KWAZULU-NATAL
INVESTMENT OPPORTUNITIES
2013
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Developing and emerging economies have become the preferred destination for investors as opposed to those of the developed economies. Africa, in particular, is increasingly becoming the greatest opportunity for investors and traders. South Africa at the moment is the most sought after African emerging market worldwide. Our distinctive blend of a highly developed first-world economic infrastructure and a huge evolving market economy has given rise to a strong entrepreneurial and dynamic investment environment.

The KwaZulu-Natal economy has shown growth and resilience, despite the serious challenges experienced within the European Union. These developments, worrying as they are for the rest of the world, point towards a shift in the balance of forces in the world’s economic scenario. Situated on South Africa’s eastern seaboard, Durban in KwaZulu-Natal enjoys direct access to both the Indian and Pacific Ocean rims. The region’s strategic geographic position on world trade routes provides critical linkages with major global markets, including the Americas, Europe and the Middle and Far East, as well as the entire continent of Africa.

The province’s strategic location is enhanced by the fact that this is home to two of Africa’s busiest and largest seaports, Durban and Richards Bay. KwaZulu-Natal is also home to the continent’s top conferencing facility and is widely regarded as being South Africa’s leading sports and tourist destination. But it is so much more; the province is the global business gateway to South Africa, Africa and the world.

Indeed, as we gear ourselves to receive the opportunities presented by the shift in the global economy’s centre of gravity, the province of KwaZulu-Natal has identified Special Economic Zones (SEZ) as a catalyst for economic development and as a tool for promoting growth and export within an environment that is almost free of the usually burdensome regulatory processes that often discourage investment.

The two Special Economic Zone (SEZs) proposed for the province of KZN are the Dube TradePort and the Richards Bay SEZs. The Dube TradePort will focus on agro-processing and green technology whereas the Richards Bay SEZ will focus on mineral and metal beneficiation. SEZs have had a number of economic benefits and other positive spin-offs in many countries where they have been implemented.

These include rapid employment growth, increased economic growth rates, growth of the manufacturing sector, broadening of the export markets, generation of new skills and technological transfer.

We therefore applaud Trade & Investment KwaZulu-Natal for including in this publication a destination marketing tool, one that will attract new investments and more importantly, bolster KwaZulu-Natal’s economic prowess.
Trade & Investment KwaZulu-Natal (TIKZN) is a South African trade and inward investment promotion agency, established to specifically promote the Province of KwaZulu-Natal as a premier investment destination and to facilitate trade by assisting locally-based business enterprises to access international markets.

The Investment Opportunities Booklet is one of the tools that have been developed in line with the strategy of showcasing the province to potential investors. The document has been created as an easy-reference in identifying packaged projects throughout the Province of KwaZulu-Natal with concise project descriptions, information on locations, current statuses, ownership, return on investment and importantly project requirements.

KwaZulu-Natal is home to South Africa’s second largest economy. TIKZN is geared to promote the Province’s competitive advantages as a world-class business investment destination and to encourage trade by assisting local companies to identify new markets for the export of their products. The organisation is dedicated to this objective and to creating an environment in the Province that is conducive to business development and attractive to investors. We trust that this intent is supported by this concise listing and impacts on our organisation’s efforts towards the socio-economic advancement of KwaZulu-Natal and its people.

Zamo Gwala
Chief Executive Officer
South Africa today is one of the most sophisticated emerging markets globally. The unique combination of a highly developed first-world economic infrastructure and a huge emerging market economy has given rise to a strong entrepreneurial and dynamic investment environment.

South Africa has achieved a level of macro-economic stability not seen in the country for 40 years. These advances create opportunities for increased in expenditure on social services and reduced costs and risks for all investors, so laying the foundation for increased investment and growth.

The national Government year-to-date budget deficit was -4.2% in the second quarter of 2011. This is 1.3% below the average of 5.5% for the previous fiscal year.
KwaZulu-Natal is South Africa’s second largest economy, being the second largest contributor to the country’s GDP. The province is strategically placed with two of South Africa’s busiest and largest ports, Durban and Richards Bay, and boasts the highest export propensity and the highest level of industrialisation in the country.

The economic structure in this province is based on a large manufacturing sector in which growth is driven by the paper products industry, ferro-alloys (such as aluminium) and other chemicals.

Further significant sub-sectors include motor vehicles and component manufacture, printing and publishing, food and beverage production, non-electrical, iron and steel, wood furniture, textiles and clothing.
<table>
<thead>
<tr>
<th><strong>South Africa</strong></th>
<th><strong>KwaZulu-Natal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Official Name</strong></td>
<td>Republic of South Africa</td>
</tr>
<tr>
<td><strong>Head of State</strong></td>
<td>President Jacob Zuma</td>
</tr>
<tr>
<td><strong>Provincial Premier</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Cities</strong></td>
<td>Cape Town (Legislative) Pretoria (Administrative) Bloemfontein (Judicial)</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>51,8 million (Census 2011)</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td>1,2 million Km²</td>
</tr>
<tr>
<td><strong>Total GDP</strong></td>
<td>R1,95 trillion (2013)</td>
</tr>
<tr>
<td><strong>GDP Growth</strong></td>
<td>2.5% (2012)</td>
</tr>
<tr>
<td><strong>Inflation</strong></td>
<td>5.5% (Q3:2011)</td>
</tr>
<tr>
<td><strong>Imports Value</strong></td>
<td>R833,3 billion (2012)</td>
</tr>
<tr>
<td><strong>Main Trading Partners</strong></td>
<td>USA, Germany, India, China, Japan</td>
</tr>
</tbody>
</table>
INVESTMENT OPPORTUNITIES
Project
Production of aluminium discs using primary aluminium produced in nearby refineries

