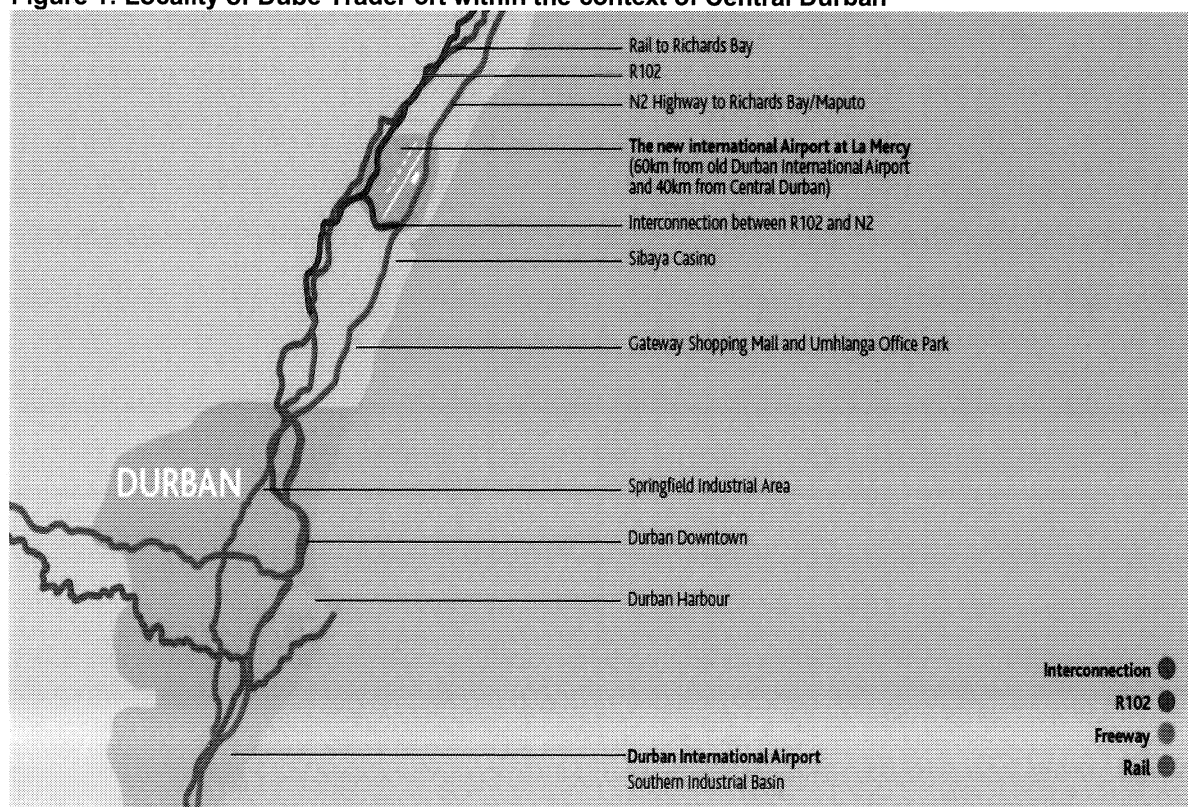
Section 8 then cover the two areas of DTP that currently form part of this IDZ application, namely the TradeZone and AgriZone.

2. Background to Dube TradePort

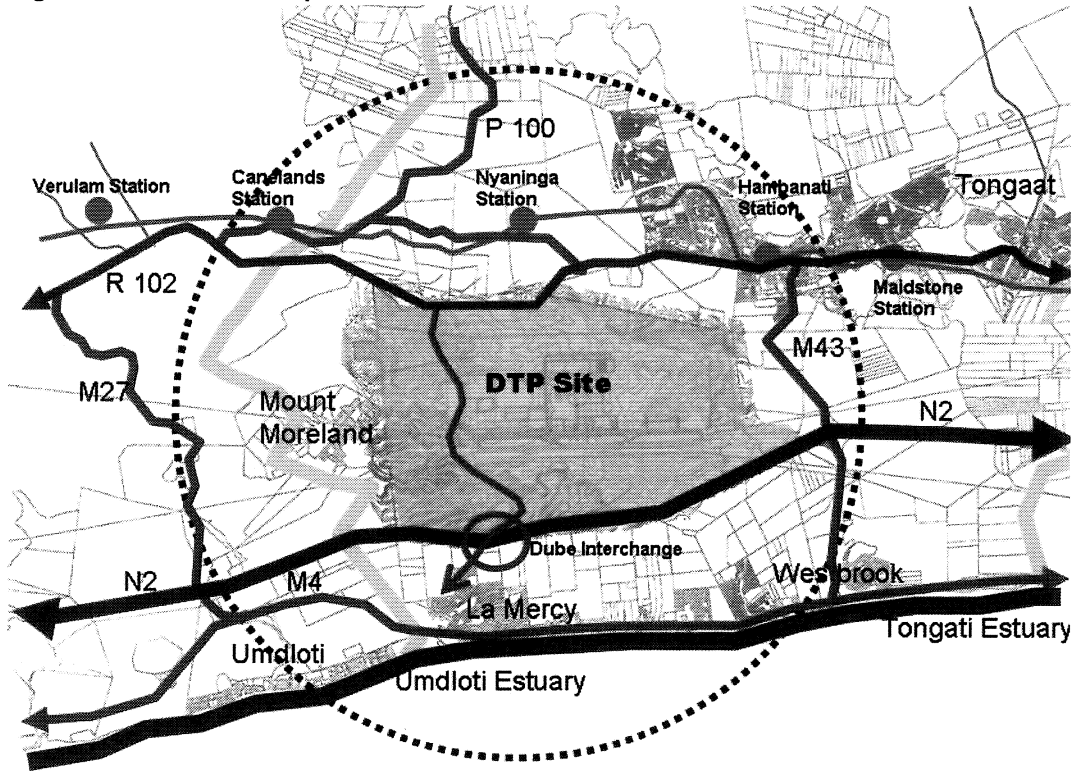
2.1. Location

DTPC is located in the Province of KwaZulu-Natal, on the strategically important east coast of South Africa in close proximity to two of Africa's busiest and biggest Ports - Durban and Richards Bay. DTP is located at the northern edge of the eThekweni Municipality which borders with the ILembe District Municipality and as such falls midway between the City of Durban and the north coast town of KwaDukuza. The existing road and potential rail links between the container port in Durban with the international airport and airfreight facilities at DTP, and the linkage to the bulk port at Richards Bay provides the necessary connections to enable the development of a global trade gateway.

Figure 1: Locality of Dube TradePort within the context of Central Durban



The site is bound by the N2 freeway in the east linking Durban to Richard Bays and the R102 to the west linking town centers of Tongaat, Verulam. To the north the M43 links the R102 to the M4 coastal road and the M27 performs the similar linkage to the south of the site.

Figure 2: Site relationship to main movement corridors

2.2. History of the DTP Project

In the 1970s a need was identified for a new airport for metropolitan Durban and KwaZulu-Natal, given the projected constraints of the current DIA site. Some 2000ha of former agricultural land was thus expropriated at La Mercy, and set aside for the development of an expanded international airport. In 1973 construction of an international airport was initiated and by 1975 earthworks and a storm water drainage system to the value of R320 million was completed. However in 1982 construction was suspended as a result of a period of slow economic growth. The DIA relocation was re-prioritized by national and provincial government in the 1990s and detailed feasibility studies were undertaken over time by various entities, including ACSA, to investigate development of an airport at the La Mercy site. The DTP concept built off of this work and included extensive further local and international research and policy development. The final DTP concept was approved by National Cabinet in 2002.

In 2007 the Airports Company South Africa (ACSA) and the Dube TradePort Company (on behalf of the Provincial Government of KwaZulu-Natal) entered into an agreement to jointly construct the Dube TradePort (DTP) at La Mercy. A master plan was jointly agreed on by both parties.



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It was agreed the following would form part of the first phase construction of the Dube Tradeport:

- Airport and related aviation infrastructure – Including a new passenger terminal to be designed to handle up to 7.5 million passengers per annum and a 3.7Km runway capable of handling the world's largest aircraft
- TradeZone – including a cargo terminal, being a commercial development orientated to attract freight users, value added logistics activities and to grow cargo volumes and related activities
- Support Zone – property development intended to house offices, hotels, and retail activities
- AgriZone – area for the production of high value agricultural produce for export

3. Role of Dube TradePort Corporation

3.1. Definition

Dube TradePort Corporation is the implementing vehicle of the Dube TradePort precinct. Dube TradePort Corporation was established by the KZN Department of Economic Development and Tourism (KZNEDT) as a Schedule 3C company.

