



R I C H A R D S   B A Y  
INDUSTRIAL DEVELOPMENT ZONE



**RICHARDS BAY INDUSTRIAL DEVELOPMENT  
ZONE COMPANY SOC LTD  
STRATEGIC PLAN  
2018/19 - 2022/23**

G A T E W A Y   T O   W O R L D   M A R K E T S

## FOREWORD BY THE MEC FOR ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

In line with KwaZulu-Natal government vision of ensuring that KZN becomes a prosperous province with a healthy, secure and skilled population and acting as a gateway to Africa and the World, the Richards Bay Industrial Development Zone (RBIDZ) understands that it has an important role to play in maximising all initiatives aimed at driving socio-economic development.

Critically, RBIDZ as an entity has been described as a valuable asset in the country and as a catalyst for foreign direct investment. The world over, Foreign Direct Investment (FDI) is regarded as a tool for the transferal of skills required to grow different sectors of the local economy and a vehicle for the integration of local economy with global economies. Throughout this financial year, the entity will ensure that FDI continues to flow into RBIDZ, with emerging entrepreneurs becoming integrated into the mainstream economy.

As guided by the Provincial Growth and Development Plan, which is linked to the National Development Plan, the entity is focusing on different sectors of the economy such as marine development, drilling of oil and gas, agro-processing, renewable energy, metals beneficiation and information communication and technology. We continue to invite potential investors representing these sectors from other parts of the globe and directing them to the Richards Bay Industrial Development Zone.

Importantly, this province is blessed with natural resources and it is for these reasons that the APP, developed out of this Strategic Plan, reiterates our quest to form partnerships for socio-economic development to ensure that ordinary people benefit from these natural resources.

Our foremost goal is to convert such resources into wealth that build economies for the people of this province and the country as a whole such that eventually the triple challenges of inequalities, unemployment and poverty are eradicated.

Nonetheless, it is encouraging that the department is driving various initiatives aimed at driving the socio-economic development that have to bear the fruits towards economic emancipation and people empowerment.

Our determination, aimed at ensuring wealth distribution and inclusive economic development, is anchored by initiatives such as Black Industrialists Programme and Operation Vula under Radical Agrarian Socio-Economic Transformation (RASET) and many others. Through these initiatives, the institutions such as RBIDZ have a responsibility to translate and implement them to ensure alignment and integration.

It is our impenitent belief that the programmes already on the ground and the strategic objectives put forward on this Strategic Plan will contribute positively and substantially towards the collective plea to deliver on our mandate and further idealise on improving the economic status quo.



MR SIHLE ZIKALALA, MPL

MEC: ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Richards Bay Industrial Development Zone Company SOC Ltd under the guidance of its Board of Directors.
- Takes into account all the relevant policies, legislation and other mandates for which the Richards Bay Industrial Development Zone Company SOC Ltd is responsible.

Accurately reflects the strategic outcome oriented goals and objectives which the Richards Bay Industrial Development Zone Company SOC Ltd will endeavour to achieve over the 5 year period beginning 2018.



MR MZAMO KHUZWAYO  
Chief Financial Officer



MR PUMI MOTSOAHAE  
Chief Executive Officer



MS ZODWA ZIKALALA  
Acting Executive Manager: Office of CEO



MR MEL CLARK  
Board Chairperson

## BACKGROUND BY THE CHIEF EXECUTIVE OFFICER

The South African government has entrusted the Richards Bay Industrial Development Zone (RBIDZ) with the responsibility to improve the lives of the people. The Strategic Plan presented herein endeavours to achieve just that by setting the framework for the RBIDZ to respond to the overriding strategic priorities, which include the initiatives that drive the economic growth at a sustainable and impactful way in order to create employment opportunities and contribute towards the eradication of the social ills crippling the country.

It is therefore critical for one to be mindful that no direction can be paved without a roadmap hence the process for strategic planning has been pivotal for us and demands commitment from all levels of RBIDZ staff.

The vision for 2018/19 strategic planning has allowed us to unlock the economic and social values embedded in our mandate and enable a higher growth trajectory, critically we will;

- Leverage on the Provincial Growth Development Plan (PGDP);
- Create opportunities for economic growth and employment opportunities;
- Improve skills outcomes and opportunities for youth and women development;
- Enable a resilient, sustainable, quality and inclusive living environment; and
- Embed good governance and integrated service delivery.

The RBIDZ is the strategic government initiative linked to the broader strategic framework of the South African government driven by the National Development Plan (NDP).

The RBIDZ is the SA's sector specific zone designated around the port, thus enabling it to be unique and be able to create a substantial value proposition to the targeted sectors.

The RBIDZ's broader vision is to promote sustainable economic growth and job creation focusing on the following sectors:

- Metals Beneficiation;
- Renewable Energy;
- Information and Communication Technologies ( Techno - parks and innovation hubs);
- Agro- processing; and
- Marine Industry Development.

In 2016 the new Special Economic Zones Act, 2014 (Act No. 16 of 2014) came into operation. This Act contained a transitional provision, which deemed every existing industrial development zone, such as the RBIDZ, to be a Special Economic Zone. The RBIDZ is thus an SEZ Operator in terms of the Special Economic Zones Act.

As we navigate the future through this strategic plan, we have to reflect on the past year and anchor ourselves for the year to be 2018/19:

### ACHIEVEMENTS 2017/18

#### *Infrastructure*

- The RBIDZ has fully developed Phase 1A and is awaiting the construction of factories by locators.
- The R300million PVC-O pipe manufacturing plant is operational while a heavy logistics company (also operational) has recently started construction of a warehouse.
- The adjoining road, Medway Road, upgraded by the RBIDZ has been completed. The road allows the access to the Southern entrance of the port of Richards Bay.
- Construction of the Techno-park Administration Building has been completed and poses a state of the art structure in Phase 1A.
- The RBIDZ has commenced construction of Phase 1F with Civil and Engineering Infrastructure development starting to be visible, and the works should be complete by October 2018.
- Phase 1F has attained its licence to operate as a Customs Control Area (CCA).
- RBIDZ office relocation to newly upgraded offices located at the "old Bayside smelter".

#### *Investments*

Locators operating in the Phase 1A are SPS/Molecor, a Spanish/South African pipe manufacturer, which has established a plant to construct PVC-O pipes for the local and export markets. This is the first time that such a

pipe has to be manufactured in Africa. PVC-O pipe is a lightweight pipe capable of sustaining very high pressures and is easy to install using largely manual labour.

Richards Bay Energy Services (Lovemore Brothers) is a heavy logistics and rigging company and is also operational within Phase 1A.

The RBIDZ is fortunate that almost the whole of Phase 1A has been allocated to prospective investors and the process to resume construction is underway. One is however cautious of the speed that is needed in seeing these allocations breaking the ground.

#### Governance and Administration

The RBIDZ continues to uphold a clean audit, as it did in the past five financial years, 2016/17 was not different. The achievement is as a result of commitment by all staff members and adherence to all performance regulatory legislation.

#### *Employment Opportunities created*

The RBIDZ commits to changing the economic landscape however creation of employment opportunities, skills transfer and development remains the focal point. In 2016/17 the RBIDZ has managed to employ over 1625 in its infrastructural development phases and further through locators already operational within the estate.

#### *SMME Development*

RBIDZ has implemented capacity building and support initiatives to support emerging contractors in the form of training on areas such as project management, health and safety, quality management, financial management and the application of information technology. To date more than 20 entities have received intensive training afforded by the RBIDZ of which 75% were black youth owned and 54% black women owned. Some 60% of the contractors trained by the Company have done work for the RBIDZ, either directly or by way of being sub-contracted in order to meet Contract Participation Goals.

#### *Bursaries and Internship Programmes*

The RBIDZ has a bursary scheme for its employees and is looking to further develop a bursary programme for students outside of its employ. This flagship will be accelerated through the CSI programme that will critically focus on the scarce skills in order to align skills attained with the skills requirements of the investors and industries at large.

The staff bursary programme has benefitted a number of staff members and enabled them to improve their qualifications. One example of this is a staff member who was employed as a general worker and utilised the RBIDZ bursary scheme to obtain a Bachelor of Public Administration degree. She has been subsequently employed by the RBIDZ as a Unit Administrator.

The RBIDZ also boasts an extensive internship scheme and presently employs 12 interns on a 24 months contract, for them to be well-groomed for employment opportunities. There is a formal programme for each intern within the RBIDZ, which provides practical work experience. Interns are also encouraged to enrol for other formal training in their relevant fields.

#### *Corporate Social Investment*

The RBIDZ has a corporate social investment programme, which is fast growing with its focus on community development. For the past financial year the CSI programme has contributed in various community initiatives focusing in schools development, community relief programmes such as drugs and substance abuse awareness, violence and abuse against women and children abuse, health care and destitute families as well as disaster relief programmes.

## **STRATEGIC FULFILMENT OF THE 50- YEAR MASTER PLAN**

### **LAND ACQUISITION**

It will be noted from the above that the RBIDZ is facing a challenge of exhausting the land scope to accommodate new investors (when looking at the current pipeline). As the result of a 50 year - master plan as well as opportunities arising, the RBIDZ is seeking to negotiate and finalise land acquisition in the following identified areas:

### *Phase 1D*

Phase 1D is a 65 ha site which the RBIDZ is in the process of purchasing from the City of uMhlathuze. This area is proposed for the site of the 2000 MW gas – to – power plant allocated to Richards Bay. Richards Bay has several advantages making it the best location in the country for the location of a 2000MW power plant. These advantages include:

- The existence of the Lilly line, which runs from Secunda via Richards Bay and can be partially reversed so that natural gas imported through Richards Bay can be pumped down the coast to eThekweni and uMsunduzi and inland to Newcastle and into Gauteng;
- The existence of heavy industries in Richards Bay that demand high volumes of electricity supply;
- The existence of heavy current power lines, designed to feed the smelters of Richards Bay, which can be reversed and used to feed power from a power plant in Richards Bay back into the grid;
- Shorter distances to the economic hub of the country in Gauteng than from competing ports for either pumping gas or transmitting electricity;
- The existence of potential customers for gas such as the Avon peaking plant at Shakaskraal, a diesel plant that can be converted to gas and Hulamin in Pietermaritzburg, which is urgently seeking gas to, *inter alia*, heat treat aluminium for the Tesla electric car assembled in the United States of America.