Project Concept
- To establish a 12 000 ton per annum greenfield aluminium slug plant in the Richards Bay Industrial Development Zone
- The slugs could be sold to global manufacturers of aerosol cans, medicinal tubes, bottle caps and automotive filter casings
- The projected long-term expansion includes the manufacture of alloyed slugs

Location
- The Richards Bay Industrial Development Zone
- Located 170 km north of Durban
Current Status
The project remains at the conceptual stage

Feasibility Study
A feasibility study has been completed

Business Plan
An updated business plan has been completed

Required Investment
- The latest estimated capex required is ZAR 100 million (USD 11.2 million). Plant costs, transport, and assembly amount to ZAR 60 million (USD 6.7 million)
- Letters of intent are available from local company Nampak as well as various international markets from Italy, France, Spain and USA

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Project
Manufacture of aluminium pistons

Project Concept
- The South African aluminium industry is one of the industrial pillars of the South African economy
- The country has primary smelters of its own which are performing well
- South Africa’s last remaining piston manufacturer closed in the last five years, a victim of the global slowdown in the automotive industry
- The country now imports pistons from various parts of the world to support the automotive industry and after-market demand. South Africa has the raw material and the foundry capability available to locally manufacture pistons.
- A concept study carried out by Trade & Investment KwaZulu-Natal, highlighted the growing market demand for piston manufacturing

Location
- Richards Bay Industrial Development Zone, is located within uMhlathuze Local Municipality, some 170 km north-east of Durban, KwaZulu-Natal
- A major comparative advantage is its close proximity to molten aluminium supply from BHP Billiton’s Hillside and Bayside Smelters

Current Status
The project remains at the conceptual stage

Feasibility Study
- A full study is to be carried out shortly to determine the feasibility of establishing a manufacturing facility in KwaZulu-Natal for the manufacture of aluminium pistons
Business Plan
The business plan is completed and has been updated

Required Investment
- ZAR 150 million (USD 17 million)
Project
Produce aluminium alloy wheels using aluminium sourced from the proximal refinery

Project Concept
- This is an aluminium alloy manufacturing facility to provide products to both the Original Equipment Manufacturers (OEM) and after-sale markets, locally and internationally
- Negotiations have already begun for the export of product to the United Kingdom (Wofrace and Dymang) and for the local supply of OEMs Ford, Toyota and Hyundai
- Raw material for production is readily available from BHP Billiton’s smelter in Richards Bay
- The technology required within the plant is aluminium alloy die casting and is readily available
- The environmental risk is low, as the hot metal would be transported on the ‘Hot Metal Road’
- BHP Billiton produces suitable aluminium alloy to begin the production process

Location
- Located in Richards Bay

Current Status
- This project is still awaiting finance

Feasibility Study
This has been completed

Business Plan
The business plan is available

Required Investment
- An investment of ZAR 82 million (USD 8.6 million as of June 2013) is required
MANUFACTURE OF MAGNESIUM METAL

Project
Manufacture of magnesium metal

Project Concept
- Manufacture of 44 000 tons per annum of magnesium metal
- Magnesia will be imported through the port of Richards Bay or utilise domestic aluminium, ferrosilicon and limestone or dolomite
- Technology used will be via electrolysis of Chlorine or Hydrochloric Acid from proposed Chlor-Alkali complex, used with Magnesia to produce Magnesium Chloride then Magnesium Metal

Location
- The project is based in Richards Bay, KwaZulu-Natal

Current Status
- This project is at the conceptual stage

Feasibility Study
- This is still required

Business Plan
- This requires compilation

Required Investment
- A ZAR 1.2 billion investment is required (as of June 2013)
- Shareholders are being sought to proceed individually or with the Development Bank
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**Project**
Manufacture polysilicon for PV solar energy

**Project Concept**
- As the interest in the solar energy market in SA continually grows, a study into the viability of a polysilicon plant is required to determine the feasibility of establishing a manufacturing facility in SA.
- Polysilicon is the key component in the manufacturing of solar panels.
- It has been noted that SA’s solar photovoltaic market has been facing a significant challenge owing to shortages and allocations of polysilicon over the past few years.
- Based on average growth of the South African economy, production of power energy is planned to be increased up to 60 000 mw in 2017 and doubled up to 80 000 mw in 2025, including renewable sources, to meet the growing demand of South African industries, agriculture and social sectors.
- Solar power panels will enable local solar power units assembly plants in South Africa to supply private, parastatal enterprises and state organisations in the framework of SA Renewable Energy development programme.

**Location**
- The project is based in Pietermaritzburg, KwaZulu-Natal.

**Current Status**
- This project is at the conceptual stage.

**Feasibility Study**
- This is still required.

**Business Plan**
- This requires compilation.
Required Investment

- An investment of between ZAR 150 million and ZAR 200 million is required (as of June 2009)

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Project
Produce and market strawberries

Project Concept
- The primary focus of this venture is the commercial production of strawberries of the highest quality utilising modern hydroponics methodology
- Domestic and international markets are still to be secured. The production of strawberries on 4 hectares in macro-tunnels has been planned and budgeted for accordingly
- By Year 5, this will result in an annual quantity of 480 tons of fresh strawberries harvested 3 times a year.
- Break-even will be achievable by Year 2 and the initial loan of ZAR 15 million (++) USD 1 660 000) is repaid in Year 4

Location
- The project is based on a farm in Ballito which is about 20km from the King Shaka International Airport and Dube TradePort.