DTPC is governed under the Public Finance Management Act (PFMA) and in accordance with the Dube TradePort Corporation Act 2010 of the KZN Provincial Legislature. The legislation allows the KwaZulu-Natal Provincial Government to be the sole shareholder of the strategic assets being developed through the DTPC, wholly funded by the Province's Department of Economic Development and Tourism (DEDT). The goals and associated strategic objectives of the organization are driven by DTPC's six core operating divisions, namely:

- Administration (Incorporating Corporate Services and Finance);
- Cargo and Air Services;
- Property Leasing and Maintenance;
- The AgriZone;
- Information Technology and Communications (ITC); and
- Development Planning and Infrastructure.

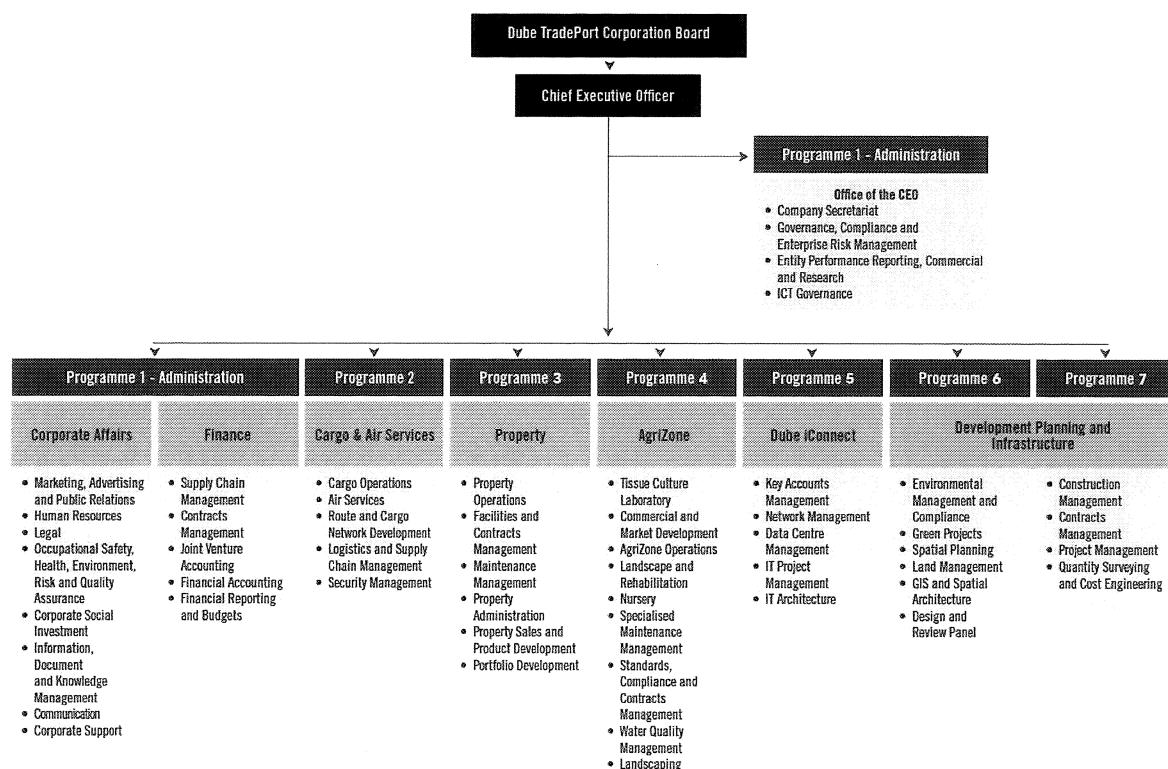
The corporation is governed by an independent Board, and two committees which function as sub-sets of the Board - the "Audit and Risk" Committee, and the "Remuneration and HR" Committee.

The role of the Dube TradePort Corporation is defined in its KwaZulu-Natal Dube TradePort Corporation, Act of 2010.

3.2. Establishment of Management Functions

In order to carry out its functions stipulated in the act, Dube TradePort Corporation's executive team and operating divisions are structured as follows:

Figure 3: Overview of the management function Dube TradePort



The Board is the custodian of Corporate Governance and, therefore, accepts responsibility for ensuring that the entity conducts its business in line with sound governance principles. This it achieves by approving key policies and ensuring that the organization's obligations to key stakeholders are met. The Board also has the responsibility for approving and adopting strategic plans and providing management with sound leadership, in line with Dube TradePort Corporation's values, whilst understanding that strategy, risk, performance and sustainability are inseparable.

3.3. Relationship with Government Partners

At present, this Dube TradePort Company is wholly funded by the Department of Economic Development (KwaZulu-Natal) to enable it to undertake the development of the precinct. Dube TradePort is funded over a three-year MTEF period by the KZN Department of Economic Development.

3.4. Risk Management

The Board is both responsible and accountable for the governance of risk and, in this regard, has delegated the implementation and day-to-day management of this responsibility appropriately. Risk management is regarded as a key businesses discipline which:

- Protects the organization against such uncertainties and hazards which could prevent the achievement of business objectives;
- Considers the exploitation of opportunities which may improve the performance of the organization; and
- Focuses on strategic, financial and operational risks.

3.5. SWOT Analysis

To contextualize the vision, mission and strategic goals and objectives of the Dube TradePort within its initial focus of developing a TradeZone and Agriprocessing Cluster, it is crucial to understand where such an entity's strengths and weaknesses may reside, what threats it may face, and overall, what the opportunities are. The SWOT analysis in Figure 4 provides an overview of the *current* strengths, weaknesses, threats and opportunities.

Figure 4: SWOT analysis

Key focus areas	Internal		External	
	Strengths	Weaknesses	Opportunities	Threats
Planning	Integrated planning with municipality and neighbouring landowners in terms of the Aerotropolis concept	High dependency on municipal approval of plans and guided by municipal spatial framework	Regional offsets can be achieved on a provincial level instead of localized offsets	Lack of consensus on environmental restrictions / rehabilitation measures
Infrastructure	Good accessibility and mobility networks	High dependency on regional infrastructure	Funding can be provided by provincial and national government	Phasing of additional roads provision and bulk services by municipality and services authorities
Land acquisition	Land owned by Dube TradePort can be	High cost of land and servicing	Expropriation of land through IDZ	Legal process and timeframes

Key focus areas	Internal		External	
	Strengths	Weaknesses	Opportunities	Threats
	repackaged / re-focused as demand increases	Zoning may be prohibitive	regulations Partnership with landowners could unlock developments	Act 70 of 1970 approvals for land outside of the DTP
Competition	Favourable location and access to airport will enhance competitiveness	Currently slow take up by airfreight sector and related industries Most exporting and importation still handled by port / maritime sector	Incentives and favourable leasing rates to attract investors	Slow producing local economy and low competitiveness of local sectors in terms of global exporting through airfreight. Threat of emerging markets
Clusters	Initial focus on local clusters and sectors	Slow take-up rates for FDI at DTP	IDZ programme will facilitate and improve marketing for DTP	Port of Durban expansion may contribute to further clustering in South of Durban
Local Municipality	Good working relationship and forward planning consensus	Local municipality is required to prioritize other regions and spread financial resources	Support for the regional integration with ILembe District and Aerotropolis concept	Change in Municipal leadership
Government partners	DTP established by KZN Government (Schedule 3C)	High dependency on provincial funding for next ten years	Favourable environment through IDZ programme may attract more investment	Land development may be hampered by bureaucracy
Marketing	Joint marketing initiatives with multiple provincial entities	High cost of international marketing	Dedicated DTI support for marketing of Dube TradePort	Not achieving marketing consensus on clusters and sectors being targeted for KZN and Gauteng Aerotropolis concepts

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Key focus areas	Internal		External	
	Strengths	Weaknesses	Opportunities	Threats
Governance	Governance controls in terms of KZN Dube TradePort Act of 2010	Attracting and retaining skilled staff	IDZ programme may contribute to resource pooling amongst IDZs across the country	High costs of attracting and retaining appropriate skills



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4. Rationale for Commercial Sustainability

As part of the representation made to government to relocate the airport and construct Dube Tradeport, a detailed feasibility study was undertaken. The demand forecast considered the airport facility and the non-airport facilities (Trade Zone, AgriZone and Support Zone) and was used as the baseline data for dimensioning and planning the proposed King Shaka International Airport (KSIA).