### *Former Bayside Smelter*

The RBIDZ is presently negotiating to purchase the former Bayside Aluminium smelter. The smelter is already zoned for industrial use and is perfectly located for use as a downstream metals hub. The premises still contains an operating cast house, which is operated by Isizinda Aluminium, an entity owned by Bingelela Consulting- an empowerment entity, and Hulamin, an entity in which the Industrial Development Corporation owns a substantial number of shares.

The strategic intent is to utilise Bayside casthouse plant to beneficiate aluminium from the Hillside smelter in Richards Bay, which is the largest aluminium smelter in the Southern hemisphere.

### *Phase 2*

The RBIDZ is negotiating to purchase an additional 1,200 to 3,000 ha North of Richards Bay. This land was identified during the master plan process and was specifically identified to be suitable for heavy industry such as a steel smelter. The master plan indicated, and experience has shown, that the demand in Richards Bay is land for heavy industry and this is motivated by various advantageous factors being:

- that Richards Bay is the closest South African port to Gauteng and the areas where over 60% of the population lives;
- the recent indication by ENI/Sasol that it intends drilling exploratory wells off the coast of KwaZulu-Natal approximately 62 km from Richards Bay;
- the existing pipeline networks and servitudes to Gauteng from KwaZulu-Natal;
- the fact that the cost of building and maintaining pipelines is built into the cost of fuel, so a shorter cheaper pipeline will result in cheaper fuel at the other end;
- the effect that the cost of fuel has on all commodities; and
- the ability to connect from Richards Bay to the existing multi-product pipeline from Durban to Gauteng.

The RBIDZ believes that the area in question would also be extremely suitable for an oil refinery or other forms of heavy industry. Indeed, taking into account the demand projections in the 50 year Master Plan commissioned by the RBIDZ, the land was specifically selected to be able to accommodate heavy industry.

The RBIDZ also believes that it is in the national interest that it acquires as much of the land in question as possible.

## **CHALLENGES**

### *The Income Tax Act relating to Special Economic Zones*

The RBIDZ is encountering a substantial problem with the Income Tax Act, 1962 (Act No. 58 of 1962). The Income Tax Act presently provides for an incentive income tax rate of 15%. This is essentially the main element which makes a Special Economic Zone special.

Unfortunately an amendment was passed in 2015 in order to avoid transfer pricing which deprives many entities in the RBIDZ from benefitting from the 15% income tax rate. Section 12R (4) of the Income Tax Act currently

prevents a prospective investor from doing business with associated entities, notwithstanding it being a common practice for example, for an entity to set up an manufacturing arm and a marketing arm which sell to each other. The subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970) is causing difficulties for developers throughout KwaZulu-Natal.

The Act prevents the subdivision of agricultural land without the consent of the Minister of Agriculture, Forestry and Fisheries. A recent decision by the Supreme Court of Appeal has found that one cannot even enter into an option for the purchase of Agricultural land without the Minister's approval. This Act, while well-meaning and intending to prevent agricultural land being so divided that it becomes unviable for growing crops, is having a substantial negative effect on development and is one of the causes of the delays in the purchase of the expansion area by the RBIDZ. The other challenge is the seller's requirement that it be compensated with land elsewhere which has the same water rights for growing trees in place, the expansion of tree-growing areas being curtailed by the need to obtain water use permits to do so.

#### *Statutory delays in obtain environmental approvals*

Investors seek to invest rapidly in order to take advantage of evolving conditions. The period of approximately 18 months required to obtain an environmental approval, coupled with the need to also obtain water use licences, which can take even longer, can be frustrating for the investors. The fact that all of these must be obtained before construction of a factory can commence, leads to investors being reluctant to make an investment in South Africa and would prefer to rather invest elsewhere.

#### *Container Facility*

The RBIDZ is discussing with Transnet to enhance container handling facility for Richards Bay Port, particularly being encouraged by the advantage of its location of being the deep water port.

The use of mobile cranes fitted with spreaders in Richards Bay would make it more attractive to shippers to load and unload containers.

#### *Job Expectations*

The Preferential Procurement Regulations and Labour Legislation are very specific on the need for objectivity in awarding contracts and jobs.

It is unfortunate that the demand for jobs far surpasses the supply. This has led to a situation where community members seek to ensure that they receive preference in the chance to receive employment and are willing to protest if this is not the case. Traditional leaders also seek to advantage members of their communities for any work on offer in their traditional areas, which makes it particularly difficult where a job extends over various areas. This goes further where community members demand that contracts be given only to contractors from the immediate area when this is not one of the grounds of preference set out in the Preferential Procurement Regulations. In short, there appears to be a disconnect, whether deliberate or unintended, between the expectation of people to receive preference based on their geographic location and what is stated in the regulations, something which can and does lead to disruptions. The risk should be noted in that, too many disruptions by the community demanding jobs will scare off the very investors who are creating the jobs, which could lead to even less jobs being available.

The RBIDZ is fully committed to promote radical economic development within the confines of the Preferential Procurement Policy Framework Act and the Constitution.

The RBIDZ has been requiring contractors to subcontract at least 30% of the contract to SMME's and disadvantaged groups for some time, commencing some years before the latest procurement regulations clarified the position on this. Since the new regulations were passed, the RBIDZ has on several occasions made use of the prequalification criteria in the regulations to provide that only entities which were both level 1 B-BBEE contributors and exempted micro enterprises ("EME's") could respond to particular tenders.

While the preferential procurement regulations do not provide for preference for contractors from the area, a number of contractors from the local area have benefitted from contracts issued by the RBIDZ.

### **RBIDZ FUTURE OUTLOOK**

In facilitating and supporting the investors with processes of engaging various stakeholders for the attainment of necessary permits for compliance purposes the RBIDZ will have a satellite in-house One Stop Shop to ensure that all required services are housed within one umbrella and within the Zone. This is connected to the National and subsequently the provincial One Stop Shop which was recently launched by the State President.

## CONCLUSION

The Strategic Plan and Annual Performance Plan for 2018/19 were refined during November 2017 and the RBIDZ's full vision is captured in the RBIDZ's strategic outcome – oriented goals. This Strategic Plan fully supports the achievement of the PDGP, and I endorse the strategic plan and I commit to ensuring that it will be implemented effectively and efficiently utilising the available resources.

As the RBIDZ, we acknowledge the fact that we are mandated to change the lives of the people and this may seem as a huge responsibility but with the commitment displayed by all role players and the zest to interrogate all strategic opportunities that will accelerate the socio-economic development, the RBIDZ Team is ready to deliver on the mandate.



MR PUMI MOTSOAHAE

CHIEF EXECUTIVE OFFICER

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## LIST OF ACRONYMS

ACF	African Competition Forum
ASGISA	Accelerated and Shared Growth Initiative for South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act
BCP	Business Continuity Plan
BCO	Business Process Outsourcing
BEE	Black Economic Empowerment
BOE	Black-Owned Enterprises
BWO	Black-Women Owned
BYO	Black-Youth Owned
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CCA	Customs Control Area
CCAEE	Customs Controlled Area Enterprise
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CIP	Critical Infrastructure Programme
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CTLF	Clothing, Textile, Leather and Footwear
DBSA	Development Bank of Southern Africa
DoD	Department of Defence
DTI	Department of Trade and Industry
DRP	Disaster Recovery Plan
EDTEA	Department of Economic Development Tourism and Environmental Affairs
EDD	Economic Development Department
EIA	Environmental Impact Assessment
EXCO	Executive Committee
EM: OCEO	Executive Management: Office of Chief Executive Officer
EM:BDS	Executive Management: Business Development and Support
EME	Exempted Micro Enterprises
FDI	Foreign Direct Investment
FET	Further Education and Training
GDP	Gross Domestic Product
GGP	Gross Geographical Product
GWh	Gigawatt hour
Ha	Hectare
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HR	Human Resources
ICN	International Competition Network
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone

IEP	Integrated Energy Plan
IPAP	Industrial Policy Action Plan
IRP	Integrated Resources Plan
IRR	Internal Rate of Return
IGR	Intergovernmental Relations
ISO	International Organisation for Standardisation
IR	Internal Resistance
IT	Information Technology
ITT	Interdivisional Task Team (ITT)
KCDM	King Cetshwayo District Municipality
KMS	Knowledge Management System
KW	Kilowatt
KWh	Kilowatt hour
KZN	KwaZulu-Natal Province
LRA	Labour Relations Act
LPG	Liquefied Petroleum Gas
LNG	Liquefied Natural Gas
MDA	Manufacturing Development Act
MEC	Member of the Executive Council
MOU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategy Framework
MW	Megawatt
MWh	Megawatt hour
NCOP	National Council of Provinces
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NEET	Not in education, employment or training
NEF	National Empowerment Fund
NEMA	National Environmental Management Act
NEM:WMA	National Environmental Management: Waste Management Act
NGP	New Growth Path
NPC	National Planning Commission
NRCS	National Regulator for Compulsory Specifications
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Specification
OHSACT	Occupational Health and Safety Act
OPEX	Operational Expenditure
PDA	Protected Disclosure Act
PDP	Personal Development Plan
PGDP	Provincial Growth Development Plan
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy

POPI	Protection of Personal Information Act
PPP	Purchasing Power Parity
RASET	Radical Agrarian Socio-Economic Transformation
REIPPP	Renewable Energy Independent Power Producer Programme
RB	Richards Bay
RBIDZ	Richards Bay Industrial Development Zone
R & D	Research and Development
RFP	Request for Proposal
RSA	Republic of South Africa
SADC	Southern African Development Community
SARS	South African Revenue Service
SCM	Supply Chain Management
SDI	Spatial Development Initiative
SEZ	Special Economic Zone
SHEQ	Safety, Health, Environment and Quality
SITA	State Information Technology Agency
SMART	Specific, Measureable, Achievable, Relevant and Time Bound
SPS	Sizabantu Piping Systems
SMME's	Small, Medium and Micro Enterprise
SO	Strategic Objective
SOC	State Owned Company
SPLUMA	Spatial Planning and Land Use Management Act
SWOT	Strengths, Weaknesses, Opportunities and Threats
TIKZN	Trade and Investment KwaZulu-Natal
TISA	Trade and Investment South Africa
ZDO	Zone Development and Operations

# PART A: STRATEGIC OVERVIEW

## 1. Purpose

The company's purpose summarised, ultimately guides the strategic direction of the organisation. The purpose of the RBIDZ is to develop a Special Economic Zone in order to:

- Attract local and foreign investors who will beneficiate South Africa's raw materials;
- Create production capacity;
- Provide services; and
- Create employment and improve the skills base.