Current Status
The project remains at the conceptual stage

Feasibility Study
This remains to be undertaken

Business Plan
The business plan has been completed
Required Investment

- The project has already secured ZAR 15 million for Phase 1 and is seeking equity for Phase 2 development.
- ZAR 10 million is required for Phase 2 of the project.

Project Promoter

Cappany Estates (Pty) Ltd

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SOYA BEAN PRODUCTION AND PROCESSING

Project
Cultivate and process soya beans

Project Concept
- South Africa is a net importer of soybean products
- The soybean market is divided between oil, whole soybean and soya protein meal. The oil has industrial and edible uses, whole soybeans are used for human consumption and the protein meal is used for human consumption and animal feed
- While local production has increased in recent years, it consistently fails to meet national demand which is driven largely by the demand for protein meals from the dairy and meat production industries
- There is high local demand for oilseed cake, which is used for animal feed and for edible soybean oil
- The lack of soybean processing capacity in South Africa necessitates product importation
- Feed manufacturers import between 75% and 80% of their soya oilcake and pay between ZAR 55 million and ZAR 60 million in customs duties per annum for an input used in the manufacture of feed
- Soya oilcake, a major ingredient in animal feed production, is currently being imported
- There is about 45 000 to 50 000 ha of land available for the production of soya beans, yielding some 100 000 tons of soya bean
- A processing plant is required to process soya bean into oil which will be used for human consumption for bio-fuel and oilcake for animal feed production
- A plant, which will focus on the two mainlines – including oil and animal feed – is required to be set up in the Amajuba District or the Zululand District
- There are currently a number of commercial producers of soya beans within these Districts, as well as in the Bergville area of the KwaZulu-Natal Midlands and in the Mpumalanga Province who could supply feedstock to the factory
Location
- This project will be located in the Amajuba (Newcastle) and UMzinyathi Districts, northern KwaZulu-Natal

Current Status
- This project is still at concept stage

Feasibility Study
This needs to be completed

Business Plan
The business plan has not been completed

Required Investment
- An investment of ZAR 500 million (USD 52.6 million as at June 2013) is required

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HYDROPONIC TECHNO PARK

Project
Establish and operate a 60 ha hydroponic farming operation

Project Concept
- This project stems from the need to produce tomatoes under controlled conditions for a tomato drying plant which is situated nearby
- The project will be developed to cater for the controlled production of vegetables to supply local demand
- Later, the project will be expanded and the production of vegetables will eventually be aimed at the broader market outside the district
- It is envisaged that the project will be developed over three years
- The Techno Park, which will be established in close proximity to the Newcastle Airport, will be professionally managed
- Space in the Techno Park will be rented to farmers who wish to partake in the project, which will also ensure skills transfer, quality control and sustainability

Location
Amajuba (Newcastle) in northern KwaZulu-Natal

Current Status
This project is still at concept stage

Feasibility Study
This has been completed

Business Plan
The business plan has been completed and is available
Required Investment

- An investment of ZAR 750 million (as at June 2009) is required
- This project is targeted as a joint venture initiative with emerging farmers

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Project
Establish and operate a cassava starch processing plant

Project Concept
- This project involves the establishment of a cassava starch processing plant on 10,000 ha of land
- The intention is to create a core estate which could supply at least 30% of plant requirements and the balance to be contracted to outgrowers
- Specifications include 240,000 tons of cassava root per annum and about 60,000 tons of starch.

Location
- Northern KwaZulu-Natal

Current Status
- This project is still at concept stage

Feasibility Study
This needs to be completed

Business Plan
The business plan has not been completed

Return on Investment
- Economic returns of at least ZAR 90 million per annum (as at 1 June 2009) from roots and about ZAR 150 million per annum from starch
- USD 30 million in forex savings
- Projected IRR of 15.5% and payback over 9 years

Required Investment
- An investment of ZAR 400 million (as at June 2013) is required
Project
Production of soda ash and downstream products (beneficiation of limestone)

Project Concept
- The establishment of a synthetic soda ash manufacturing plant in southern KwaZulu-Natal (Hibiscus Municipality)
- Soda ash products are currently being imported into South Africa. Soda ash (sodium carbonate) plays a significant role as a strategic feed material for the manufacture of container glass, liquid crystal display (LCD) substrate glass, float glass, detergents, soap, baking soda, fire extinguishers and various chemicals used in pharmaceutical industry as well as in the paper making process
- The proposed project is envisaged to produce 400 000 tons per annum of synthetic soda ash for local and Sub-Saharan markets

Location
- The project is based on the KwaZulu-Natal South Coast within the Hibiscus Municipality.