This key research behind the construction of Dube Tradeport is included here in a summarized version in sections 4.1 to 4.4, in order to illustrate that the facility has been subject to detailed analysis prior to construction. Section 4.5 summarises new work that has recently been undertaken, in order to inform DTP's investment attraction strategy going forward.

4.1. Key Market Research – Airport facility

Steer Davies Gleave prepared a traffic projection in 2003 for Dube TradePort (DTP), and in 2006 this traffic projection was updated by them. In order to research this report, Steer Davies Gleave visited South Africa during March/April 2006 and interviewed key stakeholders, including DTP, Airports Company of South Africa (ACSA), the management of Durban International Airport (DIA), the KwaZulu-Natal Tourism Authority and the airlines currently operating at DIA. The findings of the 2006 Steer Davies Gleave report are summarised below and used for the dimensioning and planning of the KSIA.

The report considers three cases:

- Low case
- Base case
- High case

Only the base case has been considered for planning the proposed development. The rationale for this is that the air traffic will reach the projected base case figure at some time, either on, earlier or later than the base case date. The projected air traffic will thus result at some time, and the exact date is of secondary importance. For the airport facility three key sizing parameters are considered, namely passenger traffic, ATMs and cargo volumes.

4.1.1. Passenger traffic

The base case projection is that DIA could expect to handle 6.2 million passengers by 2014/15, equivalent to an average growth rate of 6.0% over this period. As much of the growth is expected to be due to the expansion of low cost air services, the expected growth is likely to be faster at the start of the period. In the high case, the passenger volumes could grow to handle up to 7.6 million passengers by this point, but in the low case, 5.1 million.

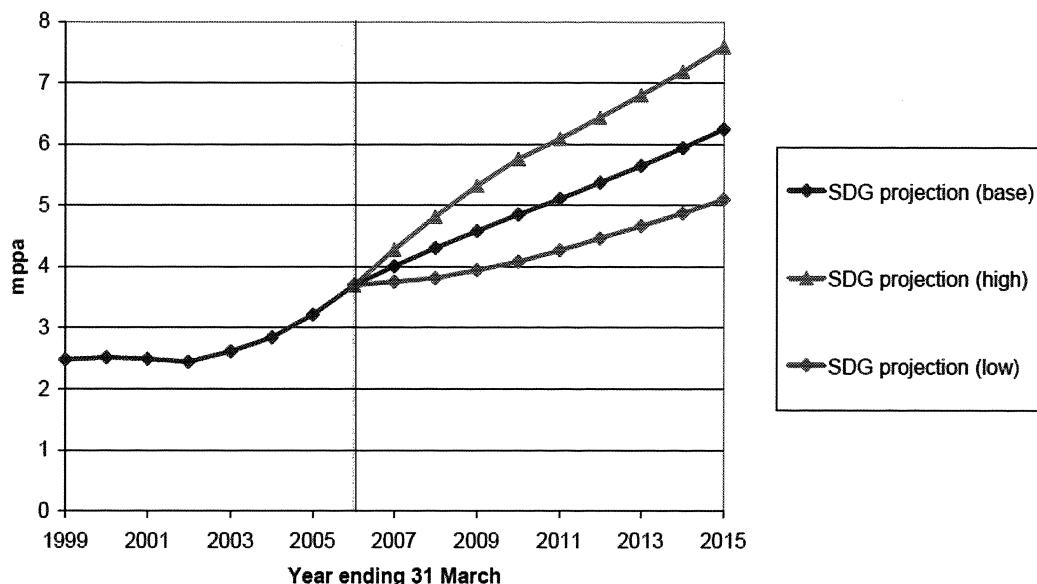
Figure 5: Passenger projections: base, high and low case

Figure 6 provides full details of the base case passenger projections until 2065. The projections for 2035 and 2065 have been calculated using 2.0% growth.

Figure 6: Passenger projections in thousands (base case)

YEAR	DOMESTIC	INTERNATIONAL	REGIONAL	CHARTER	TOTAL
2006	3 663	21	5	7	3 696
2015	6 109	83	8	44	6 244
2025	9 905	260	13	128	10 025
2035	11 900	312	16	154	12 400
2065	19 200	504	25	248	20 000

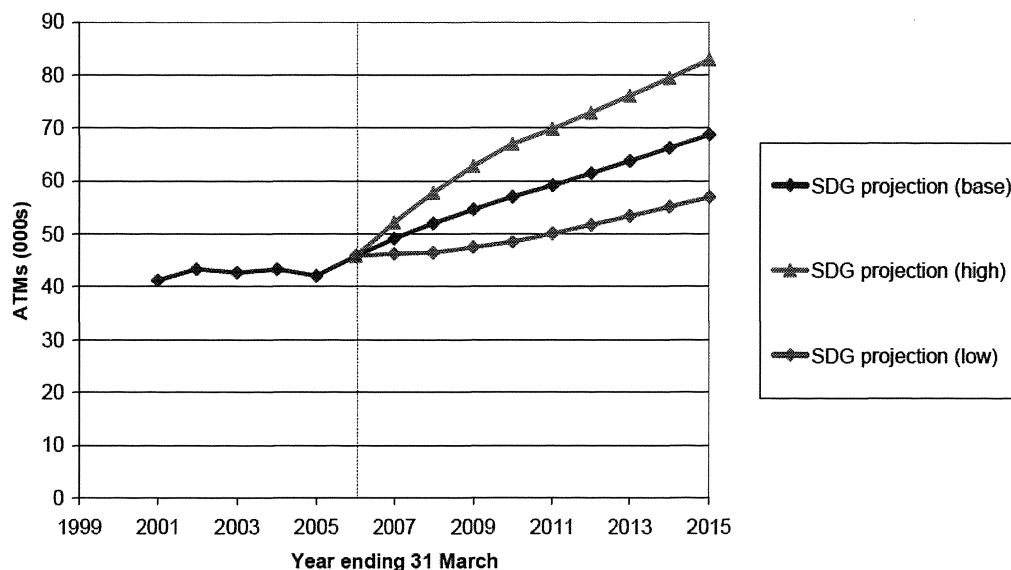
The KSIA has therefore been planned to provide a capacity for 6.2 million passengers per year in 2015, 12.4 million passengers per year in 2035 and 20 million passengers per year by 2060.

4.1.2. Air Traffic Movement (ATM) volumes

The increase in domestic passenger numbers has not been accompanied by an equivalent growth in air traffic movements (ATMs). The number of domestic ATMs declined between 2001/2 and 2004/5, despite a 23% increase in passenger numbers. However, this trend appears to have changed between 2004/5 and 2005/6, with the number of domestic ATMs having increased by 11%. Until 2004/5, growth in demand at DIA was accommodated in large part through increases in load factors, but by 2005/6, ATMs had grown at a rate similar to that at which passenger numbers increased. It will no longer be possible for increases in passenger numbers to be accommodated by increases in load factor and so it is expected

that ATMs will grow only slightly more slowly than the number of passengers. Figure 7 below shows the projected ATMs and indicates that ATMs will increase to 70 000 per year by 2015.

Figure 7: ATM projections: base, high and low case



The KSIA has been planned to provide a capacity for 70 000 ATM per year in 2015.

4.1.3. Cargo volumes

Cargo is expected to account for a significant proportion of the traffic handled at KSIA. As part of the update of the traffic and for DTP, Steer Davies Gleave was also asked to review the 2003 cargo projections. There is currently very little cargo traffic at DIA. The existing airport is not suited to dedicated freighter services and the narrow-body passenger aircraft that operate there have little hold cargo capacity. Most international air cargo from KwaZulu-Natal is transferred to JIA by truck. As a result, there is inevitably less certainty about the market for cargo than there is about the market for passengers, for which there is already an established base level of traffic. The scope of the Steer Davies Gleave update of the cargo projections was limited to a high-level review of new data to the extent that this was available.

This analysis indicates that projected volumes of air cargo are likely to be 43% lower than projected in 2003.