## 2. Vision

To be the preferred Special Economic Zone for quality investments whilst delivering value to our stakeholders.

## 3. Mission

We utilize the competitive advantage of the Richards Bay area to attract sustainable investments that stimulate economic growth, job creation, beneficiation of resources and the empowerment of people.

## 4. Values

RBIDZ's vision is supported by six core values, which underpin the workings of the company. (ERISSI).

<b>Excellence</b>	We shall conduct our business with our stakeholders and investors with highest levels of professionalism, competence and responsibility
<b>Respect</b>	We shall embrace diversity by treating each other with respect, trust and dignity at all times
<b>Integrity</b>	We shall pursue ethical practices by being open, honest, sincere and consistent in actions and communications
<b>Sustainability</b>	We shall pursue the development of the RBIDZ to meet the present needs without compromising the ability of future generations to meet their own needs whilst promoting the health and safety culture
<b>Safety</b>	We shall maintain a safe working environment for our employees, contractors, and investors
<b>Innovation</b>	We shall seek creative and novel solutions to ensure continued improvement and address the needs of RBIDZ and stakeholders

## 5. Legislative and Other mandates

### 5.1 Legislative Mandate

The RBIDZ is a Schedule 3D entity in terms of the PFMA.

The IDZ Programme in South Africa was established in terms of a cabinet resolution of September 2002 and was regulated in terms of the Manufacturing Development Act, 1993 (Act No. 187 of 1993) and in particular the specific Regulations made under that Act and contained in Regulation No: R1224 of 1 December 2002 (Government Gazette No: 21803), which was subsequently amended by Government Notice No R1065 of 27 October 2002 (Government Gazette No. 29320).

The RBIDZ was separately established by Government Notice No. 644 of 26 April 2002 (Government Gazette 23369) and its area was then amended by Government Notice No. 1045 of 4 August 2006 (Government Gazette 29094).

On 9 February 2016 the Special Economic Zones Act, 2014 (Act No. 16 of 2014) replaced the Manufacturing Development Act as the statute which regulates Industrial Development Zones. In terms of the transitional provisions to this Act, all Industrial Development Zones created in terms of the Manufacturing Development Act were deemed to be Special Economic Zones. Industrial Development Zones are one of the categories of Special Economic Zones contemplated in the Special Economic Zones Act.

In terms of the Special Economic Zones Act, the purpose of creating Special Economic Zones, such as the RBIDZ, includes:

- a) facilitating the creation of an industrial complex, having strategic national economic advantage for targeted investments and industries in the manufacturing sector and tradable services;
- b) developing infrastructure required to support the development of targeted industrial activities;
- c) attracting foreign and domestic direct investment;
- d) providing the location for the establishment of targeted investments;
- e) enabling the beneficiation of mineral and natural resources;
- f) taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production;
- g) promoting regional development;
- h) creating decent work and other economic and social benefits in the region in which it is located, including the broadening of economic participation by promoting small, micro and medium enterprises and co-operatives, and promoting skills and technology transfer; and
- i) The generation of new and innovative economic activities.

The Customs Controlled Area within an SEZ is regulated by the Customs Control Act, 2014 (Act No. 21 of 2014). The RBIDZ shall, in conjunction and collaboration with SARS: Customs and Excise Division, be responsible and facilitate compliance by SEZ Enterprises, with all SEZ specific legislation, rules and regulations regarding movement of goods, persons and vehicles into and out of the proclaimed areas, as well as with legislation, guidelines and standards; specifically pertaining to safety, health and environment.

In short therefore, the purpose of the RBIDZ is to develop a Special Economic Zone in order to attract local and foreign investors who will create production capacity to beneficiate South Africa's raw materials prior to export and also to create exportable services and will thereby create employment and improve the skills base.

It is thus an integral part of Government's macro-economic policy to develop South Africa's manufacturing sector by encouraging investment in the manufacturing industries, centred on beneficiation of the country's natural resources.

## 5.2 Relevant Court Rulings

The key court case dealing with Industrial Development Zones is the decision of the Constitutional Court in Offit Enterprises (Pty) Ltd and Another v Coega Development Corporation (Pty) Ltd and Others (CCT 15/10) [2010] ZACC 20; 2011 (1) SA 293 (CC) ; 2011 (2) BCLR 189 (CC) (18 November 2010). In this case the Applicants sought a declaratory order that any expropriation of their applicants' property at the instance of the Coega Industrial Development Zone was neither permissible nor lawful.

In Offit Enterprises (Pty) Ltd and Another v Coega Development Corporation (Pty) Ltd and Others (09/09) [2010] ZASCA 1; 2010 (4) SA 242 (SCA) ; [2010] 2 All SA 545 (SCA) (15 February 2010) the Supreme Court of Appeal found: *"that an expropriation of the appellants' properties for the purposes of their inclusion in the Coega IDZ would serve a public purpose and it can make no difference whether the properties are retained by the national government as the expropriating authority or transferred to Coega Development. In any event such an expropriation would plainly be in the public interest once it is accepted that it furthers the development of the Coega IDZ. That suffices to dispose of the point that an expropriation would not be permissible under s 2 of the Expropriation Act."*

The Constitutional Court found *"there is no reason that the first respondent should be barred from making an application for the expropriation of the applicants' property in the future if it so requires for the benefit of the development of the Coega IDZ, provided that it does so lawfully"*.

The above makes it clear that the existence of Industrial Development Zones, such as the RBIDZ, is in the public interest and could justify the use of expropriation, if required. The same would apply to Special Economic Zones, Industrial Development Zones being both the forerunner of Special Economic Zones and a category of Special Economic Zone.

The case of State Information Technology Agency SOC Limited v Gijima Holdings (Pty) Limited (CCT254/16) [2017] ZACC 40 illustrates the care that must be taken by organs of State such as the Company in procuring goods and services. The Constitutional Court ruled:

*"The question is: did the award conform to legal prescripts? If it did, that is the end of the matter. If it did not, it may be reviewed and possibly set aside under legality review."*

*It was not in dispute that the award of the DoD agreement by SITA was not pursuant to a competitive bidding process. Neither party produced evidence to show that, despite not following a competitive process, the process followed complied with the relevant public procurement prescripts. Section 217 of the Constitution insists on a system of public procurement that complies with certain factors. It provides that "[w]hen an organ of state . . . contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective". It therefore seems reasonable for this Court to infer that, in awarding the contract, SITA acted contrary to the dictates of the Constitution. Based on Fedsure, this was at odds with the principle of legality and liable to be reviewed and possibly set aside. Indeed, we have previously held that the principle of legality would be a means by which an organ of state may seek the review of its own decision.*

The Court ruled that, when an organ of State such as the Company seeks to have its own decision set aside it does so in accordance with the doctrine of legality (ie it must act legally) rather than in terms of the Promotion of Administrative Justice Act.

The judgement illustrates the need for the Company to act legally in undertaking procurement. This is so not only because the matter ending up in court would be costly but also because it could substantially delay the development of the zone and the date on which future locators become operational and begin contributing to the economy and the creation of sorely needed jobs.

## 5.3 Planned Policy initiatives

### 5.3.1 Industrial Policy Action Plan

At the launch of the 9th iteration of the Industrial Policy Action Plan- IPAP 2017/18 - 2019/20 on 08 May 2017, Minister of Trade and Industry, stressed that the focal point is around the drive for Radical Economic Transformation whose key features include the need to raise aggregate domestic demand. This can be done mainly through public procurement and efforts to persuade the private sector to support localisation, energetic implementation of the Black Industrialists Programme and the National Buy Back SA campaign, as well as the strengthening of on-going efforts to build a less concentrated, more competitive economic and manufacturing structure.

Some key challenges that South Africa faced was de-industrialisation, which saw manufacturing shrinking from a peak of 28% of Gross Domestic Product (GDP) to just over 13% over the past two decades. Since 2008 manufacturing investment as a share of GDP had remained below the 25% needed for sustained economic growth. Deep seated skills shortages and mismatches had also acted as barriers to growth. Domestic economic constraints included escalating electricity prices, high port and rail costs and road transport externalities. Another challenge was policy uncertainty & programme misalignment.

The IPAP 2017- 2018 provided an overview of the IPAP transversal focus areas and IPAP sectoral focus areas.

#### *IPAP 2017- 2018 Transversal Focus Areas:*

**Public Procurement**-the emphasis was on designations and local content. Two important initiatives were the National Industrial Participation Programme and the Competitive Supplier Development Programme.

