

GERMANS PUMP IN CASH

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“The Bremen Logistics Group will be pumping €5m (R57m) into the first phase of the Tshiame Development Vehicle Distribution Centre hub in the Free State province,” said Martin Gunthner, German Minister of Justice, Labour and Ports in Germany.

The minister was speaking at the launch of the hub, which potentially could give a R3bn injection to the GDP of the impoverished eastern Free State, Thabo Mafutsanyana, and turn around the economy of the area.

The minister came to the Free State with the Bremen Group who, according to him, would be bringing in the financial resources to boost the economy.

The centre, erected as part of the Harrismith Logistics Hub, which would not only move trucks off the road, but also help with containerisation of a large number of vehicles, was designed to prevent congestion at the Durban harbour.

According to Gunthner, the role of the Bremen Group is to handle the containers as they have provided such services in countries such as Malaysia, China and some European countries.

“Our investment with the Free State government is basically our gateway to Africa. We saw a big and untapped market and decided to be part of it,” he said.

Gunthner said they had already partnered with Gauteng (Johannesburg), Eastern Cape (Port Elizabeth) and Western (Cape Town) for similar ventures. “What we needed was a central place, which could be considered as an easy access to the ports, and so the decision to invest in the Free State,” Gunthner said.

The minister said they were discussing potential partnerships with Transnet with a view to further move from truck to rail as a mode of transport.

This is in line with the strategy by the national transport department to revive rail goods transportation.

According to the MEC for economic development, tourism and environmental affairs, Mamiki Qabathe, the initiative would provide jobs for 29 000 people.

Qabathe said the project would benefit the agro-processing, food processing and pharmaceutical sectors while creating job opportunities.

“This project signifies a boost for the economy of the Free State and we expect it to generate at least R3bn worth of GDP,” she said.

The project will be established at the Maluti-a-Phofung local municipality.

The district has a 55.6% unemployment rate and with the vehicle distribution centre, many people will be employed at different levels of the construction and management levels.

Qabathe said although people would be employed, all 29 000 of them would not be employed at the same time. “The process of employing them will take seven years to implement,” she said.

The economic growth of the province is attributed mainly to the mining industry, which contributes 8.2%, electricity at 2.9%, trade at 2.6% and finance at 5.6%. Qabathe said the development was expected to significantly increase Free State’s economic growth over the next few phases of the project.

[Source: www.thenewage.co.za]