Since the DTP project is aimed at promoting and expanding the industrial and commercial activities at and around the airport, it is expected that the cargo volumes may be greater than the projections of Steer Davies Gleave. This should be seen against a worldwide growth of air cargo as experienced by the Ethiopian Airlines cargo terminal which was built to handle 100 000 tonnes per year, and after two weeks of operation in May 2006 the actual throughput of cargo was 75% of the capacity. Bottlenecks and sporadic capacity limitations are already hampering exports. At an international level for example, the volume of cargo handled by Hong Kong International Airport has doubled since 1999. Based on the

projections of Steer Davies Gleave and from research into comparative situations, DTP has been planned to handle a capacity of 100 000 tonnes of cargo per year in 2035.

4.2. Key Market Research – Non airport infrastructure (Support Zone)

McCarthy and Khan (2005) analyzed the commercial and services usage and the future of the DTP and surrounding area. The objectives of the report were to provide a basis for anticipating demand for commercial and services usage at KSIA and in the vicinity of the DTP. The time frames considered in the report are 2020 (15 year projection), 2035 (30 year projection) and 2060 (55 year projection). Commerce is seen as being typically concerned with the supply and sale of consumer goods (in “shops”), while services are concerned with the supply of the ongoing, valued, professional and technical inputs that are necessary to sustain a wide range of economic enterprises, but which do not necessarily entail the exchange of goods (typically services are supplied from offices, or specialized premises like hotels, car rental lots, etc.) (McCarthy and Khan, 2005). Sources of information used in the report and on which projections are based include:

- national trends in shopping and office development
- trends in relation to new developments for accommodating commerce and services in Durban
- commercial and services usage in the environs of larger South African airports, notably JIA
- Commercial and services usage trends in the vicinity of some international airports.

As with all exercises in projection, the likelihood of error increases exponentially with time into the future, thus 2020 projections should be more accurate than those for 2060. Nevertheless, the latter date is still a date useful to consider, given that airports are of such a magnitude that they do typically influence their wider environs for at least 50 years, and given also that wider area planning is one important consideration both for the efficacy of land transport planning, and planning for the more general efficiency and appeal of the DTP zone. Based on the report findings the projected commercial development take-up planned for DTP can be summarised as follows.

4.2.1. Potential users

The proposed commercial and services related activities at DTP will be accommodated in the Support Zone. Typical activities that will be accommodated are:

- Motor dealerships
- Travel goods and services
- Furniture showrooms
- Petrol station
- Professional services firms
- Services firms
- IT services companies
- IT hardware and software retailers
- Hotels
- Exhibition center
- Conference facilities

4.2.2. Support Zone Serviced land requirement and building areas

The anticipated serviced land requirement "per period," as per McCarthy and Khan (2006), is presented in Figure 8.

Figure 8: Commercial and services: serviced land requirement: cumulative

YEAR	2015	2035	2060
LAND AREA	15 ha	37 ha	45 ha

It is the intention to develop an upmarket development in a park like setting with a Floor Area Ratio (FAR) in the region of one is therefore proposed.

Figure 9: Commercial and services: building area: cumulative

YEAR	2015	2035	2060
BUILDING AREA	18 ha	43 ha	55 ha

4.3. Key Market Research - Non airport infrastructure (TradeZone)

Dube TradeZone will house the warehouses and factories to be accommodated at DTP. Typical activities that may be accommodated are:

- Freight forwarding
- Car Hire Staging Areas
- Electronic Equipment Assembly
- Chemical and Pharmaceutical Manufacturing and Distribution
- Auto Components and Accessories
- Logistics Companies
- Agricultural Product Processing
- Packaging.

The anticipated serviced land requirement for warehouses and factories "per period," as projected by McCarthy and Khan (2006), is presented in figure 10.

Figure 10: Warehouses and factories: serviced land requirement: cumulative

YEAR	2020	2035	2060
LAND AREA	50 ha	100 ha	100 ha

On-airport developments tend to be upmarket developments with a FAR in the region of 0.4 whilst off-airport developments tend to have a higher density with a FAR in the region of 0.5 (McCarthy and Khan, 2006). To support the anticipated demand whilst at the same time complying with the recommended lower density requirement, the area of land was increased by 25%. The land area that has been planned for development in the Trade Zone is presented in Figure 11.

Figure 11: Warehouses and factories: serviced land requirement: cumulative

YEAR	2015	2020	2035	2060
LAND AREA	18.75 ha	62.5 ha	125 ha	125 ha

The building area associated with the land requirements as presented in Figure 12, based on a FAR of 0.4

Figure 12: Warehouses and factories: building area: cumulative

YEAR	2015	2020	2035	2060
BUILDING AREA	7.5 ha	50 ha	50 ha	50 ha

4.4. Key Market Research - AgriZone

Based on reports by Kaiser Associates (2006) and Global Insight (2004) there appears to be a trend of increasing international demand for niche agricultural and horticultural products from South Africa. The following key elements of demand and demand trends have been extracted from these reports:

The South African Floriculture Horticulture and Agricultural Industries are currently experiencing unprecedented growth in investment, with delegations from Zimbabwe, Kenya and Europe seeking business opportunities in South Africa. Exhibitions in South Africa are growing steadily and have increased over the past few years with thousands of visitors flocking to formal trade expos and agricultural shows. South Africa's Flower exports account for 0.45% of the global market. Broken down, bulb exports form 0.49%, cut flowers 0.36% and foliage 2.08%, which places South Africa 23rd in total flower exports, 21st in cut flowers and 13th in foliage exports. Kaiser Associates (2006) identified some important trends in demand for particular product groups, which appear to be viable in terms of export markets.

4.5. Key Market Research – Value chain research

Towards the end of 2012, Dube TradePort, in conjunction with Tongaat Hulett, embarked on a value chain analysis. The purpose of the study was to identify opportunities for air freight, so that both parties have a greater understanding of the types of businesses to target into the future.

Twelve priority sectors were initially identified as potential users of the DTP (and its surrounding precinct, which is a potential Aerotropolis) in 2004. These key industries are shown in the graphic below. These were analyzed in great depth using a Global Value Chain (GVC) approach encompassing international, South African and KwaZulu-Natal trade and production data, as well as over 60 key informant interviews locally and a review of Aerotropolis dynamics internationally. The results of the research reveal that many of the sectors identified are not major potential users of air freight and/or air services.

In addition to a review of the 12 priority sectors, which left automotives, electronics, clothing and textiles, perishables, tourism and business services as the narrower list of priority sectors, the research also highlighted the need for including aerospace as a priority sector, taking the total number of **priority sectors** to seven. Interrogation of the air freight dependencies of these seven sectors revealed broader and narrower opportunities, which can best be summarised in reference to the nature of their air freight dependence: Time Critical Supply (TCS), Fast Supply Chain (FSC), Secure supply chain (SSC), and High Export Potential. Based on these four categorizations, a total of 15 distinctive Global Value Chain (GVC) opportunities were identified for further analysis.

These 15 GVC opportunities were then scrutinized in greater detail and each value chain was mapped accordingly. Four types of GVCs that can be expected to make heavy use of air-transport services were identified:



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- 1) Fast Supply Chain GVCs, which depend on the rapid import and export of inputs and finished goods to keep inventories low and product variety and quality high;
- 2) Time Critical Supply GVCs, which depend on air transport to delivery mission-critical parts and personnel to needed locations in the shortest time possible;
- 3) Secure Supply Chain GVCs, which handle high-value theft-prone cargo; and
- 4) High Trade Potential GVCs, which drive high volume imports and exports of goods and services that do not principally require extremely rapid or secure logistics services.

This typology can feed into an adaptive strategy that scans for investment opportunities based on the characteristics of specific industries and parts of industries, or “GVC niches.” Furthermore, each type of GVC has distinct infrastructure requirements. Therefore, scale can be achieved across various industries by focusing on GVC niches with shared characteristics.

5. Financial Analysis

DTPC is a Schedule 3C public entity and is predominantly funded by government grants received via the Department of Economic Development and Tourism (DEDT).

The following grants have been received / are receivable in terms of the latest budget statements published by Treasury (2013/14):

Audited Outcomes (R 000's)				Medium-term Estimates (R 000's)		
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
1 598 254	526 905	448 334	392 308	575 402	630 375	656 053

In terms of the PFMA, a Schedule 3C public entity may not budget for a surplus or for a deficit. DTPC also may not retain surpluses unless permission is received from Provincial Treasury to do so. As such, DTPC cannot spend more than its allocation each year and cannot make losses. Its expected expenditure is governed by the extent of its funding allocated for each particular year and can be scaled to fit the expected funding as required, since more than half of its expenditure is capital in nature. The entity is therefore sustainable as it cannot spend more than it receives in any given financial year and the funding received far exceeds the operational costs required to run the organisation.