**Industrial Financing Incentive Schemes** - Initiatives included the Black Industrialists Programme, the Automotive Investment Scheme, the Industrial Parks Revitalisation Programme and the Cluster Development Programme.

**Innovation and Technology** - Technology transfer and diffusion would be ensured. Locally developed technologies would be adopted and commercialised. There would also be large research and development programmes.

**Special Economic Zones (SEZs)** - It included the designation of new SEZs, institutional and capacity development, rapid infrastructure development and the on-streaming of secured investments, that is, foreign direct investment.

**Developmental Trade Policy** - Technical infrastructure realignment would take place i.e. IPAP and 9 Point Plan. The plan was to do developmental tariff reform and to have a clamp down on customs fraud and the illegal economy etc.

**African Industrial Development** - The intention was to build regional investment, trade and industrial development integration. To have an industrial knowledge repository, undertake value chain research and do capacity building. There would also be cross-border industrial projects.

#### *IPAP 2017/18 Sectoral Focus Areas 1:*

**Automotive** - An Autos Master Plan was envisaged and improvement in competitiveness would be strived for.

**Clothing, Textiles, Leather and Footwear** - Monitoring the impact of the Clothing and Textiles Competitiveness Programme would be done. The clothing and textile incentive would be revised.

**Metal fabrication, Capital and Rail Transport Equipment** - Designation and localisation would take place. Company level competitiveness enhancement would take place and there would be a jewellery industry support programme.

**Agro-Processing** -An Agro-processing framework would be put in place. In the past the focus had been mainly of sugar, wheat and maize. The focus should be on high value items like fruits and nuts. There would also be a niche opportunity programme.

**Forestry, Timber, Paper, Pulp and Furniture** - Programmes planned was a furniture competitiveness programme, a regional development programme in the forestry value chain and a SA paper recycling programme. Furniture market access development would also take place.

**Plastics** - Designation and localisation would take place. The plastics market was distorted as SASOL had a monopoly. Efforts would be made to encourage plastics recycling.

**Chemicals, Pharmaceuticals & Cosmetics** -A chemicals and bio-chemicals development plan and a medical devices supplier development programme were to be developed. Preferential measures would be put in place for locally manufactured medicines.

*IPAP 2017/18 Sectoral Focus Areas 2:*

**Primary Minerals Beneficiation** - Maximisation of the industrial potential of Southern African gas reserves would be ensured. Energy storage development and fuel cell industry development would take place. In addition steel sector supply-side interventions would be put in place.

**Green Industries** -A policy roadmap for climate-compatible industrial development and a Strategic National Smart Grid Vision for the South African Electricity Industry was on the books.

**Business Process Services (BPS)** - Implementation of the new BPS incentive would take place. Talent development for the BPS sector was also planned.

**Water and Sanitation** -A Water Industrialisation Development Plan was to be developed. Desalination in manufacturing and advanced wastewater technologies in manufacturing was being looked at.

**Marine Manufacturing and Associated Services** -A designation and localisation programme was intended. Other programmes covered components supplier development and skills development.

**Aerospace and Defence** - Technology enhancement for high value manufacturing in the aerospace industry would be done. South African companies Denel and Aerosud were providing components for aerospace giant's Boeing and Airbus.

**Electro-technical & White Goods Industries** - Local procurement of vaccine refrigerators would be encouraged. There would be a supplier development programme for white goods industries. In addition there would be a localisation of products largely procured by the National Department of Public Works.

*The IPAP provided key themes to focus on for 2017/18*

**Radical Economic Transformation:** Up scaled efforts to secure shared and inclusive growth: transformation of ownership and management control and empowerment through decent jobs, especially in labour-intensive sectors.

**Programme Alignment:** Intensified effort to secure a streamlined, inter-departmental 'clearing house' to fully align policy and programmes, deal with bottlenecks and ensure that all departments, SOCs and agencies are pulling in the same direction and supporting the industrialisation effort.

**Cutting Red Tape:** Continuing efforts to achieve a well-regulated, integrated, development-friendly investment framework to raise levels of productive (non-portfolio) capital inflows.

Strengthen efforts to raise aggregate domestic demand: This would be mainly through localisation of public procurement and intensified efforts to persuade the private sector to support localisation and local supplier development.

Much stronger ongoing focus on **labour intensity across the value chains** that link the primary and secondary sectors of the economy.

A stepped-up **export effort** - with a focus on key existing exporters, emerging export-ready firms and strong support for new black-owned industrial export entrants.

**The National Buy Back SA Campaign** will be energetically implemented, with the full support of the public sector, led by Proudly SA, the SOCs and the private sector.

Strengthening of on-going efforts to build a less concentrated, more competitive **economic and manufacturing** structure in which barriers to entry for new entrants are lowered.

Building a stronger system of **industrial finance and incentives** to support and secure higher levels of investment in the productive sectors of the economy.

Ensuring that the foreseeable effects of the **Fourth Industrial Revolution** and emergent disruptive technologies are understood, and adapting SA's productive and services sectors to meet the challenges, including those relating to employment displacement.

**Illegal economy:** A concerted national effort to lock out illegal and sub-standard imports - led by the security cluster and involving the NRCS and customs.

**Beneficiation:** Ongoing effort to secure technology-intensive, value-adding production capabilities to utilise SA's comparative resource endowment advantage as a global competitive advantage.

**Technology:** A stronger inter-departmental effort is already under way to optimise technology transfer and diffusion (building on the programmes of the CSIR's Technology Localisation Unit) and to commercialise 'home-grown' R&D in key sectors.

**Gas Industrialisation:** First steps are already in place - LPG/LNG; gas to power RFP's and the expansion of the Sasol pipeline. Continuing integrated support for the gas industrialisation effort is critical, given its significant economic and employment multipliers and lower carbon-intensity.

**Greening:** Driving energy-efficient production and carbon mitigation efforts and measures which will increasingly have to be phased in to all sectors of the economy in a manner that allows for sustainable adaptation.

## 5.4 Constitutional Mandate

In the light of its goals of growth, development and job creation, the SEZ programme relates to the constitutional goal of improving the quality of life of all citizens and freeing the potential of each person; building a united and democratic South Africa that is able to take its rightful place as a sovereign state in the family of nations and, in creating jobs, enhancing the dignity of all. In order to achieve this RBIDZ advocates for the employment of a larger percentage of South Africans in each investment project within the zone. Furthermore it will maximise downstream opportunities for the benefit of SMME's.

Industrial Development Zones directly relate to the functions of industrial promotion, regional planning and development and urban and rural development, set out in Schedule 4 of the Constitution of the Republic of South Africa, 1996.

As an organ of state the RBIDZ is mandated to ensure that its procurement processes are fair, equitable, transparent, competitive and cost effective and is in accordance with the right of fair administrative action.

It is also required to ensure that, in developing the zone, it recognises that everyone has a right to an environment that is not harmful to their health or well-being and to have the environment protected, for the benefit of present and future generations.

## 6 Situational Analysis

### 6.1 Global Research

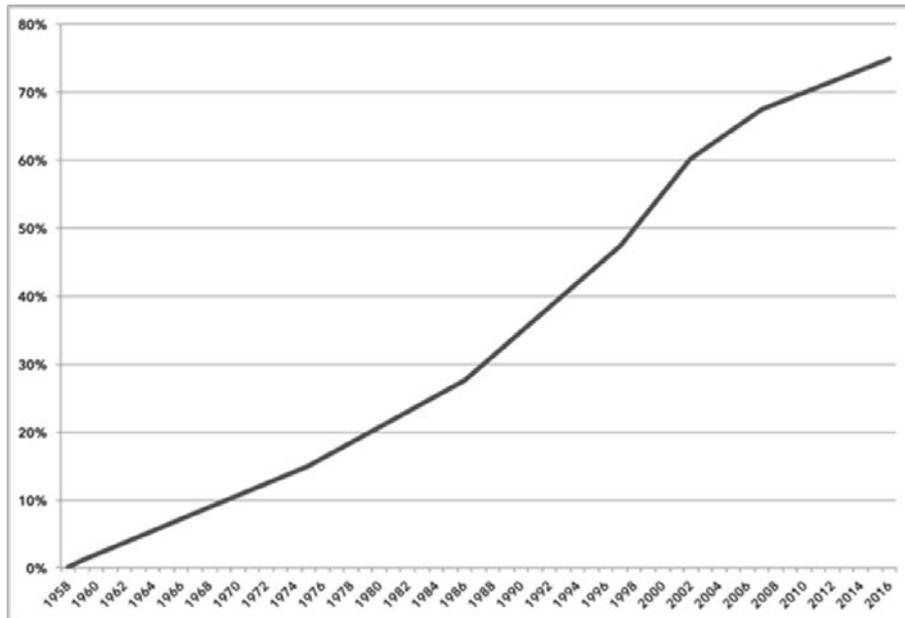
The assessment of international IDZ/SEZ development revealed that there are more than 3000 Special Economic Zones operating worldwide. The number of countries with SEZs in existence has grown rapidly providing potential investors significant choice and making this environment highly competitive.

#### 6.1.1 Special Economic Zones

In 1958 SEZ type entities did not exist anywhere in the world. By 2016 over 70% of the world's countries have their own SEZs.

Figure 4 is a graph indicating the growth in the number of countries with SEZs.

### ***Percentage of Countries Worldwide with SEZs or Similar Zones Since 1958***



<https://fee.org/articles/how-special-economic-zones-are-quietly-advancing-freedom/>

The mere existence of an SEZ will not draw investor attention. SEZs now have to show that they are “Special” in order to attract the interest of potential investors.

In an article written with relation to the setting up of SEZs in Bangladesh, the author, Selim Raihan, identifies a number of points on how to ensure SEZs are successful.

