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FREE STATE PROVINCE



INVESTMENT  
PROSPECTUS

# FREE STATE

2019



FREE STATE PROVINCE





# THE FREE STATE

## IS OPEN FOR INVESTMENT



The Premier of the Free State,  
the Honourable SH Ntombela

**THE FREE STATE EAGERLY WELCOMES** President Ramaphosa's call for increased long-term investment necessary for sustainable job creation, innovation, productivity enhancement, wealth creation and improvements in the living standards of our people. In this context, it is a well-known fact that trade and investment are drivers of economic growth and virtually all nations' success stories of economic development owe a lot to trade and investment as they are a principal source of employment. Investment, in particular, makes quality goods and services available to consumers at affordable prices.

Because individual investors' access to accurate and pertinent information is critical, we have decided to produce this Free State Investment Prospectus to make it easier for investors to glean investor-ready opportunities that are currently available in the Free State. The Free State government welcomes all investors to talk to us about their goals, their ideas, their questions and their opinions.

This Prospectus will help the Free State to provide pertinent information necessary for effective public-private partnerships that are crucial in spearheading the national investment agenda. As indicated in the 2019/20 State of the Province Address, there are immense investment opportunities in sectors such as agriculture, agro-processing, manufacturing, ICT, infrastructure development, green energy, construction, tourism and trade.



# FREE STATE

## INVESTMENT PROSPECTUS



MEC for Economic, Small Business  
Development, Tourism and  
Environmental Affairs the  
Honourable MP Mohale

IT IS WITH PLEASURE and gratitude that I introduce the 2019 Free State Investment Prospectus. The purpose of the publication is to provide pertinent information about large-scale investment opportunities currently available in various sectors in the province. The booklet represents the Free State's response to President Ramaphosa's clarion call for increased long-term investment necessary for inclusive growth and job creation.

While investment is an essential ingredient to economic growth, it should be pointed out that at the centre of the Free State government's economic development strategy is human capital formation and development through universities and colleges, and various institutions pursuing innovation and offering proof-of-concept services, to name a few. Indeed, the Free State is poised to become a laboratory for excellence in educational outcomes, research and innovation, particularly in the fields of health, agriculture, agro-processing, manufacturing, water management, ICT, pharmaceuticals and rural development.

# INVESTING

## IN THE FREE STATE PROVINCE



HOD of the Free State Department  
of Economic, Small Business  
Development, Tourism and  
Environmental Affairs (DESTEa)  
Dr M Nokwequ

THE FREE STATE is situated in the heart of South Africa and shares borders with Lesotho and six other provinces. It provides easy access to the main ports of Durban, East London and Port Elizabeth.

The 2019 Free State Investment Prospectus presents the value proposition of the Free State as a business and investment destination. The dominant sectors in the province are agriculture, mining, manufacturing and tertiary sectors, making it ideal for transport logistics and agro-processing.

Companies locating to the Free State not only enjoy the opportunity to source inputs at competitive prices, but also benefit from domestic, regional and international markets for their products and services. Because South Africa has been engaging with our economically large trading partners, access to international markets is facilitated through various trade preferences and free-trade agreements.

As far as long-term investment is concerned, there are industrial parks and a Special Economic Zone (SEZ) that are supported by the Department of Trade and Industry. Industrial parks are situated in Maluti-a-Phofung, Botshabelo and Thaba Nchu, while the Maluti-A-Phofung SEZ is situated in Tshiame.



*Domestic and international investors  
are welcome to contact DESTEa  
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# Introduction to the **FREE STATE**

**THE FREE STATE** Province lies in the heart of South Africa, with the Kingdom of Lesotho nestling in the hollow of its bean-like shape. Lying between the Vaal River in the north and the Orange River in the south, the region is one of flat, rolling grassland and fields of crops, rising to lovely mountains in the north-east. The province is the granary of South Africa, with agriculture central to its economy, while mining on the rich goldfield reefs is its largest employer. In May 2011, Mangaung, comprising Bloemfontein, Botshabelo and Thaba Nchu, became South Africa's newest metropolitan authority. It has an established institutional, educational and administrative infrastructure, and houses the Supreme Court of Appeal, the University of the Free State and the Central University of Technology. Economic towns include Welkom, the hearts of the goldfields and one of the few completely preplanned cities in the world; Odendaalsrus,

also a gold-mining town; Sasolburg, which gets its name from the petrochemical company Sasol; Kroonstad, an important agricultural, administrative and educational centre; Parys, on the banks of the Vaal River; QwaQwa, a vast and sprawling settlement known for its beautiful handcrafted items; and Bethlehem, gateway to the Eastern Highlands. The Free State is the third-largest province in South Africa, but it has the second-smallest population and the second-lowest population density. The culture has an interesting dynamic, centred on traditional cultures but built on the influences of the early European settlers. Out of this has come a uniquely South African culture, which not only reflects the province's historical past, but also the great diversity of its people. Close to 2.8-million people live in the Free State, with two-thirds speaking Sesotho, followed by Afrikaans as the next most-spoken language.