In addition to the grant income received, revenue is generated from:

- Property rentals on DTPC owned buildings, including the Agrizone
- Land rentals for property developments
- Cargo handling at the Cargo Terminal
- Sales of ICT services
- Sale of plant tissue cultures at the AgriLab.
- Interest income

On average, more than 60% of DTPC's income received (including grant funding) is used for capital expenditure, thus growing the asset base and revenue-generating capacity for future years. Revenues are expected to grow exponentially over the longer term as additional buildings are completed and the area is developed further.

As at the end of 2012/13, DTPC's total assets amounted to R3 798 417 219

6. Physical Master Plan

In terms of the KZN Dube TradePort Act 2010 CHAPTER 5 MASTER PLAN, POLICY DIRECTIVES AND STRATEGIC GUIDELINES outlines the need for a Master plan as follows:

Master Plan

Section 21.

- (1) The Board must, within 6 months of the coming into operation of this Act, after consultation with the Chief Executive Officer, establish a Master Plan.
- (2) The Master plan contemplated in subsection (1), must comprise of, amongst other things, the cargo terminal, property zone, trade-zone, agri-zone, public transport nodes, road networks, rail, freight and passenger transport networks within the Dube TradePort Region.
- (3) The Master Plan must be updated when the need arises to meet the objectives of the Dube TradePort Corporation.
- (4) The Master Plan must be approved by the responsible Member of the Executive Council.
- (5) The Master Plan must, for the years 2010, 2035 and 2060, provide
 - (a) an overview of the development structure of the Dube TradePort;
 - (b) development objectives and master planning for the Dube TradePort; and
 - (c) for the development, zoning, transport and bulk infrastructural needs of the Dube TradePort Corporation.
- (6) When performing its functions in terms of this Act, the Board must give effect to the Master Plan.

The eThekweni Municipality issued a Letter of approval for the Development Framework Plan of 2008

In 2011, an update was undertaken and the document provides snap shots in "time" (relative to demand). Development of an airport is continuous (i.e. Sub/multiple interim phased development). The phases in which the upgrades are shown are:

Figure 13: Evaluation phases of Master Plan

Phase	Year
Base year	Airport opening in 2010
Baseline phase	5 year growth provided from base year (approx. 2015)
Short term phase	5 to 10 year growth (approx. 2020)
Intermediate phase	Status of the airport when single runway reaches capacity (25 year growth forecast approx. 2035)
Ultimate phase	Post 50 year growth, shown as 2060

The proposed master plan update process comprises the following:

- Status Quo Assessment: Establishing the capacity and capability of the infrastructure and facilities as completed in phase 1 of the construction (May 2010);
- Demand Analysis: Establishing the primary demand at the airport as well as DTP precincts i.e. passenger, aircraft and cargo movements; and
- Master Plan Update: Present the phasing and ultimate layouts for the airport and DTP areas that are planned.

The phases in which the airport will be upgraded are:

Figure 14: Evaluation Phases by Million Passengers per Annum

Phase	Annual Passenger (mppa)
Base year	4.9
Baseline phase	6.2
Short term phase	8.2
Intermediate phase	16.8
Ultimate phase	44.6

The predicted passenger and air traffic volumes are based on forecasts and are thus subject to the conditions and assumptions underlying the forecast calculations. These numbers are thus indicative and notional, and should not be used quoted as absolute and accurate.

A summary of the master plan, and how the site will develop over time, is given below, with the accompanying diagrams included on the pages that follow.

Short term phase – 2020

- Release of the second phase of the TradeZone, a light industrial and business precinct
- Release of support zone 2, a mixed use / office development
- Construction of DTP airside facilities, including the construction of a corporate aviation area, accommodation for the South African Airforce and South African Police Service, as well as a maintenance, repair and overhaul facility for aircraft
- Expansion of the terminal facilities and aviation infrastructure to cope with demand
- Construction of a new link into the TradeZone, from the west
- Interchange on R102 in place
- Phase 1 of the uShukela development

Intermediate Phase – 2035

- Construction of support precinct 1bb, a commercial mixed use development
- Separation of freight traffic (access via the Watson Highway) and passenger traffic (to the South of the site)
- Further expansion of the aviation infrastructure and passenger facilities
- Expansion of the cargo terminal
- uShukela Precinct (to the north of the site) fully developed
- Inclusion of a free-flow interchange into the airport precinct

Ultimate phase – 2060

- Two options have been prepared, which depend on runway length.
- Second Runway constructed and aviation infrastructure significantly expanded
- Support precinct 6 (to the east of the site) fully developed
- Additional precincts to the west of the site developed



7. Broad Economic Analysis

The Province is faced with three structural constraints to growth, namely increasing unemployment, poverty and inequality. These constraints have been further exacerbated by the recent recession, which placed pressure on financial and economic systems and caused substantial job losses. The Province is under-performing relative to national population share (21% of the national population), and currently has the third lowest per capita income nationally (R24 650 compared to Gauteng with R50 955).

In terms of its infrastructure investment, Dube TradePort is noted as a key priority within the PSEDS (PSEDS 2006: 7) and a number of clusters and corridors are to receive special attention in terms of investment and infrastructure requirements. Dube TradePort is listed as a key investment within the eThekweni-Umhlathuze priority corridor. The provincial Growth and Development Strategy is currently being updated and will undoubtedly build on the Aerotropolis opportunities. At a local government level the ILembe, KwaDukuza and Ndwedwe IDPs all recognize the economic opportunities of Dube TradePort in attracting potential investment to the adjacent municipalities. Within its IDP the eThekweni Municipality highlights the Dube TradePort as a strategic economic intervention to address the challenges of poverty and unemployment. The Northern Spatial Development Plan (2008), Northern Urban Corridor Plan Spatial Plan (2010) and Tongaat - DTP Local Area Plan v3.1 (2011) further elaborate on the Municipality's vision for the area.

7.1. Economic Impacts of current and future phases

A Macro-economic impact assessment was undertaken for the proposed future phases as well as current phases of the Dube TradePort. This included the areas indicated in the master plan, as well as an offsite landholding purchased by Dube TradePort, referred to as Cottonlands. The following information is extracted:

It is estimated that the total contribution to GDP in 2013 amounted to R6.2bn. This is made up of:

- R0.4bn from capital expenditure;
- R5.8bn from operating turnover. This R5.8bn in turn consists of:
 - R4.7bn due to operations at KSIA;
 - R0.4bn due to the TradeZone;
 - R0.1bn due to the AgriZone;
 - R0.6bn due to the Support & Mixed Use Zone.

The contribution to GDP by the specific zones and types of expenditure over the lifespan of the master plan is:

- Capital Expenditure: the contribution fluctuates over time as a result of the changing development and capital expenses of the various zones. The maximum contribution is R9.6bn in each of 2057, 2058 and 2059.
- KSIA: the contribution increases from R4.7bn in 2013 to R36.7bn by 2060 as a result of increased passenger traffic at KSIA.
- TradeZone: The contribution increases from a modest R0.4bn in 2013 to R24.8bn in 2035. The contribution then levels off slightly as the only increase over the next 20 years is the result of increased cargo volumes at the cargo terminal. The development of block L increases contribution to GDP in the last five years. In 2060 this amounts to R35.4bn.

- AgriZone: the contribution from the AgriZone is modest in comparison to the other zones with a steady annual contribution to GDP of R0.1bn.

GDP is important not just because it is income but also because income has the capacity to add to wealth. Based on these projections it is estimated that the DTP would have made a cumulative contribution to GDP by 2060 of R5 559bn.

DTP will make a major contribution to the economy of South Africa. If the operations materialise as proposed in the master plan then the DTP alone would be equivalent of 0.5% of South African GDP by 2060. It should be recognized that not all of this growth would be new business. It can be expected that there would be some relocation of existing business from elsewhere in the country. This growth is, of course, also dependent on the development growing in line with the master plan.

7.2. Contribution to Provincial and Local GGP

The contribution to KwaZulu-Natal GGP from construction is expected to fluctuate from a low of R0.3bn in 2013 to a high of R7.0bn in each of 2057, 2058 and 2059. The contribution to KwaZulu-Natal GGP from operations is expected to increase from R4.5bn in 2013 to R205bn by 2060. Total contribution to KwaZulu-Natal GGP, which is a combination of construction and operations, is expected to increase from R4.7bn in 2013 to R205bn by 2060. Cumulatively, the DTP is expected to have added R4 192bn to the provincial GGP by 2060.