- SEZs have to deliver what they promise. The standards of infrastructure and business environment within SEZs have to be up to the global standard.
- While SEZs are aimed at creating 'efficient' enclaves, improvements in the business environment and infrastructure of the overall economy can't be overlooked.
- The SEZs would need to be connected to 'efficient' sea and land ports.
- SEZs should aim for facilitating economic and export diversification leading to progressive structural transformation of the economy. Emphasis should be on production of high value-added and diversified products.
- Unless and until these sector specific problems are resolved, many potential sectors would not be able to enjoy a large part of the opportunities provided by the SEZs.
- It has to be ensured that the institutions governing the operations of SEZs are competent.
- There is a need for strong commitment from the political elite for necessary economic and institutional reforms towards realising the prospects of SEZs.

Some work was done in 2017 by the Centre for Development and Enterprise on the lack of competitiveness of the South African SEZs.

The lessons that they have put forward for South African SEZs are:

1. **Special Economic Zones must be special** – need to be different from what is offered in the rest of the economy
2. Global competitiveness is what counts – it's not enough just to be better than the host economy - market access, logistics, labour market practices & fiscal incentives are considered
3. **The rest of the host economy also has to work** - the extent to which they can function effectively and benefit the host economy as a whole depends on wider economic conditions
4. **SEZs should offer tailored solutions to problems faced by local businesses**- The key is to ensure that the zones help address whatever constraints limit the growth of those sectors elsewhere in the economy. Where mass unemployment is a problem, SEZs should focus on addressing the needs of labour-intensive industries
5. **The costs and flexibility of employment matter** - Flexible labour markets are essential if SEZs are to be globally competitive in labour-intensive manufacture. Wage levels are important. So too are rigid overtime rules, legal conditions governing temporary employment and/or piece-work, shift systems, rules of dismissal, etc.
6. **SEZs are badly suited to uplifting poor regions**- Lack of infrastructure, access to skilled resources and distances from markets.
7. **SEZs require political commitment from the highest levels of government**- Effective SEZ policies and operations require the coordination of a number of government departments.
8. **The most successful SEZs are public-private partnerships**- The approach where zones are regulated, developed and operated exclusively by government has been discredited by international experience. Today, the preferred institutional model for successful SEZs involves a division of labour and cooperation between the public and private sectors.
9. **Effective investment promotion agencies are a vital part of the SEZ strategy**- SEZs work best when their host countries have effective investment promotion agencies, which actively seek to attract FDI.

Source: Round Table convened by the Centre for Development and Enterprise

### 6.1.2 PESTEL Analysis

The PESTEL dimensions were researched as part of the macro-economic analysis to establish the current dimensions that could impact RBIDZ. The environmental factors applicable to RBIDZ were considered during the development of the RBIDZ 2018-2023 Strategic Plan.

These factors are summarised as follows:

#### a) Political

##### *Global*

Below are some of the key events in the recent past that have to be considered.

The US president elected believes the United States has incredible potential and will go on to exceed anything that it has achieved in the past. His campaign slogan was *"Make America Great Again"*, and that is exactly what he intends to do. In early December 2017 the Republican controlled U.S. Senate approved massive and sweeping tax reform designed to bring about unprecedented changes to the American tax system. The corporate rate would be reduced from 35% to 21% and would take effect in 2018. The lower US corporate tax rates will attract new investment capital. RBIDZ would therefore be competing in a global market that is looking to position themselves more competitively.

Britain has voted to leave the European Union and is scheduled to depart on Friday 29 March, 2019. After the declaration of the referendum result, the pound fell to its lowest level since 1985 and the Prime Minister immediately resigned as a result. With the pending exit, accessing the single EU market via the UK will be a challenge.

The Zimbabwean president resigned, shortly after parliament began an impeachment process to end his nearly four decades of rule. South Africa is Zimbabwe's biggest trading partner. Emmerson Mnangagwa takes over from Robert Mugabe as Zimbabwe's president and will face challenges ahead as he attempts to restart the economy both foreign and local investors are willing to promote investment in Zimbabwe to stimulate production. It is well positioned to serve regional markets for countries that are members of the Southern African Development Community (SADC). Thus, the country is centrally and strategically located in the Southern African Region. It is also a regional entry and forms part of the North-South Corridor linking South Africa with countries to the north of Zimbabwe such as Zambia, Democratic Republic of Congo and Malawi. In order to repair bridges with the international community, Government must modify some of the investment policies to make them more investor friendly. Should Zimbabwe recover, there should be increase in opportunities for South African trade and industry.

### *South Africa*

RBIDZ is one of the six (6) Special Economic Zones (SEZs) recently announced by National Treasury to be recognised by the Economic Tax Incentive Act.

Investors located within the SEZ will be able to claim a tax incentive for all employees working in one of the SEZs, irrespective of an employee's age, but subject to qualification tests such as minimum wage and maximum remuneration. Investors located outside of the SEZ can only claim for the incentive of employees aged between 18 to 29 years.

Most of the year, South Africa was marred by political upsets, followed by subsequent downgrades of the nation's sovereign credit rating by key ratings agencies. Conversely, global business optimism was fairly stable at 49% optimistic, just two percentage points below the 51% recorded during the second quarter of this year. Optimism among firms in the US was well above the global average at 70%, while Chinese business optimism hit a three-year high of 52%. South Africa's instability, uncertainty and pessimistic outlook has no doubt influenced the World Economic Forum's Global Competitiveness Report for 2017/18 in which South Africa's overall ranking declined 14 places to 61 from 47.

KwaZulu-Natal Premier Willie Mchunu has described the announcement of a R4.5 billion investment at the Richards Bay Industrial Development Zone (RBIDZ) as an affirmation that KwaZulu-Natal is indeed a preferred destination for foreign direct investment.

The Leader of Government Business and MEC for Economic Development, Tourism and Environmental Affairs Sihle Zikalala presided over the strategic partners signing ceremony, which was attended by captains of industry and members of the diplomatic corps representing New Zealand, Zimbabwe and Germany. The partnership involving RBIDZ, Nyanza Light Metals and a New-Zealand based company, Avertana Ltd heralds a new era and paves the way for the construction of titanium beneficiation plant."

Speaking at the signing ceremony and representing the Premier, Zikalala pointed out: "We are excited that that RBIDZ will now host this strategic plant which will assist in ensuring that this province remains a national leader in the production of chemicals. The plant will produce titanium dioxide pigment, a product used in paint, toothpaste and colourants for food products."

In order to advance economic transformation, Government resolved, at Mangaung, as follows: To promote growth and development and eradicate the triple scourge of unemployment, poverty and inequality, To increase State-led infrastructure investment aimed at massively improving social and economic infrastructure, with an emphasis on the use of local content and local companies, To give effect to the National Development Plan (NDP), and the New Growth Path and the Industrial Policy Action Plan with the aim of stimulating growth, employment and the re-industrialisation of the South African economy. To transform the mining sector with the aim of widening the benefits of South Africa's abundance of minerals, including the creation of safe and decent work on the mines as well as benefits for near-mine local communities, as well as give particular focus to mineral beneficiation. It also resolved to promote youth employment, small business and co-operatives.

## b) Economic

### *Global*

The global upswing in economic activity is strengthening. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2 percent, is projected to rise to 3.6 percent in 2017 and to 3.7 percent in 2018.

The growth forecasts for both 2017 and 2018 are 0.1 percentage point stronger compared with the April 2017 (World Economic Outlook (WEO) forecast.)

### *South Africa*

In October 2017, finance minister delivered his maiden Medium Term Budget Policy Statement. He faces the country's biggest tax revenue shortfall since 2009 (a massive R50.8bn) as well as a rising debt-to-GDP ratio which is currently at 54.2% but which is forecast to top 61% by 2022. To add fuel to his fire National Treasury also revised growth for 2017 downwards from 1.3% to 0.7%.

Continued funding for the SEZs is at risk as a result of the squeeze on money available to government. The 2017 budget (Prepared by former finance minister) allocates **R4.2bn** for industrial infrastructure in SEZs and industrial parks over the medium-term expenditure framework.

New finance minister told a Black Business Council roundtable ahead of the World Economic Forum on Africa in Durban that government is going to focus on putting enabling infrastructure in place. This is so that the private sector can have the basic services, electricity and transport networks to produce and transport world-class goods and services, he said. This continued focus on development mitigated against the risk of reduced allocations to SEZs in the future.

Government recently discussed in length the policy of Radical Economic Transformation. The key strategies from the policy discussion document on how they plan to realise economic transformation are summarised as follows:

### *Re-industrialising South Africa's economy*

The country must sever its old growth path, largely dependent on exporting raw materials. Instead, government must create the conditions for the economy to industrialise through manufacturing and beneficiation, or processing, of raw materials. It must use industrial policy such as providing incentives for manufacturers to promote a more diverse economy and generate mass employment.

### *Emphasis on black ownership (of land and the economy)*

Priority must be given to generating black ownership in emerging new and old sectors of the economy including mining and manufacturing. Revised BEE codes also need to be enforced across a range of sectors.

Targeted financial support such as tax breaks and improved market access for black entrepreneurs and small businesses is listed as crucial for equitable growth. Supporting land reform and "returning the land to our people", along with investment in farming equipment and technical skills transfer to beneficiaries, is a priority policy intervention.

### *Dismantling monopoly structures and practices*

Strict enforcement of competition legislation aimed at eliminating monopolistic behaviour in the economy is required, including bringing legislation to Cabinet to strengthen the Competition Act. De-concentration of ownership of the economy will demand eliminating price-fixing and anticompetitive behaviour of both private and public companies.

Government says it should mandate a "detailed investigation into the underlying structure of the economy to recommend ways to dismantle monopolistic and oligopolistic structures in the economy". The creation of a state-owned bank is listed as one way to change the structure of the country's banking sector.

Attracting "talented young people" into the public service is also reiterated in the National Development Plan and stresses the need for nurturing of "technical, specialist and professional skills among public servants".

