

## Atlantis R2.4bn SEZ to bolster investment

The special economic zone (SEZ) lunched in Atlantis is expected to attract large-scale investment that will create jobs and bolster manufacturing in the area and the Western Cape.



The 124.5-hectare area is designated for the establishment of a green technologies hub in the Western Cape. This means that the special economic zone will oversee the manufacture of green technologies, alternative waste management, energy efficient technology and alternative building material, among others.

“The Atlantis Zone has already attracted four large green tech investors, which are fully operational,” said President Cyril Ramaphosa, who officially launched the Atlantis Special Economic Zone along with Trade and Industry Minister Rob Davies, Economic Development Minister Lindiwe Zulu, Western Cape Premier Helen Zille, Cape Town Mayor Dan Plato, local business people, labour movements and civic society organisations.

“Gestamp Renewable Industries, which we visited this morning, was the first of these investments. The company invested R300m and has created about 220 jobs in Atlantis.

“The other investors are Resolux, with an investment of R25m, Kaytech with an investment of R130m, and Skyward Windows with an investment of R50m. In addition to secured investments, the Atlantis Zone has an investment pipeline valued at R2.4bn,” said the president.

He said the launch of the SEZ was the dawn of “a new era” for the community of Atlantis.

The objective of establishing the Atlantis SEZ is to unlock the underlying economic value of existing and underutilised infrastructure through the creation of a green tech manufacturing hub.

This, he said, includes exploiting its strategic location with its access to major national roads.

Its proximity to two ports, in Cape Town and Saldanha, provides advantages for exporters.

## **Industry**

“The Atlantis SEZ is expected to grow the green tech sector in the Western Cape more broadly and revitalise Atlantis as a key industrial node in the region. In the short to medium term, the zone is projected to create over 1,400 jobs in Atlantis.

“Through manufacturing, job multipliers are estimated to rise to about 4,500 for the West Coast region,” he said.

The launch by the president comes as government continues to pull out all the stops to address policy and regulatory uncertainty in a bid to make it easier to do business in South Africa to attract local and foreign direct investment.

The special economic zone is an integral part of government’s efforts to reignite economic growth by attracting investment and creating jobs.

Ramaphosa said without significant economic growth, the country will not be able to create work for the people of the province and the country, and without substantially higher rates of investment, growth would not achieve growth.

Government, therefore, has embarked on a range of measures to mobilise investment into the economy.

“And we are working to direct that investment to those industries that have the greatest potential for sustainable growth and to those parts of the country that have the most to benefit.

“The Special Economic Zone programme has been identified as one of the critical economic policy instruments for promoting industrialisation,” he said.

The Atlantis Special Economic Zones is the ninth of its kind across the country, although yesterday Cabinet approved the designation of the 10th special economic zone to be located in Inkomazi in Mpumalanga.

## **Benefits of the SEZ programme**

The president said the special economic zone programme carried with it numerous benefit for investors.

“The SEZ programme is supported by a competitive incentive package, which includes, among others, a 15% corporate tax incentive, employment tax incentive, accelerated depreciation allowance, VAT and customs exemption, and infrastructure support,” he said.

The SEZs also address the legacy of apartheid spatial planning as they are being established close to where people live, where there is often deep poverty and where there is a great demand for jobs.

At the same time, these sites have been selected for their proximity to ports, logistics hubs, related industry or raw materials.

“These SEZs can contribute much to reshaping the spatial landscape of the apartheid economy. Importantly, these SEZs attract foreign and domestic direct investment into the productive economy through a range of benefits.

“The special economic zones are key to unlocking the country’s competitive and comparative advantages. The programme has so far managed to generate R11.6bn worth of private investments into the SEZs.

“There were 115 operational investors in the SEZs at the end of the second quarter,” said Ramaphosa.

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