## **CAPITAL CITY**

**BLOEMFONTEIN** is the capital city of the province of Free State of South Africa; and the judicial capital of the nation.

## **LANGUAGES**

**THE MAIN LANGUAGES** are **Sotho** 64.2%, **Afrikaans** 12.7%, **Zulu** 7.5%, **Tswana** 5.2%, **Xhosa** 4.4% and **English** 2.9%



# **FREE STATE** ECONOMIC OVERVIEW

**THE FREE STATE** is situated in the heart of the country, between the Vaal River in the north and the Orange River in the south. This province is an open, flat grassland with plenty of agriculture that is central to the country's economy. Mining is its largest sector. Bloemfontein is the capital city and is home to the Supreme Court of Appeal, as well as the University of the Free State and the Central University of Technology. The province also has 12 gold mines, producing 30% of South Africa's output.

The Free State is strategically placed to take advantage of the national transport infrastructure. Two corridors are of particular importance: the Harrismith node on the N3 corridor between Gauteng and KwaZulu-Natal, and the N8. The N1 connects Gauteng to the Western Cape. Bram Fischer International Airport in Bloemfontein handles about 250 000 passengers and 221 000 tons of cargo a year. Manufacturing also features in the provincial economic profile. This sector makes up 14% of the provincial output, with petrochemicals (via Sasol) accounting for more than 85% of the output.

## Structure and economic growth

**THE FREE STATE**, with 2.8-million residents, accounted for 5% of South Africa's population in 2017/18 and contributed proportionately to the GDP. In 2018 (the latest available data), the real economy (represented by agriculture, mining, manufacturing and construction) made up 27% of the Free State's output. The largest real-economy sector was mining at 11% of the provincial economy, followed by manufacturing at 9%, agriculture at 4% and construction at 3%. The Free State contributed 10% of national agriculture and 7% of national mining, but just 4% of national manufacturing and 3.5% of national construction.

# FREE STATE

## KEY SECTORS OVERVIEW

### WATER

**THE FREE STATE** is bordered by the Vaal and Orange rivers, and the mountainous, river-rich country of Lesotho. The Caledon Valley on the province's eastern border is one of the best-watered areas of South Africa, and the Gariep Dam is the site of small hydropower and aquaculture projects intended to create employment and tackle food security. The province's industrial capacity is concentrated in the northern sector around Sasolburg, near to the Vaal River. The power station at Lethabo is served by pipes and pumps maintained by Rand Water while agriculture is irrigated from the flow of the Vaal River. The Vaal-Harts irrigation system is one of the most productive in the country, covering about 44 000 hectares. Bloem Water supplies water to Mangaung Municipality and areas in the southern Free State. Its three treatment plants, at Bethulie, Welbedacht and Rustfontein, supply most of Motheo District Municipality. Sedibeng Water delivers water to an 86 000km<sup>2</sup> area stretching from the north-eastern Free State across to areas in neighbouring provinces Northern Cape and North West. A new pipeline from Gariep Dam is being built to serve the Xhariep District and Mangaung Metro.

### INFRASTRUCTURE

**FIVE MAJOR** national highways intersect the centrally located Free State province which is also well served by rail and air links. The Bram Fischer International Airport in the provincial capital city of Bloemfontein is the site of a multi-phase industrial and commercial development. The launch in 2017 of the Maluti-

A-Phofung Special Economic Zone (MAPSEZ), located on South Africa's busiest highway, the N3, was a significant event in the province's economy. Prioritised sectors include logistics, ICT, automotive, pharmaceuticals, manufacturing and agri-processing. The N8 Corridor covers Bloemfontein, Botshabelo and Thaba Nchu and contains projects including the ICC Precinct (hotel and convention centre in Bloemfontein), Bio-Medical Park, Airport Node (logistics and supply chain, warehouses, residential apartments, hospitals, schools, hotels and new shopping malls), and tourism infrastructure for the Naval Hill development.

### TOURISM

**TOURISM** is one of the Free State's fastest-growing economic sectors, with leisure and business tourism at the forefront. Located in the Maluti Mountains, Golden Gate Highlands National Park is one of South Africa's premier parks, offering caving, hiking, horse riding and bird watching, while the Basotho Cultural Village offers an insight into African traditions and a taste of sorghum beer. A Heroes' Park is planned at Thaba Nchu and Tumahole with statues of Oliver Tambo and Fidel Castro. The construction of a museum at Brandfort to commemorate Winnie Mandela has been put back on the agenda. DESTEA believes the R7.7-billion game industry could grow further across three subsectors, namely auctions and translocations, game ranching and eco-tourism. South Africa's largest hotel groups cater to different markets in the province. These include Protea Hotels, Tsogo Sun, the Rantsoareng Group, which operates exclusively in the Free State, the City Lodge Hotel Group, Sun International and Forever Resorts.