### *State in the driving seat of development*

Government must focus on defending its vision of a 'democratic developmental state' in which government guides the economy and harnesses the strengths of the private sector. This includes a strong role for state-owned companies and maintaining a budget for at least 2 million public sector employment opportunities every year.

### *Policy continuity over policy change*

While economic policy remains up for debate, Government is continuing with its economic transformation strategy and it gives effect to the National Development Plan as a societal blueprint, along with the New Growth Path (NGP) and Industrial Policy Action Plan (IPAP) as guiding policy.

## c) Social

In framing its attractiveness as a Special Economic Zone, the RBIDZ has also factored in the following factors:

- Perceptions of crime
- Uncontrolled labour strikes/unrest
- Prevalence of HIV/Aids infections
- High levels of unemployment
- Shortage of critical skills
- Partnerships with training colleges/ FET's
- Poverty
- Quality of life

The South African Police Service has released the crime statistics for 2017, showing which crimes have increased and decreased in the past year.

To assure the investment community, the South African Police Service Strategic Plan 2014-2019 states that "we can infer that South Africa is safe and stable as there are no internal conflicts fought; there are no deaths experienced from organised external conflicts. South Africa continues to maintain good relations with neighbouring countries, particularly Southern African Development Community and African Union member States; there has never been political instability in the country for over 15 years; violent demonstrations continue to be stabilised; firearm proliferation is regulated and there is no large-scale ease of access to small arms and light weapons and the police continues to confiscate unlawful firearms and ammunition."

RBIDZ has recognised that successful socio-economic development must be done in partnership with other key stakeholders in the area including the TVET Colleges to improve the availability of required skills and contribute to the reduction in unemployed youth. To this end the Strategic Goal of stakeholder management is seen as key to the future delivery of the IDZ.

## d) Technological

### *Information and Communications Technology (ICT)*

South Africa is expected to have the highest information, technology and communications (ICT) spend across the Middle East, Turkey and Africa (META) regions in 2017. This is according to the latest insights presented by International Data Corporation (IDC). South Africa is expected to lead the way among the regions with a \$10.5bn spend in 2017 as technologies such as cloud, big data, social, and mobility become investment imperatives and dominate the ICT decision-making agenda.

Trailing behind SA, Saudi Arabia is expected to spend \$7.5bn on ICT, with the UAE spending \$6.2bn, and Turkey seeing a \$5.6bn spend.

A snapshot of the ICT industry in South Africa currently shows that because the majority of products are imported, the weak rand has made technology more expensive. Since the start of the accelerated depreciation of the rand, resellers have reported that bigger capital outlays are being delayed for fear that the currency will further weaken.

South Africa has jumped 10 places in the World Economic Forum (WEF) global information and communication technology rankings from 75th to 65th. The ranking measures 139 countries and studies factors such as the political and regulatory environment, infrastructure and digital content, usage of ICT as well as economic and social impacts.

South Africa has made advances in the likes of bandwidth infrastructure, with the country ranking 18 in the world.

There needs to be decisive and significant investment in IT Broadband, to ensure comparable speeds to what is available elsewhere on the globe. Additionally, centres of research and development should not only be housed in a university, but also have local roots and thrusts.

### *Alternative energy*

South Africa has a high level of Renewable Energy potential and presently has in place a target of 10 000 GW of Renewable Energy.

The Renewable Energy Independent Power Producer Procurement Programme has been designed so as to contribute towards the target of 3 725 megawatts and towards socio-economic and environmentally sustainable growth, and to start and stimulate the renewable industry in South Africa.

South Africa's wind energy success story continues into 2017 with well over 1 gigawatt (GW) of power now feeding electricity into the country's grid. More than 3 GW of wind energy has already been allocated through the Government's Renewable Energy Independent Power Producer's Programme (REIPPP).

### e) Environmental

With the increasing effects of global warming being experienced world-wide, countries and its people are looking toward the Green Economy for reducing the negative impact on the environment through innovative technologies and processes.

The Organisation for Economic Co-operation and Development (OECD) outlines the following key factors for consideration in its 2013 Environmental Performance Review:

#### **Opportunities:**

- Rich biodiversity and exceptional ecosystems and habitats
- Abundant non-renewable energy and mineral resources
- Green growth opportunities from wildlife game farming, ecotourism, energy-efficiency measures and innovation
- A comprehensive policy and regulatory framework for protecting the environment and managing natural resources
- The fastest-growing renewable energy market in the G20 and the ninth-leading destination of clean energy investment

#### **Challenges:**

- One of the most energy- and carbon-intensive economies in the world
- An overreliance on natural resources
- Poorly regulated mining resulting in serious environmental damage
- High pressures on limited water resources
- Poor environmental quality and access to environmental services (sanitation, waste collection and healthy housing) affecting health, especially children.
- Increasing illegal poaching, wildlife trade and damage by invasive species

## Natural Assets

South Africa's annual water abstraction per person (300m<sup>3</sup>) is only one-third of the OECD average, but the country's use of around 25% of total available water puts it under medium-high water stress.

Irrigation accounts for more than 60% of water use. High losses from the ageing water-distribution infrastructure exacerbate water scarcity.

Since 2006, the biological and chemical quality of rivers and lakes has declined, and about one-quarter of river ecosystems are critically endangered. The quality of surface water is particularly poor around urban areas.

Groundwater and surface water contamination from the flooding of closed mines is a serious threat.

While 6.5% of the land and 7% of the coastal marine territory are under formal protection, many ecosystems are not adequately represented in the formal protected area network. Almost half the wetland area is critically endangered. South Africa's mining and mineral processing exert significant pressure on biodiversity and nature. Invasive alien species have become a growing challenge to biodiversity, water and agricultural security.

Since the end of apartheid, universal access to an improved water source has been achieved in most urban areas, and access to sanitation has increased however as per the Department of Water and Sanitation (DWS) Minister. "Shortage of adequate water supply does not only serve as a threat to life, food security and damage to nature in the City of uMhlathuze and King Cetshwayo (KC) District, but also severely affects industries in the area". To assist with the water shortages, Richards Bay have launched a portable desalination plant that will feed Richards Bay an extra 10 mega litres of clean drinking water per day in May 2017. It is the first mobile sea water purification unit in South Africa, comprising 10 containers and located adjacent to the water treatment plant at Alkantstrand. The R300-million ground-breaking development will pump desalinated water to reservoirs to supply almost 20 reservoirs within the city, supplying the communities and local industries.

## f) Legislative

The Legislative Sector includes the National Parliament of the Republic of South Africa as well as the Provincial Legislatures. The key strategic goals and objectives for Legislative Sector development are:

- To deepen and entrench a people-centred democracy in South Africa by deepening public participation and representation in the Legislative Sector, contributing to nation-building and ensuring the mainstreaming of gender and disability.
- To strengthen law-making and oversight capacity in order to ensure executive accountability by ensuring effective law-making processes, and effectively holding the executive accountable through vigorous oversight.
- To ensure that the Legislative Sector institutions optimally carry out their mandate at political and administrative level by building effective and efficient Legislative Sector institutions individually and collectively as a Legislative Sector and pillar of State.
- To fulfil and enhance the Legislative Sector's role in the international legislative community by participating in the region, the continent and globally in order to strengthen the capacity of the Sector and to share knowledge and experiences with counterparts internationally.

Under the legislative heading, the following represent aspects that need consideration in decision-making:

- Complexities of legislative requirements and compliance with different governments, both provincial and national.
- Special Economic Zones Act – To provide for the designation, promotion, development, operation and management of Special Economic Zones; to provide for the establishment, appointment of members and functioning of the Special Economic Zones Advisory Board. To provide for the establishment of the Special Economic Zones Fund; to regulate the application, issuing, suspension, withdrawal and transfer of Special Economic Zones operator permits; to provide for functions of the Special Economic Zones operator; to provide for transitional arrangements; and to provide for matters connected therewith.
- Subdivision of Agricultural Land Act 70 of 1970 - To control the subdivision and, in connection therewith, the use of agricultural land.
- The Protection of Personal Information Act, 2013 (POPI) - Seeks to support the right to privacy of personal information of South African citizens and bring South Africa in line with international data

protection laws. The Act protects the personal information collected and processed by organisations. This Act contains eight principles that the responsible parties need to comply with.

- Spatial Planning and Land Use Management Act , 16 of 2013 (SPLUMA) - Aims to develop a new framework to govern planning permissions and approvals, sets parameters for new developments and provides for different lawful land uses in South Africa. SPLUMA is a framework law, which means that the law provides broad principles for a set of provincial laws that will regulate planning. SPLUMA also provides clarity on how planning law interacts with other laws and policies.
- Protected Disclosure Act 26 of 2000 (PDA) - Makes provision for procedures in terms of which employees in both the private and the public sector may disclose information regarding unlawful or irregular conduct by their employers or other employees in the employ of their employers; to provide for the protection of employees who make a disclosure which is protected in terms of this Act; and to provide for matters connected therewith.
- National Environmental Management Act 107 (NEMA) of 1998 - Provides for co-operative environmental governance by establishing the:
  - Principles for decision-making on matters affecting the environment;
  - Institutions that will promote co-operative governance; and
  - Procedures for coordinating environmental functions exercised by organs of state.
- Broad-Based Black Economic Empowerment Amendment Act 46 of 2013 (BBBEE) -Establishes a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
- Carbon taxes - Levied on the carbon content of fuels.
- Industrial policies - Plan of a country, is its official strategic effort to encourage the development and growth of the manufacturing sector as well as other sectors of the economy.
- National Water Act, Act No. 36 of 1998 - To provide for fundamental reform of the law relating to water resources; to repeal certain laws; and to provide for matters connected therewith.