The contribution to eThekweni GGP from construction is expected to fluctuate from a low of R0.2bn in 2013 and 2014 to a high of R3.9bn in each of 2057, 2058 and 2059. The contribution to eThekweni GGP from operations is expected to increase from R2.5bn in 2013 to R120.5bn in 2060. Total contribution to eThekweni GGP is expected to increase from R2.7bn in 2013 to R120.5bn by 2060. Cumulatively, the DTP is expected to have added R2 513bn to the municipal GGP by 2060.

7.3. Levels of Investment

It is anticipated that there would be total capital expenditure of R68 742m between 2013 and 2059¹ - the lifespan of the master plan. Although capital expenditure occurs in all the years of the master plan up to 2059 there are three periods of significant expenditure.

The infrastructure costs financed by ACSA and DTPC would be less than a third of the overall costs at DTP. Building costs account for 71% of all investment. This means that every R1.00 of infrastructure financed by ACSA and DTPC would leverage R2.50 in building costs.

7.4. Impact on the Current Account

The current account is that part of the balance of payments that records foreign exchange that enters or leaves the country as a result of imports and exports of goods and services. Three estimates are made. These are for direct imports, indirect imports and direct exports.

- DTP is a net generator of foreign exchange in the difference between direct imports and exports. In 2013 the DTP generated foreign exchange to the value of R0.2bn. This is expected to increase to R9.4bn by 2060, with a cumulative generation of foreign exchange of R145bn.

¹ Although the master plan extends until 2060 the capital expenditure is complete by 2059. This has been done so that full operations of all the zones, which can only occur once the capital expenditure is complete, occur in 2060.



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- DTP is a net user of foreign exchange if indirect imports are included. Here there are R0.7bn foreign exchange losses in 2013 increasing to R23.9bn by 2060. The cumulative effect of the foreign exchange losses is R596bn.
- Direct exports would have to increase from the current 10.6% to approximately 36% of turnover for DTP to become foreign exchange neutral with indirect imports taken into account. This is an achievable target given that DTP is positioned as a major export processing zone.

7.5. Contribution to Government Revenues

The total contribution to taxes, from both construction and operations, is expected to increase from R0.45bn in 2013 to R20.4bn by 2060. Cumulatively, it is expected that the DTP would contribute R444bn in taxes by 2060.

7.6. Employment

DTP is expected to create and/or sustain two types of jobs. The first are the direct jobs at DTP that are created as a result of on-going operations and capital expenditure. Jobs are estimated as full time equivalent jobs (FTE).

Direct jobs from capital expenditure are expected to fluctuate between 298 in 2013 and 7 425 in each of 2057, 2058 and 2059.

It is estimated that the percentage of the FTE operating jobs that would be permanent are:

- 87% in 2013;
- 82% in the baseline phase in 2015;
- 78% in the short term phase in 2020;
- 77% in the intermediate phase in 2035;
- 78% in the ultimate phase by 2060.

From 2020 slightly more than three quarters of the FTE operating jobs are permanent.

Indirect jobs in:

- EThekweni are expected to increase from 3 450 in 2013 to 137 450 by 2060.
- KwaZulu-Natal are expected to increase from 4 918 in 2013 to 189 081 by 2060.
- South Africa are expected to increase from 7 079 in 2013 to 283 110 by 2060.

Total jobs in:

- EThekweni are expected to increase from 7 404 in 2013 to 287 675 by 2060.
- KwaZulu-Natal are expected to increase from 8 872 in 2013 to 339 306 by 2060.
- South Africa are expected to increase from 11 032 in 2013 to 433 335 by 2060.

The approximate average proportions (these vary from year to year) are 58% of the total jobs occur in eThekweni, 14% elsewhere in KwaZulu-Natal and 27% elsewhere in South Africa.

7.7. Sectoral Distribution of Jobs

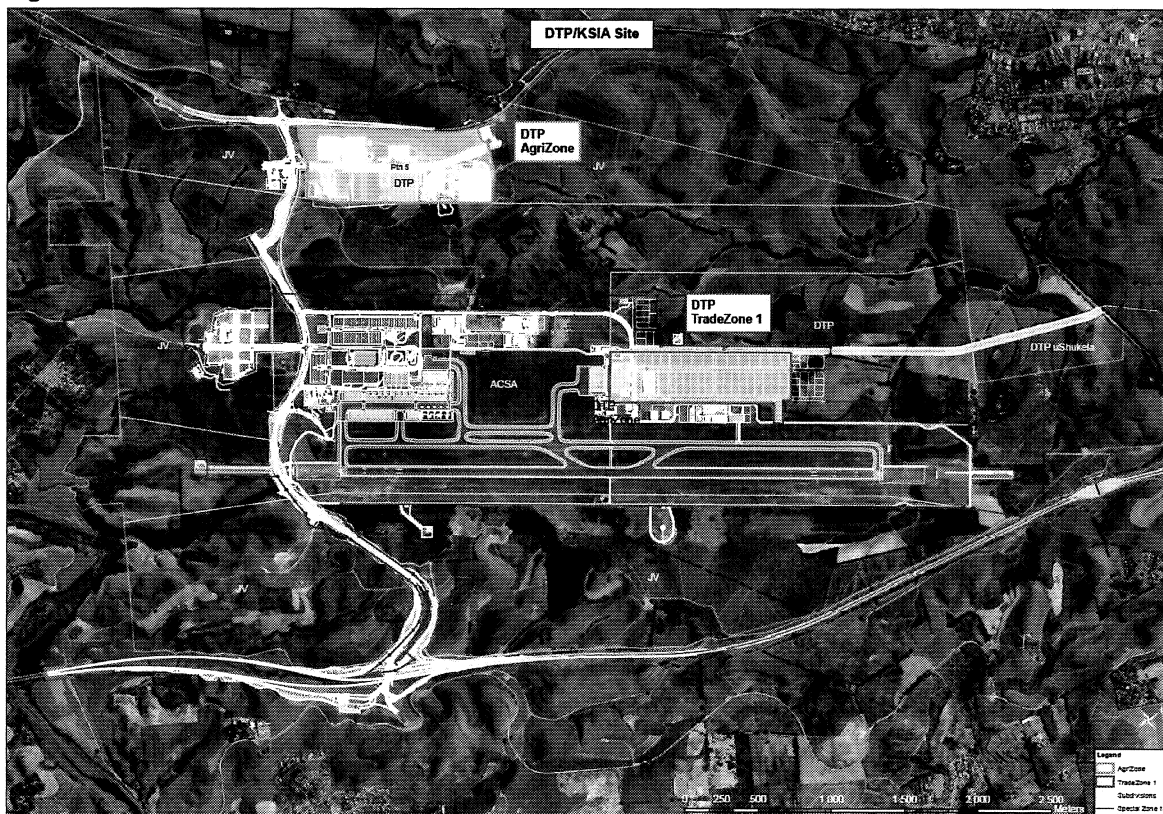
- During the current phase in 2013 the majority of jobs at the DTP are in the wholesale and retail trade sector. These are largely the jobs in the shops and restaurants at KSIA. The second largest sector is the transport, storage and communication sector.
- During the baseline phase in 2015 the composition changes and manufacturing becomes the major sector, followed closely by wholesale and retail trade. There are also some construction jobs during this phase.
- Manufacturing is expected to continue to dominate in the short term phase accounting for almost 60% of all jobs. The proportion of jobs in wholesale and retail trade continues to drop and the 'financial, insurance, real estate and business services' sector begins to emerge as a major employer.
- The financial, insurance, real estate and business services sector is expected to continue to grow in the intermediate phase and starts to rival the manufacturing sector. The wholesale and retail trade sector remains a significant employer.
- The financial, insurance, real estate and business services sector becomes the major employer during the ultimate phase.

8. The Application for Designation and Operator's Permit

The *Application of an Industrial Development Zone at Dube TradePort* (which is the core document for the Application for Designation and Operator's Permit into terms of the applicable legislation) focuses on the TradeZone and AgriZone as an initial two clusters for submission in support of the application for IDZ designation. These two-clusters of (Trade and Agricultural sectors) were prioritized because of its relationship with the airport infrastructure requirements; low environmental impact, existing strengths of the local economy and land availability; and imminent investor demand to establish such a facility, amongst others.

The two precincts subject to this application are indicated in the figure15 below.