Current Status
The project remains at the conceptual stage

Feasibility Study
This remains to be undertaken

Business Plan
The draft business plan has been completed
Required Investment
- ZAR 2.0 billion (USD 222 million)

Project Promoter
Mahlodi ChemX (Pty) Ltd

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Project
Extract and beneficiate titanium-bearing ore

Project Concept
- Over the past four decades, various mineral investigations and sampling analyses have been undertaken to determine the economic potential and exploitability of the Mambula titanium deposit located in the Maphumulo Local Municipality, KwaZulu-Natal
- Enterprise iLembe, together with Trade & Investment KwaZulu-Natal (TIKZN), approached mineralogical research organisation Mintek to assist in providing a conclusive opinion on the overall economic potential of the deposit. The scope of work comprised three elements; conducting a geological and beneficiation assessment of the Mambula Complex with reference to previous studies, undertaking a fieldwork/site assessment to obtain samples for chemical assay and mineralogical analysis and formulating a viability assessment and providing high-level recommendations on how to proceed
- Initial laboratory test work confirmed the possibility of ilmenite production, however, further investigation is required to determine the feasibility of beneficiating the ores given the serious constraints implicit in the deposit’s location and the local municipality’s infrastructural limitations
Location
- Inland of Richards Bay, KwaZulu-Natal

Current Status
The project remains at the conceptual stage

Feasibility Study
- A pre-feasibility study carried out by Mintek indicates potential of mineral availability. The mapping exercise is required hence the need for a potential investor.

- Given the socio-economic relevance of the establishment of a mineral operation engaged in extracting and processing the Mambula ores to the Maphumulo Municipality, it is proposed that a more detailed economic and social impact assessment be conducted in the short-term.

Business Plan
The business plan is complete and has been updated.

Required Investment
To be determined.

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Project
Manufacturing of compressed earth blocks

Project Concept
- The main aim of this project is to build on the existing success of compressed earth block (CEB) construction being developed in the eThekwini Municipality. Building with CEB’s provides cost advantages in terms of both materials and the building process and creates a thermally-efficient, sustainable green building structure that is superior to existing building methods and materials.
- The additional benefit of the project is that one is able to utilise a 30% blend of crushed builder’s rubble into the blocks and still maintain average block strength at least double that of concrete blocks.
- The builder’s rubble is inert and thus safe to use, but its diversion from landfill provides an additional benefit as an available resource is utilised whilst saving on landfill space.
- Durban landfills in the region of 200,000 tons of rubble a year at a cost of ZAR 150 per ton – this diverted material could be used to build an additional 10,000 houses per year in a city where the current backlog in affordable housing is in the region of 170,000 housing units.

Location
- The project is based in the eThekwini Metro.

Current Status
The project remains at the conceptual stage.

Feasibility Study
- Work done on the project has, thus far, been limited to materials testing which has proved the technology. Several demonstration units have been built.
each obtaining all the local regulatory certification and approvals

- The next requirement is to scale this up to a full production unit and implement construction at several levels to entrench this as a preferred building process that could be applied to any municipal application in the country

**Business Plan**

The draft business plan has been completed

**Required Investment**

- ZAR 10 million (USD 1.1 million)
Project
Collect and recycle waste tyres

Project Concept
- According to a feasibility study undertaken for the South African Tyre Manufacturing Conference (SATMC 1998), 160,000 tonnes of scrap tyres are generated in South Africa each year.
- Annually, more than 28 million used tyres are dumped illegally or burnt to recover the steel wire. Tyres are not readily accepted at landfill disposal sites as they are not easily compacted due to their elasticity and occupy a considerable volume.
- Furthermore, tyres have the tendency to accumulate water, irrespective of the way in which they are stored out in the open. They become a breeding environment for mosquitoes, which is particularly problematic in areas of the country where malaria occurs.
- Recent agreements between the tyre manufacturing industry and the Department of Environmental Affairs have led to initiatives to generate a ‘green fee’, which will be used to initiate tyre recovery, recycling, energy recovery and disposal.
- Tyre dealers have indicated that there are two main ways of getting rid of waste tyres: About half the tyre dealers have an exclusive arrangement to sell their scrap tyres. The rest of dealers makes their scrap tyres available to anyone who wishes to use them. SATRP claims that 10% of tyres currently go to landfill, 4% are recycled and the remaining 86% are illegally re-grooved, dumped in the countryside, burned for the contained steel or stockpiled.

Location
- The project is based in eThekwini Metro, Richards Bay and Pietermaritzburg.

Current Status
The project remains at the conceptual stage.
Feasibility Study
- The South African Government has approved regulations with regard to recycling of tyres and the tariffs applicable to the manufacturers and retailers. A feasibility study is required to determine the potential of establishing a manufacturing facility in KZN.

Business Plan
The business plan is completed and has been updated.

Required Investment
- ZAR 60 million
Project Concept
- Establish an e-waste recycling facility to process all electric and electronic waste produced in the eThekwini (Durban) metro
- The plant will provide a sustainable solution to the safe disposal of e-waste in the metro

Location
- eThekwini metro (Durban), KwaZulu-Natal
Current Status
The project remains at the conceptual stage

Feasibility Study
This remains to be undertaken

Business Plan
The draft business plan has been completed

Required Investment
The latest estimated capex requirement is ZAR 10 million (USD 1.2 million)
Project
Extrude wooden pellets

Project Concept
- Wood residues such as sawdust, saw mill off-cuts, woodchips or forest plantation trimmings are crushed, compressed and extruded to make wood pellets
- The large forestry operations around Richards Bay provide a continuous supply of raw materials
- Machinery supplied by BUHLER of Germany. This company will supply a plan with performance guarantees to ensure successful technology transfer
- By 2015, some 15% of EU power stations must convert to renewable energy sources, such as pellets from FSC certified forests. There is also a European market for domestic heating
- Approximately 350 direct jobs will be created

Location
- The project is based in Richards bay

Current Status
The project remains at the conceptual stage

Ownership
- Mr WH Plueken (a German engineer) will hold 15% and the balance is available for purchase
- A shareholding by the primary supplier is also in operation