### AGRICULTURE

**AGRICULTURE** makes up 4% of the Free State's GDP, but the province's efficient farming operations contributed a total of 10% of South Africa's agricultural output. The Free State has 32 000km<sup>2</sup> of cultivated land and a further 87 000km<sup>2</sup> of grazing land and natural veld. A summer-rainfall region with a mean annual rainfall of 532mm, the Free State's climate, soil types and topography vary greatly. The province supplies significant proportions of the nation's sorghum (53%), sunflowers (45%), potatoes (33%), groundnuts (32%), dry beans (26%), wool (24%) and almost all of its cherries (90%). Red meat and dairy are other important products, while game hunting is a growing sector. Crop production represents about two-thirds of the province's gross agricultural income. The main crops are maize and wheat. Sunflowers, sunflower seeds, sorghum and soybeans are other major crops. The Mangaung Fresh Produce Market plays a vital role in the sector, catering to householders, bulk buyers, informal traders, agents and farmers. The annual NAMPO Harvest Day held in Bothaville is one of the biggest agricultural festivals and exhibitions of its kind in the world.

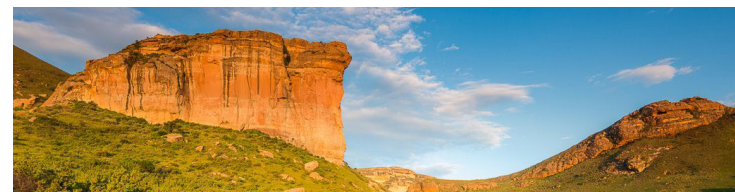
### MINING

**MINING** contributes 11% of provincial GDP, with diamonds, coal and gold the main minerals found. Gold mining is less important than it was, though Harmony Gold and Sibanye Stillwater remain major companies in the sector. Free State gold mines supply a substantial portion of South Africa's silver, while large concentrations of uranium are extracted as a by-product. The goldfields,

which form part of the Witwatersrand Basin, stretch from north of Welkom to south of Virginia. A minerals beneficiation strategy is being developed as a key growth area. In 2016, De Beers, the national government and the diamond-cutting industry launched a project to encourage diamond beneficiaries. Coal is mostly found in the northern Free State, while sand, stone aggregate, gypsum and granite are found at various sites throughout the province. Limestone and calcrete occur in the western Free State where salt is also panned.

### RENEWABLE ENERGY

**OPPORTUNITIES** are opening up in the province's gas and energy sector, with exploration licences being granted, and a R200-million helium extraction plant is under construction near Virginia. The Stortemelk Hydropower Project was built as part of the national Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). The collaboration of Renewable Energy Holdings (REH), Aurecon and Earthworld Architects delivered a facility with installed capacity of 4.5MW on the As River. H1 Holdings and Building Energy are the drivers behind the 4.7MW Kruisvallei Project on the Orange River, powered by flows from the Vanderkloof Dam. The Xhariep, Lejweleputswa and Mangaung regions have among the best direct solar radiation kWh/m<sup>2</sup> in the country. Rezoning for solar farms has already taken place in Theunissen, Bloemfontein, Fauresmith and Hoopstad. Solar projects include the 60MW Boshoff Solar PhotoVoltaic (PV) park (Sun Edison) and the 64MW Letsatsi Solar PV (Solar Reserve, Kensani Group and Intikon Energy). A solar park is planned for the Xhariep region, which is seen as a driver of growth along the banks of the Orange River.





# INVESTMENT OPPORTUNITIES

## Aviation FLYFOFA

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Bloemfontein, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	Flyfofa Airways (Pty) Ltd is an aviation company that is 100% black woman-owned and has all the required licences and air operating certificates. The company is already operational flying cargo and is looking to expand into flying passengers
<b>ECONOMIC SECTOR:</b>	Aviation
<b>DESCRIPTION:</b>	Domestic schedule passenger and cargo airline. Flights operated from Bram Fischer Airport to OR Tambo International Airport, King Shaka International Airport and Cape Town International Airport, and become a feeder to other international airlines that want to fly to and from Bram Fischer Airport
<b>INVESTMENT VALUE:</b>	R1.6-billion
<b>SOURCES OF FUNDING:</b>	Aircraft manufacturer and available funding houses
<b>FUNDING GAP:</b>	R400-million
<b>INCENTIVE AVAILABLE:</b>	None
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	200 jobs
<b>EMPOWERMENT:</b>	Women, youth and people with disability
<b>PROJECT SCHEDULE:</b>	Project expected to start March 2020
<b>PROJECT STATUS:</b>	Pre-Implementation
<b>REGULATORY REQUIREMENTS:</b>	The company has all the required licenses and air operating certificates.
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	None
<b>PARTNERSHIPS:</b>	SAA, ACSA
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	Thabo Fisha and Jacky Fisha thabo@flyfofa.co.za, jacky@flyfofa.co.za 012 566 3019, 072 678 3536, 082 518 0947