Figure 15: IDZ zones of Dube TradePort



The sections below summarize the service offering and operating environment within these two precincts.

8.1. Public participation processes

Both the TradeZone and AgriZone have EIA approvals. A stringent public participation process had been completed for both EIA applications.

This application is prepared in accordance with **the dti's** Industrial Development Zone Programme Guidelines as announced under Section 10 of the Manufacturing Development Act (Act 187 of 1993) in Government Gazette No. 1224 of 1 December 2000, and as amended by Government Notice No. R1065, published in the Government Gazette No. 29320 of 27 October 2006.

Whilst a 60-day public notice period is required in terms of the regulations, it must be noted that the Dube TradePort has already been subjected to a public participation process for its establishment and development.

A Business Plan reference document is attached to this Application document.

8.2. AgriZone Rationale

The AgriZone has been included in the proposal as the DTP has been designed to act as a catalyst for the export of high-value agricultural produce from KZN. The AgriZone is a specialist growing area for exporters of high-yield, time-sensitive produce by airfreight. The intention is to reduce operational costs of producers in this zone by using the various transport & logistics services that will be available at the DTP site. Perishable products, such as fresh produce, flowers and chilled fish and meat, are some of the high value commodities which are proposed for distribution by airfreight from this hub, as the short shelf life of these products prevents exporting thereof by any other means of transport (MBB Consulting Services, 2006).

Fresh produce should be exported as soon as possible after harvesting. Normally perishables have to be packaged after harvesting, and transported to the export hub in refrigerated trucks. The on-site cultivation and export preparation of high value perishables proposed for the DTP can reduce transport and storage costs and also extend shelf life for the consumer. This facility can assist with reaching critical mass levels for the proposed hub, and also act as training facility for the emergent farming sub-sector. The 130ha of land in such close proximity to an international airport will provide agricultural producers with an opportunity to enter high-value time-sensitive export markets.

Facilities for storage, handling and processing will be built to prepare, process and package products to an export ready state. These facilities will be available to producers within the AgriZone as well as producers outside of the AgriZone. The Dube TradePort Company will also use the AgriZone to ensure that small scale agricultural producers can also benefit from the DTP development and that new entrants can be ushered into the very high value, low mass export market, as an extension to the National government's current land reform Programme. This will assist existing as well as emerging farmers to access high value – low mass – time sensitive produce export market.

The AgriZone will also link with other agricultural initiatives in KwaZulu-Natal, such as the nearby ILembe District Municipality's agriprocessing hub as well as surrounding wholesale fresh produce markets. These markets can supply Class I produce for export to supplement the AgriZone production to enhance consistent supply and quality for export. Conversely, Class II and III produce from the AgriZone can in turn be supplied to fresh produce markets and the ILembe agriprocessing hub respectively. The area proposed for the AgriZone will be at its maximum approximately 200 ha. In addition to 160 ha of land available for cultivation the AgriZone will include facilities to promote agricultural production and export. The planned facilities are:

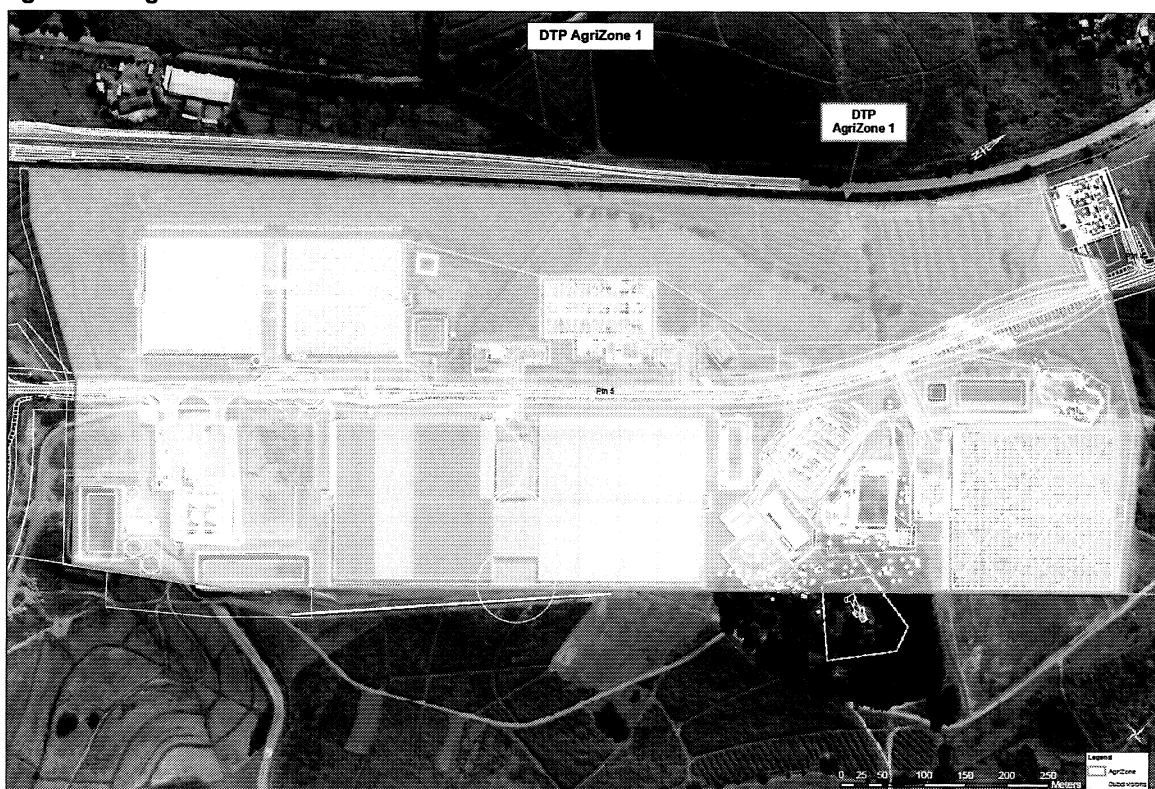
- Pack houses
- a wholesale fresh produce market

- a nursery and training center
- Buildings for administration, research and associated activities.

The AgriZone consists of a:

- site for the agri-industrial buildings of some 15 ha (plus a soil preparation area of 4 ha)
- 20 ha area for a nursery, training facility and water storage
- 40 ha area for greenhouses that could in the year 2035 comprise some 78 ha. Most of this will be relocated to make way for the 2nd runway by 2060
- 80 ha of open field cultivation.

Figure 16: AgriZone



8.2.1. Activities that will take place in the AgriZone

The DTP will lease out land within the AgriZone to existing commercial farmers for growing export-oriented produce, and to smaller scale growers to support them in gaining necessary expertise and scale of production to export in the long term. It is envisaged that 40 ha would be greenhouse production and up to a maximum of 75 ha would be open field production. A shortlist of the products has been identified for the AgriZone by considering the growing conditions at the site, products that are appropriate for

airfreight export and likely profitability. The following crops have been identified for production within the AgriZone, based on an assessment undertaken by Kaiser Associates (2006).

- Herbs – coriander, chives, basil, dill, tarragon and rocket
- Baby Squash – baby marrows and patty pans
- Mange Tout Peas
- Granadillas
- Anthuriums
- Lettuce
- Sweet coloured peppers

8.3. TradeZone rationale

Since direct inter-continental flights from Durban International Airport (DIA) were curtailed in the late 1990s, there was a related drop off in air cargo handled via DIA. An increasing bulk of freight is now being transported from KZN to Johannesburg by road where it is then flown to its final destination. Road transport to the Johannesburg International Airport results in a one-day delay in the export of time-sensitive goods from KZN. In some cases, this makes competing by existing local enterprises impossible due to the nature of product demand such as freshness or just in time delivery schedules. But, more importantly, several international studies commissioned indicate that there are realistic prospects for attracting new industries and enterprises into the province if it was supported by state-of-the art airfreight handling facilities. There are a number of industries e.g. motor components, electronics, clothing and textiles, value added logistics etc., that are critically dependent upon specialized and dedicated air cargo facilities, and world-wide these industries are being drawn to premises adjacent to such tailored airfreight environments. KZN and Durban have unfortunately fallen behind not only on the international airfreight stage, but also the national stage. Based on 2002 figures it has been calculated that the DTP could have exported 183 000 tonnes of cargo. In contrast the DIA only exported 6 700 tonnes of airfreight in 2002. In addition, the DTP's airfreight facilities could attract industries to the province which currently only have a weak presence here. The cargo terminal of the DTP will allow for faster, more efficient and cheaper airfreight from areas in the DTP catchment area. This will help to stimulate the export industries in the vicinity of the DTP and to expand the regional economy. The Trade Zone could have the following facilities:

- Dry and perishable cargo processing facilities
- Warehousing and distribution facilities
- Rebate facility

The Trade Zone has been located between the two runways for maximum access to the airport and as this will be the area most compromised by the noise and vibrations from the airport and is therefore not suitable for office, retail and other such commercial facilities. This precinct is the primary Trade Zone Precinct of the DTP and will be a controlled area specifically geared toward facilitating the value adding and logistics processes of the DTP.