Business Plan
The business plan has been updated and completed
Required Investment
A total of ZAR 56 million (USD 5.9 million as at June 2011)

ROI / Profitability
- Return on investment is estimated at 25% of total investment
BIOTECH FUELS
WOOD PELLET PLANT

Project
Expansion of existing wood pellet plant

Project Concept
- This is an existing operation looking to expand output
- The plant currently produces and exports 50,000 tons per annum but wishes to increase this to 80,000 tons per annum and improve domestic sales to increase viability
- An additional 10 jobs will be added to the current 55

Location
- The project is based in Richards Bay

Current Status
- This is an existing operation

Business Plan
The business plan is available

Required Investment
- The owner is seeking debt and equity or a combination for this expansion of USD 8 million or USD 32 million which would include the existing debt
**Project**
Establish a sugar cane to ethanol plant

**Project Concept**
- Establishment of an ethanol manufacturing plant which would use sugar cane as a feedstock
- Waste product will be burned to produce electrical power via co-generation
- A steady supply of feedstock from local farmers is critical to this project’s success

**Location**
- The project is to be located at Makhatini Flats near Jozini, KwaZulu-Natal
- 270 km north-east of Durban

**Current Status**
- This project is still awaiting finance

**Business Plan**
The business plan is available

**Required Investment**
- An investment of ZAR 300 million (as at June 2013) is required as well as technical expertise
ET UMZIMKULU
POWER GENERATION

Project
Power generation using sugar cane waste

Project Concept
- Sugar cane waste is collected and burnt using a gasification process
- GE Jenbacher engines are utilised to generate 10.2 mw of power

Location
The project is based in Port Shepstone, KwaZulu-Natal

Current Status
- This project remains at the conceptual stage
- An environmental impact study and an engineering report are required at a cost of ZAR 2.5 million (2009)

Project Promoter
Energy Technologies

Required Investment
- The project promoter is seeking ZAR 140 million in debt and ZAR 60 million in equity (as at 1 June 2009)
Project
Invest in and develop a beach resort

Project Concept
- uMgababa Holiday Resort was built in July, 1969 on the KwaZulu-Natal south coast. Initially and during the apartheid era, the resort was created as a beach resort for non-white persons. The site was previously used by Anglo American Corporation as a mineral titanium plant which closed down in 1963.
- The resort is on the rise again and, in 2002 and 2003, future investment of more than ZAR 50 million from public and private sector was envisaged to be allocated to the revival of uMgababa.
- eThekwini Municipality (Durban) embarked on an extensive infrastructure overhaul and renovations of the beach facilities.
- It has been identified in the Integrated Development Plan of the Municipality as a priority beach resort development within eThekwini. TIKZN together with eThekwini have funded the precinct and functional area plan for the uMgababa Beach Resort Development.

Location
- South coast of Durban, KwaZulu-Natal

Current Status
- A precinct plan and functional area plan have been completed and are available on request.
- The feasibility study has identified key nodal areas that are proposed for accommodation and entertainment facilities.
Business Plan
No business plan has been completed

Required Investment
To be determined

Project Promoters
- TIKZN
- Mkhwanazi Traditional Authority

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Project
Invest in a feature film

Project Concept
- This is a fantasy action 3D feature film entitled ‘Zulu-Day of the Dead Moon’
- It focuses on two historical battles between the Zulu and British forces, namely Isandlwana and Rorke’s Drift

Location
- Northern KwaZulu-Natal

Current Status
- The project remains at the conceptual stage

Feasibility Study
This has been completed

Business Plan
The business plan is completed and has been updated

Required Investment
- Latest estimated capex required is ZAR 100 million (USD 11.2 million)
- Plant costs, transport, and assembly amount to ZAR 60 million (USD 6.7 million)
Project Concept
The Sovereign Sands Hotel development is planned for 220 rooms. The total floor area of the proposed hotel (rooms and common areas) is currently estimated at 12,800m² plus a basement parking lot of 2,000m².

Within the development site there are fully developed villas. Some of them are occupied as residential units. It is set on four hectares of prime beachfront real estate stretching for half a kilometre along golden beaches. Much of the property has existing dune and coastal vegetation with boardwalk access directly to the beach. Sovereign Sands is architecturally designed along a coastal and nautical theme and compares to a 4 to 5 star tourism rating.

The villas are situated within the 24-hour monitored security of the estates’ boundaries ensuring absolute peace of mind and the perfect lock-up-and-go vacation.

Location
- In Stanger/KwaDukuza, next to Princes Grant
- 45 minutes north of Durban

Current Status
All technical processes have been completed

Ownership
The development is owned by Frencken and Associates.

Return on Investment
- The project is valued at ZAR 218 million
- Based upon a 60% average occupancy, at a rate of ZAR 575 per person, dinner bed and breakfast, the operation is expected to show a 15% return on investment in Year 1 escalating to 22% in Year 5
- The total investment payback period is just over 7 years after accounting for a 9% financing cost.
Project Requirement

- The project owner is willing to provide a turnkey operation to deliver the entire project. Alternatively they are looking at taking some equity in the project, which will be subject to negotiation with potential investors.
- The project is looking for a management company with experience in international and domestic markets.

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Project Concept
Ballito Bay Hotel forms part of a mixed use development with four phases. Phase 1, a retail development, has been completed and is more than 80% occupied. Phase 2 will be hotel development, followed by an office park as Phase 3 and residential apartments as Phase 4.
- Fully developed shopping centre
- Planned 208 keys 4-star hotel
- Planned office park
- Planned residential block

Current Status
- EIA and zoning processes have been done
- Bulk infrastructure existing
- Feasibility study was conducted by Grant Thornton
- The shopping mall is fully operational.