## Agro-Processing VIP LIQUORS

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Harrismith, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	VIP Liquors is a 100% black, independently owned business, importing, distributing and marketing some of the world's most premium brands. The investor intends to establish a beverage processing and bottling plant at the Maluti-a-Phofung Special Economic Zone
<b>ECONOMIC SECTOR:</b>	Agro-processing
<b>DESCRIPTION:</b>	The investor intends to process and bottle beverages at the Special Economic Zone (SEZ) in a 7 000m <sup>2</sup> facility. The grapes for the beverage will be sourced from Cape Town. The investor is investigating the possibility of growing grapes through hydroponics at the SEZ. The finished product will be sold at the retail facilities domestically and internationally
<b>INVESTMENT VALUE:</b>	R219-million
<b>SOURCES OF FUNDING:</b>	<ul style="list-style-type: none"> <li>Operational funding: the Industrial Development Corporation provisionally approved funding of R124m.</li> <li>Capital funding: to be funded by Department of Trade, Industry and Competition at R95m</li> </ul>
<b>FUNDING GAP:</b>	Awaiting capital funding approval of R95m from the Department of Trade, Industry and Competition
<b>INCENTIVE AVAILABLE:</b>	<ul style="list-style-type: none"> <li>Preferential 15% Corporate Tax</li> <li>Building Allowance</li> <li>Employment Incentive</li> <li>12I Tax Allowance</li> </ul>
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	50 jobs
<b>EMPOWERMENT:</b>	100% black youth-owned; furthermore, the project will aim to employ previously disadvantaged persons, some of whom will be women, youth and people with disabilities
<b>PROJECT SCHEDULE:</b>	The project is scheduled to have an 18-month construction period. Construction will commence upon approval and release of top structure funds by the Department of Trade, Industry and Competition
<b>PROJECT STATUS:</b>	The project was presented to the Department of Trade, Industry and Competition in December 2017 for regulation guidance as there were components of alcohol mixing which are excluded from the tax incentives. Following the consultations with the Department, a letter of intent was received from the investor by the SEZ. The investor submitted an application for operational budget (OPEX) funding to the Industrial Development Corporation in August 2018. The application was provisionally approved for R118m with conditions to be met by the investor
<b>REGULATORY REQUIREMENTS:</b>	Products must be vetted by the South African Bureau of Standards (SABS)
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	Awaiting capital funding approval of R95m from the Department of Trade, Industry and Competition
<b>PARTNERSHIPS:</b>	Public-private partnership
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	MAPSEZ, 051 403 0800, maphoka@mapsez.co.za

# INVESTMENT OPPORTUNITIES

## Agro-Processing GOLDEN NUT

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Hoopstad, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	Golden Nut processes peanuts at three plants at Hoopstad, Jankemp and Hartswater. It has existing contracts and supplies companies including Tiger Brands and Simba, as well as the export market including the USA, Argentina and the SADC region. The company sources its feedstock from both local and commercial farmers. The Hoopstad operations have been closed since November 2018 due to the drought
<b>ECONOMIC SECTOR:</b>	Agro-processing
<b>DESCRIPTION:</b>	Ground nuts are processed at the plant to form peanut butter
<b>INVESTMENT VALUE:</b>	R100-million
<b>SOURCES OF FUNDING:</b>	Tiger Brands, private entrepreneur
<b>FUNDING GAP:</b>	R20-million
<b>INCENTIVE AVAILABLE:</b>	Tax incentive, dtic incentives, low rates and taxes
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	300 direct jobs, 50+ seasonal jobs
<b>EMPOWERMENT:</b>	Youth and women stand to benefit from the project
<b>PROJECT SCHEDULE:</b>	To re-commission in October 2019
<b>PROJECT STATUS:</b>	Implementation
<b>REGULATORY REQUIREMENTS:</b>	Basic Conditions of Employment Act, Skills Development Act, Labour Relations Act
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	Negotiations with current owners
<b>PARTNERSHIPS:</b>	Tiger Brands, Tswelopele Local Municipality, commercial farmers
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	Alfonso Visser, 082 948 2222