Preferred Land Uses include a mix of Logistics, Assembly, Warehousing, Manufacture and Processing, Offices, Open Space and associated support retail and services for users and workers in the Trade Zone Precinct. The precinct is laid out in a grid pattern enabling the most efficient use of land. Initially access will be via the N2 Interchange Access Road and either via the Interim Trade Zone Access Road along the



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western side of Airport or the Eastern Ring Road into the Central Trade Zone Road. The Central Trade Zone Access acts as the central organizing movement spine supported by a 100 meter grid network of secondary parallel and cross streets and a further tertiary level of streets as required in each neighbourhood. In the long term (phases 1 and 2) access via the M43 or Watson Highway is also planned.

8.3.1. Activities that will take place in the TradeZone

The TradeZone will be used for the export of high-value goods. While the TradeZone will service any products that are exported by airfreight, a group of key product clusters within this DTP catchment area will initially constitute the bulk of the volume going through the TradeZone. These product clusters will be found within the following sectors (in relative order of importance):

- Electronic products (e.g. satellite decoders, security electronics and electronic components)
- Automotive components
- Clothing
- Textiles (e.g. high-end woollen carpets and specialized textiles)
- Specialty chemicals and plastics
- Pharmaceuticals/healthcare
- Crafts
- Perishable products (e.g. cut flowers, fresh fruit, fresh vegetables, fresh fish, fresh prawns, poultry eggs, live animals and specialized pharmaceutical products).

These product clusters may shift over time due to changes in the supply base in the catchment area, shifts in demand and/or changes in global supply chain and logistics systems.

9. Environmental Considerations

Environmental Authorizations were granted in terms of the two zones as follows:

- TradeZone – August 2007
- AgriZone – March 2010

10. Geotechnical Considerations

Geotechnical investigations have been done prior to construction and for the purposes of the EIA approvals on site. Africon was appointed by Dube TradePort (Pty) Ltd to conduct a geotechnical investigation for the Dube TradePort development in La Mercy, KwaZulu Natal Province. The main purpose of this investigation is to gather geotechnical investigation for the Phase 1 development. The geotechnical investigation concentrated at the medium to heavily loaded structures that are envisaged. The investigation comprised drilling rotary core boreholes, excavation of test pits with a backhoe and conducting Dynamic Probe Super Heavy tests (DPSH) at the selected positions of the proposed medium to heavily loaded structures.

Further to this, Africon was appointed by Dube TradePort (Pty) Ltd to undertake a geotechnical site investigation in March 2006 for township establishment for the Dube Tradeport. The investigation comprised profiling 84 test pits excavated with a TLB and the sampling of selected soil horizons for laboratory testing.

No adverse conditions totally prohibiting the development of the site were observed and the site is zoned into two zones, which can be summarised as follows:

- Zone **C1** Zone underlain by colluvium and hillwash that have a collapsible/compressible soil profile with between 5 – 10 mm total movements expected. Excavability for foundations and services may be problematic in places.
- Zone **C2** Zone underlain by transported sands that have a collapsible/compressible soil profile with more than 10mm total movement expected.

11. Land Rights

With respect to zoning, both the AgriZone and TradeZone have the necessary development rights in place. These rights can be summarised as follows:

11.1.1. TradeZone

The TradeZone is Zoned Special zone 10 in terms of the Umhlanga Town Planning Scheme No. 1 (Current EThekweni North Scheme), in the course of preparation (the Scheme) and is managed in terms of development controls contained in Tables A, C and D of the Scheme now referred to as the Development Facilitation Table. In terms of Special Zone 10 (Airport), a Development Framework Plan (DFP) for the entire Dube TradePort site was prepared and approved by the Municipality in February 2008. In terms of the approved DFP, detailed precinct plans and development manuals for each precinct were submitted and adopted by the Municipality in December 2007.

The property descriptions of each site within the Tradezone that is proposed for IDZ designation is tabulated as follows:

Figure 17: Property descriptions of each site in the Tradezone

Erf Number	Extent	Use
617	26033	Tradezone - tradehouse
618	5661	Tradezone - undeveloped
619	4250	Tradezone - undeveloped
620	4250	Tradezone - undeveloped
621	4250	Tradezone - undeveloped
622	4250	Tradezone - undeveloped
623	4250	Tradezone - undeveloped
624	4200	Tradezone - undeveloped
625	4625	Tradezone - undeveloped
626	4590	Tradezone - undeveloped
627	4590	Tradezone - undeveloped
628	4590	Tradezone - undeveloped
629	4377	Tradezone - undeveloped
630	4802	Tradezone - undeveloped
631	4675	Tradezone - undeveloped
632	4590	Tradezone - undeveloped
633	5220	Tradezone - undeveloped
634	5220	Tradezone - undeveloped
635	4590	Tradezone - undeveloped
636	4675	Tradezone - undeveloped
637	4802	Tradezone - undeveloped
638	4377	Tradezone - undeveloped
639	4590	Tradezone - undeveloped
640	4590	Tradezone - undeveloped
641	4590	Tradezone - undeveloped
642	4625	Tradezone - undeveloped
643	4200	Tradezone - undeveloped
644	4250	Tradezone - undeveloped
645	4250	Tradezone - undeveloped
646	4250	Tradezone - undeveloped
647	4250	Tradezone - undeveloped
648	4249	Tradezone - undeveloped

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Erf Number	Extent	Use
649	5661	Tradezone - undeveloped
650	15228	Tradezone - undeveloped
651	6460	Tradezone - undeveloped
652	8306	Tradezone - undeveloped
653	7032	Tradezone - undeveloped
654	7274	Tradezone - undeveloped
655	6384	Tradezone - undeveloped
656	7271	Tradezone - undeveloped
657	7371	Tradezone - undeveloped
658	7614	Tradezone - undeveloped
659	7129	Tradezone - undeveloped
660	7371	Tradezone - undeveloped
661	5823	Tradezone - undeveloped
662	2470	Tradezone - undeveloped
663	2857	Tradezone - undeveloped
664	114553	Cargo terminal - current and future phases
665	201661	Airside - unserviced and not platformed
667	30791	Road
668	30833	Road
669	18817	Open space
Portion 2 of 665	9354	Valuable cargo facility

11.1.2. AgriZone

The AgriZone or **portion 5 of the Farm La Mercy Airport 15124**, is Zoned Undetermined as per the current EThekweni North Scheme. All intended uses of the AgriZone fall within this zoning. This specific portion is proposed for IDZ designation



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12. Conclusions and way forward

This document outlines the effort by the KZN Department of Economic Development and Tourism (KZNDEDT) in establishing a special purpose vehicle i.e. the Dube TradePort Corporation to further the economic Agenda of the KwaZulu Natal province insofar as accelerating Trade and Investment is concerned and to assist with key targets as defined by the National Development Plan.

Dube TradePort holds the key to unlocking some 150 225 jobs by the ultimate phase in 2060. In the first phase at least 3 656 jobs have been sustained at Dube TradePort and by 2015 operational phase employment would reach at least 7 148 jobs at a growth rate of almost 40% as the TradeZone and AgriZone are fully let and operational.

During the 2013/14 financial period, through consultant with **the dti** it was established that Dube TradePort be incorporated as one of the future Special Economic Zones of South Africa. In the interim an immediate opportunity would be to provide IDZ status to the TradeZone and AgriZone to support existing businesses in terms of export and import incentives as well as attract major tenants to the precinct.

In this respect, this application provides a rationale to designate the TradeZone and AgriZone as the first phase of the intent to establish Dube TradePort as a Special Economic Zone. Whilst the regulations for the SEZ programme are currently being developed the best option is to apply in terms of the Regulation 1224 of the Manufacturing Development Act (187/1993) to designate these two areas as Industrial Development Zones (IDZ).