### 6.1.3 SWOT Analysis

<b>INTERNAL</b>	Have positive influence towards achieving objectives	Have negative influence towards achieving objectives
	<b>STRENGTHS</b>	<b>WEAKNESSES</b>
	<ul style="list-style-type: none"> <li>• Location- proximity to a deep water port, rail, roads, air infrastructure</li> <li>• Assertive application of localisation, SMME and enterprise development</li> <li>• Variety of natural resources (beneficiation opportunities)</li> <li>• Skilled labour-force in close proximity</li> <li>• Experienced staff/multi-skilled staff</li> <li>• Committed staff</li> <li>• Effective Supply Chain Management Processes</li> <li>• Good governance (financial management and risk management)</li> <li>• Clean audit</li> <li>• Improved relationship with key stakeholders</li> <li>• Positive image and reputation</li> <li>• Brand visibility</li> <li>• Upgraded ICT Infrastructure</li> <li>• Strong shareholder support</li> <li>• Existing electrical and Gas infrastructure</li> <li>• IDZ is not located in a congested, metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>• Limited land portfolio for expansion</li> <li>• Global competitiveness</li> <li>• Moratorium on employment</li> <li>• Slow conversion of investor pipeline</li> </ul>
<b>EXTERNAL</b>	<b>OPPORTUNITIES</b>	<b>THREATS</b>
	<ul style="list-style-type: none"> <li>• Expansion opportunities (energy generation for the country through Oil and Gas)</li> <li>• Expansion of ship repair/building to SA and Mozambique</li> <li>• Containerization of the Richards Bay Port</li> <li>• Richards Bay is a deep water port</li> <li>• Beneficiation of resources available (aluminium, titanium, iron ore, oil and gas)</li> <li>• Agro-processing for export market</li> <li>• Partnering with other experienced enterprise zones/international</li> <li>• Accessibility to other Africa markets</li> <li>• Lead efforts</li> <li>• Municipal incentives</li> <li>• PPP</li> <li>• Oil refinery (also use to motivate for land)</li> <li>• Bilateral/ twinning agreements with leading SEZs</li> <li>• Extend the SEZ impact into rural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate Funding</li> <li>• Electricity tariffs</li> <li>• Water (drought)</li> <li>• Community activism</li> <li>• Reluctance to release of agricultural land</li> <li>• Change in political leadership can impact on support</li> <li>• Slow Economic Growth-impacts on sustainability of investors</li> <li>• Servitude and pre-emption impacts on proposed land portfolio</li> <li>• Limited container handling facility in Richards Bay</li> <li>• SEZ incentives not implemented in terms of the Income Tax Act</li> <li>• The lack of incentives for certain sectors due to the SEZ Act</li> <li>• Land claims</li> <li>• New entrants into SEZ space on the continent.</li> <li>• Delays in announcement / publication of IRP / IEP</li> <li>• Poor intergovernmental relations</li> </ul>

6.1.4 Table of PESTEL items

Factor	Issue	Opportunity/ Threat
Political	<ul style="list-style-type: none"> <li>• Grant dependency</li> <li>• SEZ national interest and provincial priority</li> <li>• Change in leadership may impact on support received</li> <li>• Black Industrialist Programme</li> <li>• One stop shop initiative being driven by National Government</li> <li>• Political uncertainty - effect on investor perception</li> </ul>	<ul style="list-style-type: none"> <li>• T</li> <li>• O</li> <li>• O</li> <li>• T</li> <li>• O</li> <li>• O</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Competition with other SEZs for funding</li> <li>• Funding uncertainty</li> <li>• Effects of global recession/Poor economic outlook Global &amp; South Africa</li> <li>• Search for offshore oil</li> <li>• Low investor confidence / low FDI appetite</li> <li>• Global competition</li> <li>• Government infrastructure program</li> <li>• Big business in the Richards Bay area</li> <li>• Independent Power Producers Programme</li> <li>• Development of larger container ships and recreational boats</li> <li>• Potential increase in energy cost</li> <li>• Potential rating downgrade</li> <li>• Currency fluctuations</li> <li>• Electricity tariff impact on Hillside</li> <li>• Partnership with Municipalities</li> <li>• Existing enterprises in distress</li> </ul>	<ul style="list-style-type: none"> <li>• T</li> <li>• T</li> <li>• T</li> <li>• O</li> <li>• T</li> <li>• T</li> <li>• O</li> <li>• O</li> <li>• T</li> <li>• O</li> <li>• O</li> <li>• T</li> <li>• T</li> <li>• O/T</li> <li>• T</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Prevalence of HIV/AIDS infections</li> <li>• Perceptions of crime</li> <li>• Quality of life</li> <li>• Partnerships with training colleges/FETs</li> <li>• High levels of unemployment</li> <li>• Poverty</li> <li>• Community Activism and Job demands</li> </ul>	<ul style="list-style-type: none"> <li>• T</li> <li>• T</li> <li>• T</li> <li>• O</li> <li>• O</li> <li>• T</li> <li>• T</li> </ul>
Technological	<ul style="list-style-type: none"> <li>• Alternative energy sources</li> <li>• ICT infrastructure and IT skills</li> <li>• Technology to reduce impact of industries on air quality</li> <li>• IT Broadband</li> <li>• Expanded use of aluminium and titanium in other industries</li> <li>• Research and Innovation in technology and utilization thereof</li> </ul>	<ul style="list-style-type: none"> <li>• O</li> <li>• O</li> <li>• O</li> <li>• O</li> <li>• O</li> <li>• O</li> </ul>

Factor	Issue	Opportunity/ Threat
Environmental	<ul style="list-style-type: none"> <li>• Air quality</li> <li>• Passionate environmental activists and lobby groups in Richards Bay</li> <li>• Delay of environmental approval processes</li> <li>• Limited water resources</li> <li>• Limited sites for hazardous waste</li> <li>• Effects of climate change</li> <li>• Lack of land availability</li> <li>• Rich biodiversity and exceptional ecosystems and habitats</li> <li>• Abundant non-renewable energy and mineral resources</li> <li>• Green growth opportunities from wildlife game farming, ecotourism, energy-efficiency measures and innovation</li> <li>• A comprehensive policy and regulatory framework for protecting the environment and managing natural resources</li> <li>• The fastest-growing renewable energy market in the G20 and the ninth-leading destination of clean energy investment</li> </ul>	<ul style="list-style-type: none"> <li>• T</li> <li>• O/T</li> <li>• T</li> <li>• T</li> <li>• T</li> <li>• T</li> <li>• T</li> <li>• O</li> <li>• O</li> <li>• O</li> <li>• O</li> <li>• O</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• Perceived strict labour laws</li> <li>• Complexity of legislative requirements and compliance with diverse requirements</li> <li>• SEZ Act impact on RBIDZ Operational Model</li> <li>• MPRDA</li> </ul>	<ul style="list-style-type: none"> <li>• T</li> <li>• T</li> <li>• T</li> <li>• O/T</li> </ul>

The threats identified have been taken into consideration during the risk assessment process and will be monitored continuously.

## 6.2 Performance Environment

The KwaZulu-Natal Economy is the second largest contributor to South Africa's GDP after Gauteng. The province has large untapped natural resources, which allows it to be a key player in the resources based economies, especially in the base metals and timber industries, whilst the unique environment has also resulted in KZN being the number one holiday destination in South Africa.

Having two of the busiest ports in South Africa makes the province an integral part of South Africa's global participation. By being located in KwaZulu-Natal, the RBIDZ has a competitive advantage in attracting industries that will benefit local natural resources.

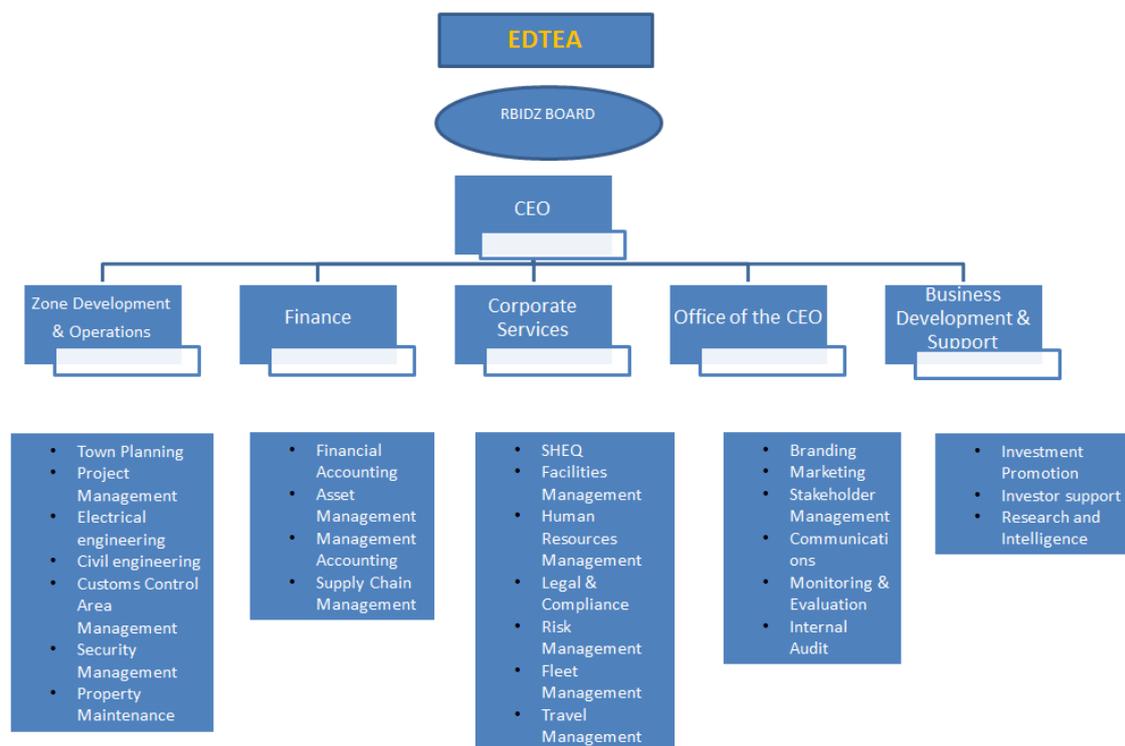
The main trends in trade in KZN are centred on the export activity at the ports of Durban and Richards Bay. Transnet indicates that the combination of specialized cargo handling facilities, fast vessel turnaround, deep water infrastructure, excellent rail links to the hinterland and the large greenfield development potential, has made the Richards Bay Port one of the world's leading bulk ports, handling in excess of 80 million tonnes annually, representing approximately 60% of South Africa's seaborne cargo. In benefiting raw materials, the RBIDZ will contribute to the increase in GDP and create employment opportunities.