## Agro-Processing GTM BEEF

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Harrismith, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	GTM Beef abattoir is a Special Purpose Vehicle formed by three previously disadvantaged partners. This project intends to operate as a 500-head-per-day abattoir and deboning plant on 10 000ha of land (located within the SEZ) and a 4 200-head feedlot that will be accommodated outside the Special Economic Zone (SEZ). GTM Beef incorporates local economic development through its partnership with the Free State Department of Agriculture and, by extension, 42 local emerging farmers
<b>ECONOMIC SECTOR:</b>	Agro-processing
<b>DESCRIPTION:</b>	The company is expected to export beef to China and the UAE, and will slaughter 500 head per day in a 4 000m <sup>2</sup> facility. The investor will source the cattle from local farmers
<b>INVESTMENT VALUE:</b>	R99-million
<b>SOURCES OF FUNDING:</b>	<ul style="list-style-type: none"> <li>Capital funding: Department of Trade, Industry and Competition approved R59m for Top Structure funding</li> <li>Operational funding: Department of Agriculture to fund R40m for project OPEX</li> </ul>
<b>FUNDING GAP:</b>	An additional R25m is required by the investor for the construction of the administrative block
<b>INCENTIVE AVAILABLE:</b>	<ul style="list-style-type: none"> <li>Preferential 15% Corporate Tax</li> <li>Building Allowance</li> <li>Employment Incentive</li> <li>12I Tax Allowance</li> </ul>
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	75 jobs
<b>EMPOWERMENT:</b>	The project seeks to empower local emerging farmers, most of whom are previously disadvantaged persons. The project is owned by three South African females (two being persons of colour)
<b>PROJECT SCHEDULE:</b>	The project has an 18-month construction schedule from release of funds by the Department of Trade, Industry and Competition and the start of construction
<b>PROJECT STATUS:</b>	The Environmental Impact Assessment of the project was approved in March 2018. Once the investor's top structure funding application was approved by the Department of Trade, Industry and Competition, the procurement process for the construction of the facility was initiated by the Free State Development Corporation (FDC). The procurement processes for the top structure is to be finalised and is awaiting the dtic to transfer progress payment
<b>REGULATORY REQUIREMENTS:</b>	Approval from the Department of Agriculture for trading permit
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	An additional R25m is required by the investor for the construction of the administrative block. Awaiting capital funding from the Department of Trade, Industry and Competition
<b>PARTNERSHIPS:</b>	The project is owned by three South African females (two being persons of colour) and supported by the Free State Department of Agriculture
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	M Nkabinde 083 655 3718



# INVESTMENT OPPORTUNITIES

## Mining AFROLEVOS

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Ficksburg, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	Afrolevos Group (Pty) Ltd is a private company under the directorship of Mr MG Nonyane. The company is 100% black owned and currently operates on a small scale. The company identified a business opportunity in the sandstone quarrying sector
<b>ECONOMIC SECTOR:</b>	Mining
<b>DESCRIPTION:</b>	Sandstone quarrying with the following product lines: hand-chipped sandstone blocks, small bricks, cladding and tiles, tombstones, pebbles/offcuts and bags
<b>INVESTMENT VALUE:</b>	R37-million
<b>SOURCES OF FUNDING:</b>	Own contribution and business loans
<b>FUNDING GAP:</b>	R35-million
<b>INCENTIVE AVAILABLE:</b>	<ul style="list-style-type: none"> <li>• BIS</li> <li>• 12I Tax Allowance</li> </ul>
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	35 jobs
<b>EMPOWERMENT:</b>	The beneficiaries of the project will be people from previously disadvantaged communities
<b>PROJECT SCHEDULE:</b>	The expansion will commence immediately once the funding has been sourced and regulatory requirements have been satisfied
<b>PROJECT STATUS:</b>	Implementation
<b>REGULATORY REQUIREMENTS:</b>	Geo-tech report pending
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	Approval of geo-tech report
<b>PARTNERSHIPS:</b>	Public-private partnership
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	Molefi Nonyane, 082 059 5155 molefi833@gmail.com

## Property and Logistics AIRPORT DEVELOPMENT NODE

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	N8 (between Bloemfontein and Botshabelo)
<b>COMPANY NAME AND BACKGROUND:</b>	Mangaung Metropolitan Municipality
<b>ECONOMIC SECTOR:</b>	Property development and logistics
<b>DESCRIPTION:</b>	The proposed development of the phase one site is a mixed-used development precinct, focused on offices, commercial precincts and residential opportunities. The development also proposes to incorporate flagship developments such as an international convention centre and tertiary institutions
<b>INVESTMENT VALUE:</b>	R100-billion
<b>SOURCES OF FUNDING:</b>	Public and private investors
<b>FUNDING GAP:</b>	R100-billion
<b>INCENTIVE AVAILABLE:</b>	dtic incentives
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	11 000 jobs
<b>EMPOWERMENT:</b>	Youth and women stand to benefit from the project
<b>PROJECT SCHEDULE:</b>	As soon as funding is secured
<b>PROJECT STATUS:</b>	<ul style="list-style-type: none"> <li>• Concept plan and urban designs were completed and approved in 2012</li> <li>• Land secured</li> <li>• Engineering and environmental designs completed</li> <li>• Civil and electricity works for bulk infrastructure completed</li> <li>• Diagrams and general plans approved</li> </ul>
<b>REGULATORY REQUIREMENTS:</b>	<ul style="list-style-type: none"> <li>• Engineering and environmental designs completed</li> <li>• Civil and electricity works for bulk infrastructure completed</li> <li>• Diagrams and general plans approved</li> </ul>
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	Land is rezoned, unblocking matters will be done as the investors identify the specific opportunity
<b>PARTNERSHIPS:</b>	Private-public partnership
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	Mangaung Metropolitan Municipality 051 405 8343