Ownership
The whole development is owned by a group of black Americans, Renaissance Cities of Africa (RCA)

Location
- In Ballito
- 40 minutes north of Durban
- 20 minutes from the King Shaka International Airport
- 30 minutes from Umhlanga Rocks
- 90 minutes from Richards Bay
Return on Investment
The development costs for the hotel are estimated at ZAR 300 million

Project Requirement
The project needs an investment partner and an operating company.

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**Project Concept**
Serengeti Glades Resort is a full service five (5) star luxury resort in Ballito. The project is designed by a London company, WATG architects. The hotel is overlooking the magnificent Indian Ocean and is within walking distance from Ballito’s legendary beaches. It offers a holiday lifestyle just minutes from commercial and industrial sites, offering a work and play atmosphere. The hotel is set within a resort style atmosphere and its innovative technology caters for business travellers.

The designers have finalised the ultimate design for the hotel operator. The designs for the villas and SPA have been completed.

- 200 rooms & suites
- 50 villa apartments
- All day dining with two specialty restaurants, coffee shop/patisserie, pool bar, tobacco lounge, ballroom, conference rooms, pre-function rooms, night club, business centre and health club
- Own private beach and access to main beach

**Location**
- In Ballito
- 40 minutes north of Durban
- 20 minutes from the King Shaka International Airport
- 30 minutes from Umhlanga Rocks
- 90 minutes from Richards Bay
Current Status
- EIA and zoning done
- Bulk infrastructure existing
- Plans and design by WATG
- Feasibility study was conducted by Grant Thornton
- Hotel management company is on board
- Guarantees have been paid to all restaurants

Ownership
- The project is wholly owned by a South African company, Serengeti Glades
- They also own the development site of approximately 9.7 ha

Return on Investment
This will be calculated based on equity or debt funding of required ZAR 130 million

Project Requirement
The project needs an investment partner (equity or debt) to contribute ZAR 130 million

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NONOTI BEACH RESORT

Project Concept
This proposed development comprises a Beach Resort on a 195 ha site. This project is wholly owned by the community of Nonoti, which is formed by 300 households. The community is represented by the Inqaba Community Trust. The Trust acquired the land through a successful negotiated land restitution settlement pursuant to a land claim that was lodged by the community.

- A beach resort with 4 accommodation nodes
- 2 x 4 star non-self catering
- 1 x 4 star self catering
- 1 x 3 star self catering
- 822 beds in total
- Entertainment facilities
- 6 x restaurants on a 195 ha site
- 200 seater conference facility

Full feasibility study and business plan were completed in March 2011
- Appointment of the operating company will be in 2013
- EIA and rezoning to be completed in 2013
- Construction is expected to commence in 2014
- Operations are expected to commence in 2015/2016

Ownership
The development is wholly owned by a Community Trust on behalf of the community

Return on Investment
This will be determined by the equity contribution of the 40% that has been calculated

Location
- In Stanger/KwaDukuza, next to Princes Grant
- 45 minutes north of Durban
- 25 minutes from the King Shaka International Airport
- 80 minutes from Richards Bay

Current Status
- Funding for infrastructure development is being raised with the relevant government departments
Project Requirement

- This development requires a strong brand to accommodate local and international markets
- The project is looking for a management company with experience in international and domestic markets
- A capital injection of ZAR 360.1 million is required

- It requires equity of 40% and loan finance of 60%. One of the project facilitators, Industrial Development Corporation (IDC), is willing to look at long term loan financing that can be repayable over a period of 12 years with a 2 year moratorium

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**Project Concept**

Numz Adventure Island is a 30 ha development comprising of fun-filled activities and action-packed entertainment for the whole family. The development consists of five phases with a 5 year roll-out plan which will include restaurants, waterpark infrastructure, golf driving range and souvenir shop. It is anticipated that the waterpark in Phase 1, valued at ZAR 190 million, will be open in November 2014, with the final phase opening in 2018.

**Location**

- Tinley Manor, next to Stanger/ KwaDukuza
- 40 minutes from city of Durban
- 15 minutes from the King Shaka International Airport
- 30 minutes from Umhlanga Rocks
- 50 minutes from Richards Bay
- 5 minutes north of Salt Rock

**Current Status**

- A comprehensive business plan has been completed
- The Feasibility Study has shown a very positive indication in support of this venture
- A full financial model has been compiled

**Ownership**

The development is privately owned and is funded by a combination of Shareholders and Debt Financing
Return on Investment

- This is funded through private investor funds (equity) and the IDC, who are the main funders of this project
- There is a Community shareholding in the project, also IDC funded, which will be managed by a Trust

Project Requirement

The project requires an additional equity partner to inject ZAR 70 million
Project Concept
This is a marina/small craft mixed-use development which includes hotels, residential apartments, office park and retail developments. It is located on a 55 ha site neighbouring the Durban Harbour. This development is the 3rd phase of the waterfront development which include the successful uShaka Marine World, residential units and office blocks. The development will include a public beach, safe swimming, learner surfing, snorkeling zone, promenade, green amphitheatre and other water based activities.