# INVESTMENT OPPORTUNITIES

## Property and Logistics CECILIA PARK DEVELOPMENT

**COUNTRY OF ORIGIN:**  
**PROVINCIAL LOCATION:**  
**COMPANY NAME AND BACKGROUND:**

RSA  
Mangaung, Free State  
The development is part of the integration strategy towards the western side of Bloemfontein. The project is particularly well located due to its main access routes to the N8 and N1 national roads. It is defined by the N1 national road to the east allowing easy access to all of the eastern main routes connecting to the CBD. This traffic intersection creates an important gateway to commercial, employment and institutional nodes in the city, including the military base, the University of the Free State, government buildings in the CBD and support areas, as well as the Loch Logan Waterfront, Hyperama, Hypermark, etc

**ECONOMIC SECTOR:**  
**DESCRIPTION:**

Property development and logistics  
The project area is 172ha in extent and consists of 668 erven of which 539 are residential erven, 25 are business erven and 104 are social amenities. The proposed mixed-use development will consist of residential, light industrial areas, commercial properties and open spaces. Mangaung Metropolitan Municipality will construct and provide all infrastructure for the above-mentioned mixed-use development. This includes:  
• Construction of roads  
• Provision of electricity  
• Provision of water  
• Provision of sewage pipelines  
• Zoning of properties  
• Waste management

**INVESTMENT VALUE:**  
**SOURCES OF FUNDING:**  
**FUNDING GAP:**  
**INCENTIVE AVAILABLE:**  
**NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)**  
**EMPOWERMENT:**  
**PROJECT SCHEDULE:**  
**PROJECT STATUS:**

R6-billion  
Public and private investors  
R6-billion  
dtic incentives  
3 200 jobs  
Youth and women stand to benefit from the project  
As soon as funding is secured  
Township establishment approved and general plan registered with the Surveyor General

**REGULATORY REQUIREMENTS:**

- Engineering and environmental designs completed
- Civil and electricity works for bulk infrastructure completed
- Diagrams and general plans approved

**UNBLOCKING ISSUES NEEDED TO BE RESOLVED:**  
**PARTNERSHIPS:**

Land is rezoned, unblocking matters will be done as the investors identify the specific opportunity  
Private-public partnership

**FULL CONTACT DETAILS OF PROJECT MANAGER:**

Mangaung Metropolitan Municipality  
051 405 8343

## Property and Logistics MONUMENT BUSINESS PARK

**COUNTRY OF ORIGIN:**  
**PROVINCIAL LOCATION:**

RSA  
Bloemfontein, Free State

**COMPANY NAME AND BACKGROUND:**  
**ECONOMIC SECTOR:**

Sanctuary properties (Pty) Ltd has recently been incorporated in order to undertake business park developments  
Property development and logistics

**DESCRIPTION:**

The proposed owned and bond-free land is situated at 21 Monument Road, Bloemfontein. The zoning is commercial/industrial. The extent of the erf once it is consolidated with the neighbouring erf will be approximately 25 000m2.. The intention is to build a factory park consolidated with a retail component. All properties surrounding the proposed erf largely built to bulk  
R90-million

**INVESTMENT VALUE:**

**SOURCES OF FUNDING:**

Private

**FUNDING GAP:**

R90-million

**INCENTIVE AVAILABLE:**

N/A

**NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)**

50+ jobs

**EMPOWERMENT:**

Employment opportunities should encompass all groups

**PROJECT SCHEDULE:**

As and when the economy improves enough to provide demand for the product

**PROJECT STATUS:**

Feasibility

**REGULATORY REQUIREMENTS:**

Basic Conditions of Employment Act, Skills Development Act, Labour Relations Act

**UNBLOCKING ISSUES NEEDED TO BE RESOLVED:**

To adhere to all building requirements as set out by the act and municipal bylaws

**PARTNERSHIPS:**

Funding

**FULL CONTACT DETAILS OF PROJECT MANAGER:**

Jannie Wessels, 082 449 1696  
diver@brightweights.com



# INVESTMENT OPPORTUNITIES

## Property and Logistics

### ENSIGN LOGISTICS

**COUNTRY OF ORIGIN:**

RSA

**PROVINCIAL LOCATION:**

Harrismith, Free State

**COMPANY NAME AND BACKGROUND:**

Ensign Logistics is a KZN-based logistics company looking to relocate to the Maluti-a-Phofung Special Economic Zone from its current base of operations. This business will work with the VKB Group in transporting agro-processing goods as well as shipping containers

**ECONOMIC SECTOR:**

Property development and logistics

**DESCRIPTION:**

The investor intends to develop an inland Agri-hub facility. The investor will be partnering with the VKB Group in order to create silos for local farmers. This business will also see local grain being moved in and around the Free State. The investor will also bring grain from KwaZulu-Natal to the Free State province for resale, storage and processing

**INVESTMENT VALUE:**

R50-million

**SOURCES OF FUNDING:**

Private and public funding available

**FUNDING GAP:**

Additional funding of R2-million for the upgrading of the electrical requirements of the investor and minor repair works to the existing facility to be taken up by the investor at the Maluti-a-Phofung Special Economic Zone

**INCENTIVE AVAILABLE:**

- Preferential 15% Corporate Tax • Building Allowance
- Employment Incentive • 12I Tax Allowance

**NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)**

80 jobs

**EMPOWERMENT:**

The project endeavours to employ previously disadvantaged persons some of whom will be women, youth and people with disabilities

**PROJECT SCHEDULE:**

The project will commence immediately following agreement of freight rail rates between Transnet and Ensign Logistics as well approval of the lease agreement

**PROJECT STATUS:**

Transnet is conducting viability options for the logistics partner (Ensign). The project will commence once Transnet has confirmed viability of the project for freight logistics

**REGULATORY REQUIREMENTS:**

Rail permit required

**UNBLOCKING ISSUES NEEDED TO BE RESOLVED:**

An additional R2m is required for the upgrade of existing facility and electrical infrastructure

**PARTNERSHIPS:**

VKB Group and Ensign Logistics

**FULL CONTACT DETAILS OF PROJECT MANAGER:**

MAPSEZ, 051 403 0800  
maphoka@mapsez.co.za

## Manufacturing

### FARGO STRAWS

**COUNTRY OF ORIGIN:**

RSA

**PROVINCIAL LOCATION:**

Bloemfontein, Free State

**COMPANY NAME AND BACKGROUND:**

Fargo Straws is a Bloemfontein-based eco-business that was founded in January 2019. It was inspired by a trip and participation in the Miss Earth Global competition in the Philippines in 2018. The product is an alternative form of reusable straws that are currently being introduced in most parts of the world. This is in line with creating sustainable products that are also environmentally friendly to cut down on the pollution of our environment

**ECONOMIC SECTOR:**

Manufacturing

**DESCRIPTION:**

Fargo Straws are a range of stainless-steel, reusable, consumer-friendly straws. It is a solution to each individual to lower their carbon footprint and help companies and franchises to have a lighter trail of waste production. These straws are portable and can be used countless times. The design is sophisticated and will complement any fine dining table. Fargo Straws are safe and durable which means they can be used by all members of the family. They are also oxidation and corrosion resistant. The range of products come in seven different colours, namely gold, silver, black, rainbow, rose gold, blue and purple. These are sold as sets or as single straws. The set comes with a straw cleaner. The company is currently in the process of adding bamboo straws to its product range

**INVESTMENT VALUE:**

R10-million

**SOURCES OF FUNDING:**

Private

**FUNDING GAP:**

R10-million

**INCENTIVE AVAILABLE:**

Tax incentive, dtic incentives, low rates and taxes

**NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)**

300 direct jobs, 50+ seasonal jobs

**EMPOWERMENT:**

This project will empower mostly the youth as one of the company's policies is to assist with the societal dilemma of youth unemployment. At least 40% of the staff will be women and the company will allocate well-equipped and qualified staff who have special needs but are well able to be appointed/hired to execute their duties

**PROJECT SCHEDULE:**

To be recommissioned in October 2019

**PROJECT STATUS:**

- 24 months for manufacturing and distribution across the country (short-medium term)
- Procurement of machinery and material • Training staff • Distribution schedules
- Marketing and establishment of provincial offices

**REGULATORY REQUIREMENTS:**

Health and Safety (Department of Environmental Affairs), South African Bureau of Standards (SABS)

**UNBLOCKING ISSUES NEEDED TO BE RESOLVED:**

The company aims to lower the pressing issues of unemployment and, most importantly, reduce the carbon footprint of the average consumer by giving them the option of using a sustainable and durable product over single-use plastics in their everyday lives. "More than just a straw", the company's slogan, embodies the vision of this company: to undo, prevent further environmental pollution and empower the consumer to make the sustainable choice. Youth unemployment, education and community go hand in hand. A good, clean and healthy environment is the perfect breeding ground for progress in the consumer industry. In summary, it is reducing youth unemployment, curbing the global carbon footprint and consumer education in the area of sustainability