- 106 000m² of mixed use bulk, as a single “Superblock”
- 42 000m² shopping centre
- 46 000m² of hotels
- The balance will be for residential and office use
- A further 18 prime mixed use sites, all overlooking the Indian Ocean, harbour channel or deep-water canal, will sell for between ZAR 1 650 to ZAR 5 500 per bulk/m²

Location
- The city centre of Durban, bordering the Durban Harbour
- 15 minutes from the King Shaka International Airport
- 10 minutes from Umhlanga Rocks
- 90 minutes from Richards Bay

Current Status
- Agreements on the new concept designs have been approved
EIA process has been finalised
A full financial model has been compiled
ZAR 1.8 billion has been committed towards investment in the development of infrastructure and building complexes
A facilities management company has been appointed

Ownership
The development is privately owned by a South African company

Return on Investment
This 3 phase development is valued at more than ZAR 6 billion, once complete
The ROI will be calculated on the proposals for land use

Project Requirement
The project requires an additional equity partner to inject ZAR 70 million
Project Concept
The Docklands Hotel is located within the Durban Point Waterfront Precinct and is situated at the corner of Mahatma Gandhi Road and Browns Road. It forms part of a bigger plan of redeveloping the Durban Point Waterfront precinct. The Hotel construction commenced in June 2009 and was completed in time for the opening on 1st May 2010. The hotel has a modern contemporary theme and attracts guests of all ages due to its proximity to the harbour, Ushaka Marine World and the best and most protected beach in Durban. In addition the hotel owns 4 500m² of bulk vacant land situated on the adjoining site. This site overlooks the proposed passenger liner terminal due to open in 2015.

The hotel offers the following facilities:
- 83 modern well appointed rooms
- 4 star hotel grading
- 3 conference facilities for 420 delegates
- a trendy restaurant “Wodka”

Location
- In the city centre, behind the Point waterfront, next to the Durban Harbour
- 15 minutes from the King Shaka International Airport
- 10 minutes from Umhlanga Rocks
- 1 hour 40 minutes from Richards Bay

Current Status
The hotel is currently operating at about 50% occupancy
Ownership
- There are 2 shareholders at 50% each.
- The hotel received loan funding of ZAR 80 million in 2009
- It is currently managed by Three Cities who took over from Signature Life

Project Requirement
- The project requires an additional equity partner
- The value of equity participation will be negotiated on proposals received

Return on Investment
There is a profit participation agreement with Investec Bank which shares the profit and risk of 50% with the Shareholders
Project Concept
The Ebandla Boutique Hotel is an existing luxury hotel, nestled in the tranquil rolling hills of Compensation in Ballito. Attention to every detail is visible in the elegant building structures, contemporary décor and timeless water features epitomised by a flow-rim pool for guests and a landmark amphitheatre.

Due to market demand, it is a very popular venue for weddings and conferences. The owners are looking at expanding the accommodation facility by adding 50 more rooms and increasing the conference facilities. eBandla is a cultural Zulu word meaning “the forum venue.”

There are many adventurous activities in the area such as, horse riding, microlighting, ‘Big 5’ game tours, sky diving, deep sea fishing, scuba diving and surfing.

Location
- Ballito, iLembe District
- 40 minutes north of Durban
- 20 minutes from the King Shaka International Airport
- 30 minutes from Umhlanga Rocks
- 90 minutes from Richards Bay
**Current Status**
The hotel facilities include:
- 24 luxury rooms
- Conference facility for 1200 delegates in cinema style
- Outdoor entertainment arena
- Spa
- Dining area for 60 people

**Ownership**
- The hotel is 100% owned and managed by BEE company.

**Return on Investment**
This will be determined by securing funding as equity or debt.

**Project Requirement**
- The project needs ZAR 55 million for the expansion
- The owners would like to engage with potential equity partners
- The value of equity participation will be negotiated on proposals received

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Project Concept

Shayamanzi Houseboats have been in business since 2002. They are moored at Jozini Tiger Lodge jetty and enjoy the infrastructure and services with the lodge provides. The services include laundry, food & beverage storage, office, maintenance room, and staff accommodation. Jozini Tiger Lodge and Shayamanzi are currently enjoying many synergies.

Shayamanzi 1
- Sleeps 12 - 16 passengers
- 6 x 2 luxury en-suite cabins
- 4 Crew
- Sleeper couches on the top deck are used to accommodate 4 extra people
- 2 Tender boats
- 8 Seater Jacuzzi

Shayamanzi 2
- Sleeps 20 - 24 passengers
- 6 x 2 sleeper luxury en-suite cabins
- 4 x 2 sleeper luxury en-suite cabins on the lowest deck
- 6 Crew
- 3 Tender boats
- 12 Seater jacuzzi

Location
- The cruise begins at Jozini Tiger Lodge, situated along the banks of the picturesque Jozini Dam of KwaZulu-Natal. Tiger Lodge is an exciting holiday destination offering a perfect luxury getaway in the heart of nature
- 50km from Golela Border Post
- 74km from Pongola town
- 35km from Mkhuze town
- 140km from Richards Bay
- 45km from Hluhluwe
- 305km from Durban
- 405km from Johannesburg
- 220km from Crocodile Bridge (Kruger Park)

**Current Status**
- Both boats are fully operational and serviced as per SAMSA standards

**Ownership**
- Shayamanzi Houseboat (Pty) Ltd is currently owned by 4 shareholders, three of which are involved with Shayamoya and White Elephant Lodge. As the boats are now moored at Jozini Tiger Lodge, the existing shareholders too would like to consider selling their equity

**Return on Investment**
- One of the owners is currently selling his equity because of other business commitments
- More information is available on submission of expression of interest

**Project Requirement**
- The project needs an investment partner

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Project Concept
The project pre-feasibility study is currently being undertaken to establish the style and form the beach resort will take. Further to ensure that all EIA scoping exercises are identified and to ensure no unnecessary obstacle to the development.

It is managed by the Mkhwanazi Traditional Authority on behalf of the surrounding communities.

Location
- North coast of KwaZulu-Natal
- Abuts the Umlalazi River to the south west and the N2 is located towards the east

Current Status
- The pre-feasibility study is currently being developed
- Funding for infrastructure to be sourced from national and provincial government departments
- To be marketed for foreign and local investments

- 1 hour 40 mins drive from King Shaka International Airport
- 15 mins drive from Richards Bay
Ownership

- The development is wholly owned by a Community Trust on behalf of the community
- However the Trust has indicated an interest in partnering with investors

Business Plan

Anticipated completion is in September 2014

Return on Investment

Return on investment can only be determined once the full business plan is completed. Anticipated completion is in September 2014

Project Requirement

- The project requires funding of infrastructure
- Investors foreign or/and local
- Amount required will be available once business plan is completed

Required Investment

To be determined

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Project Concept
This is a three phased development. Hotel, Casino and golf facilities will be developed as 1st phase, followed by further accommodation facilities and the waterpark will be the 3rd phase.

The resort destination will be developed around Lake Sibaya on 500 hectares of prime coastal property. Zulu culture and history will be incorporated into the design of all the facilities, including an airport, casino, wedding, conference facilities, shops and offices, a health spa and gym, plus an 18-hole golf course, amongst other leisure options.

The Zulu monarch is a subject of intrigue for many tourists and the development of the King Zwelithini Royal Resort will add to the allure of the Umkhanyakude’s Route 22 offerings.

Location
- This development is located on the Hlungweni Peninsula within the Tembe Tribal Authority in uMkhanyakude District
- 30 km north of Sodwana Bay
- 3 hours from King Shaka International Airport
- Neighbouring the iSimangaliso Wetlands Park
- 45 min to the Farazela Border Post of Mozambique

Current Status
- Business plan has been developed
- Project is supported by King Zwelithini
- Tembe Tribal Authority is supporting the development
- Artistic impressions have been developed
- EIA is still outstanding
- 4Leisure Marketing company are putting together
- Hotel groups are showing interest in management and ownership

Ownership
- The project is wholly owned by community of Sibaya, Tembe Tribal Authority and the Zulu Royal Household

Return on Investment
- Value of the three phases of the development is estimated ZAR 7 billion by the year 2017
Project Requirement
The project needs to do:
- Gap analysis on bus plan
- Full EIA
- There is a need for equity investor/s
- Debt funding will be needed


**Project Concept**
The concept is to create a “must see” attraction for KZN. The development will consist of a Cultural Village, Lodge, a Royal Kraal and an Ancestral Museum & Monument. The first component of the Route will be the Phelandaba Cultural Village and Lodge, highlighting the history, arts and culture of the Tembe.

The ten-storey Royal Tembe Ancestral Monument and Museum will be a major tourist attraction, established near the current ancestral cemetery in the sacred Mfilheweni Forest. The museum route is designed as though one is walking through a Kosi Bay fish trap.

**Location**
- The development will be located on the historical sites inhabited by the Tembe when they first settled in KwaZulu-Natal. The site is located at Phelandaba at KwaNgwanase. It also forms part of Route 22 in the Umkhanyakude District
- 3.5 hours from the King Shaka International Airport
- Neighbouring the iSimangaliso Wetlands Park
- 30 min to the Farazela Border Post of Mozambique

**Current Status**
- Business plan has been completed
- Architectural impression has been done
- Site identification has done and approved by Tembe Tribal Authority
- The project has been listed on the municipality IDP
- EIA is underway

**Ownership**
- The development is championed and owned by the Royal Tembe Development Foundation on behalf of the Tembe Tribal Authority

**Investment required**
- Total investment for this development is estimated at ZAR 82 million

**Project Requirement**
- The development needs
- Equity and debt funding
- Management company
- To finalise EIA
**Project Concept**
This is a 4 star privately owned 24 bed lodge located within the Mpembeni Tribal Authority. The lodge will have 12 luxury villas. The access for this soon to-be-built Rhino Ridge Lodge and Camp will be through the official Hluhluwe Imfolozi Park (HIP) gate entry points. Once construction is complete, the development will be incorporated into the HIP.

The Lodge will be allocated an annual Hunting Concession as part of the EKZNW culling programme, however hunting will only take place within the Mpembeni property.

The property is approximately 750 ha in extent and is presently used as a Community Game Reserve deriving an income from private hunting.

**Location**
- The project site is located adjacent to HIP and almost on the north of the HIP in the town of Hlabisa. It forms part of Route 22 of Umkhanyakude District
- 240 km north of King Shaka International Airport
- 270 km north of Durban
- 150 km Golela Border Post
- 50 km Richards Bay

**Current Status**
- The project is ready for construction which is estimated for January 2014. An agreement with a management company will be signed by December 2013.
Ownership

- The development is owned by Mpembeni Community in partnership with Frencken and Associates, which is a Durban based company.

Investment Required

- The development is fully funded by the project and owners and National Empowerment Fund at ZAR 23 million.

Project Requirement

- The project needs to be promoted as part of Route 22 which is promoted as part of the east3ROUTE experience. There is a planned further expansion programme for the development of an educational centre for eco-tourism. This will be developed as the next phase same as accommodation expansion and will be determined by demand.
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