**PARTNERSHIPS:**

Public-private partnership

**FULL CONTACT DETAILS OF PROJECT MANAGER:**

Margo Fargo, 079 111 5798, marday.fargo@gmail.com

# INVESTMENT OPPORTUNITIES

## Tourism

### PHAKISA RACEWAY

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Welkom, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	The FSGLTA owns Phakisa Raceway. Currently, Phakisa's licence has been withdrawn by MotoSA. A new model of operation is needed to bring Phakisa back to profitability. A request for proposals will be issued to start the process of revitalisation and commercialisation of Phakisa
<b>ECONOMIC SECTOR:</b>	Tourism
<b>DESCRIPTION:</b>	Phakisa Raceway needs to be revitalised, repurposed, recommercialised and operated on a lease basis by private agents. An RFP will have to be issued
<b>INVESTMENT VALUE:</b>	R500-million
<b>SOURCES OF FUNDING:</b>	Public and private investors
<b>FUNDING GAP:</b>	R500-million
<b>INCENTIVE AVAILABLE:</b>	dtic incentives
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	3 200 jobs
<b>EMPOWERMENT:</b>	Youth and women stand to benefit from the project
<b>PROJECT SCHEDULE:</b>	As soon as funding is secured
<b>PROJECT STATUS:</b>	FSGLTA to issue an RFP for Phakisa to be operated by private investors
<b>REGULATORY REQUIREMENTS:</b>	<ul style="list-style-type: none"> <li>• Engineering and environmental designs completed</li> <li>• Civil and electricity works for bulk infrastructure completed</li> <li>• Diagrams and general plans approved</li> </ul>
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	FSGLTA to issue an RFP
<b>PARTNERSHIPS:</b>	Private-public partnership
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	DESTE 051 400 9437

## Tourism

### HBK ECO ESTATE

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Xhariep-Colesberg area, Xhariep District Municipality, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	Pathfinder Investments is a strategic consulting and project management company formed in 2007. The company consists of a group of experienced executives and technical advisors specialising in agricultural production and development, tourism, small business development, training, corporate, financial and funding services. The company operates both within the RSA and across Africa
<b>ECONOMIC SECTOR:</b>	Tourism
<b>DESCRIPTION:</b>	HBK Eco Estate has been designed to incorporate business tourism with a full eco-friendly experience and include accommodation, a spa facility, conferencing, a bush camp with field and eco-training, hiking and cycling trails, and owned and sectional-title modern housing in a secure, private and magnificent location
<b>INVESTMENT VALUE:</b>	R100-million
<b>SOURCES OF FUNDING:</b>	Private: R2.5-million (HBK Group)
<b>FUNDING GAP:</b>	R97.5-million
<b>INCENTIVE AVAILABLE:</b>	Shareholding, profit share, interest on capital invested
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	150 jobs
<b>EMPOWERMENT:</b>	-
<b>PROJECT SCHEDULE:</b>	Available on interest and due diligence
<b>PROJECT STATUS:</b>	Land: Owned Bush camp: In progress EIA: Completed Geo study: Completed Architectural: Completed Market analysis: Completed Zoning where relevant
<b>REGULATORY REQUIREMENTS:</b>	
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	Bulk services funding
<b>PARTNERSHIPS:</b>	-
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	Kobus Marais, 078 261 5996 kobus@pfinvest.co.za



# INVESTMENT OPPORTUNITIES

## Film and Entertainment

### NEW VISION FILM STUDIOS

<b>COUNTRY OF ORIGIN:</b>	RSA
<b>PROVINCIAL LOCATION:</b>	Welkom, Free State
<b>COMPANY NAME AND BACKGROUND:</b>	New Vision Film Studios: the project was founded in 2008 and Welkom was identified as the ideal location for a studio facility of this nature
<b>ECONOMIC SECTOR:</b>	Film
<b>DESCRIPTION:</b>	A large-scale television and film studio facility together with all required workshops, back-lots and sound-stage facilities
<b>INVESTMENT VALUE:</b>	R20-million
<b>SOURCES OF FUNDING:</b>	Own. Reimbursement from dtic Critical Infrastructure Programme funding for infrastructure development
<b>FUNDING GAP:</b>	R20-million
<b>INCENTIVE AVAILABLE:</b>	ROI on investment negotiable
<b>NO OF JOBS TO BE CREATED: (DIRECT/INDIRECT)</b>	2 500 – 5 000 jobs
<b>EMPOWERMENT:</b>	Youth and women stand to benefit from the project
<b>PROJECT SCHEDULE:</b>	Land is secured, productions are secured. The construction period is 15 months from receipt of funds
<b>PROJECT STATUS:</b>	<ul style="list-style-type: none"> <li>• Feasibility complete</li> <li>• Order of magnitude complete</li> <li>• Financial costing complete</li> <li>• Implementation ready</li> </ul>
<b>REGULATORY REQUIREMENTS:</b>	Compliant in all areas, land is correctly zoned for development of the project
<b>UNBLOCKING ISSUES NEEDED TO BE RESOLVED:</b>	None
<b>PARTNERSHIPS:</b>	None
<b>FULL CONTACT DETAILS OF PROJECT MANAGER:</b>	Jaun De Meillon, 083 959 9967 jdm@opensky.sa.com

## DISTRICT ECONOMIC PERFORMANCE