## 6.3 Organisational Environment

The KwaZulu-Natal government is the sole owner of the RBIDZ, reporting to the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) through an accounting authority (Board) that is appointed by the MEC.

The high level organogram below has been revised in relation to the current organisational 5 year strategy and the 50 year Master Plan. It reflects the immediate needs on the RBIDZ (for 2018/19). Detailed structures per division are displayed on pages 31-41 under resource considerations and reflecting all portfolios and the requirements for the outer years. The aim is to develop a structure that is available to address the current needs

but flexible enough to accommodate future roles from years 1 to 2 and determine the costs and benefits as well as implications for the organisation. The structure below depicts the functions within the RBIDZ:



## Existing portfolios

### New portfolios (SHEQ: SHQ and Environment combined)

The RBIDZ was established in 2002 and licenced to operate in 2009, however visible progress has been witnessed in the past five years as a result of the development of a 50 year Master Plan which was approved by Cabinet in May 2015. The RBIDZ's strategic goals seek to fulfil the achievement of the 50 year Master plan through land acquisition and infrastructure development. The table below depicts high level progress of the Master plan which has had several challenges therefore resulting in the delay in delivery of some of the milestones which by now should have been achieved by the company.

TARGET	CURRENT SCENARIO	ACTIVITIES
<b>Land acquisition</b>		
552 ha by 2023	Phase 1A 95 ha (62 developed)	<ul style="list-style-type: none"> <li>• Transfer Complete</li> </ul>
	Phase 1F 110ha	<ul style="list-style-type: none"> <li>• Awaiting transfer from the City</li> </ul>
	Phase 1D 65 ha	<ul style="list-style-type: none"> <li>• Council resolution in place for the sale of Phase 1D to the RBIDZ</li> <li>• 350m servitude impact being negotiated with City and Transnet</li> </ul>
	Phase 2A in negotiations with land owner	<ul style="list-style-type: none"> <li>• Phase 2 areas under review by the Department of Agriculture Forestry and Fisheries</li> <li>• Land swap options considered for land owners</li> </ul>
	Bayside 140 ha	<ul style="list-style-type: none"> <li>• Office move completed in 2017</li> <li>• Due diligence in progress and still in negotiation for acquiring 140ha</li> </ul>

TARGET	CURRENT SCENARIO	ACTIVITIES
<b>Infrastructure Development</b>		
Fully serviced industrial estates endowed with all the engineering utilities	Phase 1A <ul style="list-style-type: none"> <li>Fully serviced by October 2015</li> <li>CCA status granted 05 August 2016</li> <li>Ready for locators</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating CCAE's for operating investors</li> </ul>
	Phase 1F servicing delayed <ul style="list-style-type: none"> <li>CCA status granted 19 July 2017</li> </ul>	<ul style="list-style-type: none"> <li>Phase 1F internal civil engineering services was at 62% complete by December 2017</li> <li>Projected completion of services by October 2018</li> </ul>
	Other <ul style="list-style-type: none"> <li>Techno-Park Admin Building complete</li> <li>Medway Road upgrade complete</li> </ul>	<ul style="list-style-type: none"> <li>Indus substation upgrade underway</li> <li>Allumina Allee Road upgrade underway</li> </ul>
<b>Sustainable investments</b>		
Fully occupied revenue generating industrial estate	<ul style="list-style-type: none"> <li>Two operational investors</li> <li>PVC-O Pipe Manufacturing</li> <li>Logistics</li> </ul>	<ul style="list-style-type: none"> <li>On-going investor attraction strategies through the Investment Attraction strategy</li> <li>Collaborative engagements with stakeholders</li> </ul>
	<ul style="list-style-type: none"> <li>Very good investment pipeline</li> <li>R2.5 Billion signed in the 2016/17</li> <li>Nyanza Light and Avertana further strengthened hopes that the R4.5 Billion project will soon hit the ground (partnership agreement signed early this year)</li> <li>We have witnessed quite a lot of interest again this financial year (results of our efforts on marketing &amp; investment attraction)</li> <li>Investor support is on-going</li> <li>Received 3 approvals for investors feasibility studies</li> </ul>	On-going
<b>Supply chain, SMME and development</b>		
<i>Past deliverables</i>		
<ul style="list-style-type: none"> <li>Enterprise development</li> <li>Still top of our agenda, and signing investors are made aware of the importance of supporting SMME</li> <li>With more investors operating, it would be then easy to facilitate and link up the parties concerned</li> </ul>		
<b>Governance and SHEQ</b>		
<ul style="list-style-type: none"> <li>The proclamation of the SEZ Act and promulgation of the regulations</li> <li>Upheld a Clean Audit status to provide assurance of premium conduct and governance of the Richards Bay IDZ</li> <li>Maintained ISO 9001 quality assurance accreditation and that gives confidence and delight to investors and stakeholders that the Richards Bay IDZ operates with world-class management systems</li> <li>Phase 1A completed with 1,9million man hours worked without any disabling injuries on duty</li> <li>SCM – Supporting BWO / BYO / BOE</li> <li>Awaiting the proclamation of the Procurement Bill</li> <li>Improved stakeholder engagements</li> <li>Community help-desk for employment demands (In collaboration with the City of uMhlatuze)</li> <li>Improved brand visibility</li> </ul>		
<b>Corporate Services</b>		
<ul style="list-style-type: none"> <li>Approved HR Strategy</li> </ul>		

TARGET	CURRENT SCENARIO	ACTIVITIES
<ul style="list-style-type: none"> <li>• Employee wellness programme launched</li> <li>• Approved ICT strategy and framework               <ul style="list-style-type: none"> <li>• Infrastructure upgrade</li> <li>• Improved server optimisation</li> </ul> </li> <li>• In process of attaining ISO 14001</li> </ul>		

## 7 The strategic planning cycle of the Company

The RBIDZ management convened a strategic planning workshop on 1<sup>st</sup> and 2<sup>nd</sup> November which culminated in the production of the draft Strategic Plan (2018-2023) and Annual Performance Plan (2018/19). A risk management workshop was conducted on 03 November 2017 which culminated in a Strategic Risk Register and an Operational Risk Register. These were presented to the Board of Directors on 29 and 30 November 2017. The inputs of the Board were incorporated and the document was refined in an EXCO meeting held on 25 January 2018 .

### 7.1 Strategic Planning Process

The strategic planning process for the development of the RBIDZ 5 year strategic plan, 2018/2023 consisted of four critical steps:

- The first step entailed scanning the strategic environment of the Company by reviewing:
  - Changes and trends in the external environment that will impact the Company's strategic focus in the next five years, considering the macro-economic environment, international competition domain, and national policy and legislation;
  - The expectations and outlook of the RBIDZ management; and
  - Best practice from successful international and local IDZs and SEZs.
- The second phase of the strategic planning process involved strategy revision, which entailed the revisiting of the RBIDZ Vision, Mission, Values and Strategic Goals and key Strategic Objectives that the Company will seek to achieve in the next five years.
- Once the foundation for the strategy was established, the emphasis shifted to execution and the development of an implementation roadmap, identification of critical execution success factors and divisional strategic objectives based on the strategic goals, and the development of an annual performance plan aligned to the strategic plan.
- Performance management is an important phase of the strategy lifecycle, key performance outputs, indicators and targets were developed and included in the Annual Performance Plan 2018- 2019, against which progress to the execution of the strategy will be monitored.

## 7.2 Strategic focus for the next 5 years

### 7.2.1 Policy Environment

The Richards Bay Industrial Development Zone Strategic Goals are aligned to the following national, provincial and shareholder priorities.

Five National Priorities and outcomes identified in the MTSF	Provincial Growth & Development Strategy	Shareholder Strategic Pillars
<ul style="list-style-type: none"> <li>• <b>Outcome 4:</b> Decent employment through inclusive economic growth through its focus on job creation</li> <li>• <b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path through its focus on empowering people</li> <li>• <b>Outcome 6:</b> An efficient competitive and responsive economic infrastructure network through its focus on developing a world class industrial estate</li> <li>• <b>Outcome 10:</b> Protect and enhance our environmental assets and natural resources through its focus on good governance which ensures complying with environmental legislation</li> <li>• <b>Outcome 12:</b> An efficient, effective and developmental oriented public service entity that promotes fair and inclusive citizenship through its focus on job creation and preferential procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusive economic growth</li> <li>• Human Resource Development</li> <li>• Strategic infrastructure</li> <li>• Environmental sustainability</li> <li>• Governance and policy</li> </ul>	<p><b>SO1:</b> Integrated economic planning and development in the Province</p> <p><b>SO2:</b> Sustainable and inclusive economic growth for job creation</p> <p><b>SO5:</b> Achieve institutional excellence responsive to the needs of the country.</p> <p><b>SO6:</b> Radical Economic transformation (new)</p>
<b>Other policy frameworks applicable</b>		
<ul style="list-style-type: none"> <li>• National Development Plan 2030</li> <li>• Industrial Policy Action Plan 2016</li> <li>• Special Economic Zones Act</li> <li>• Provincial and District Growth and Development Plan</li> <li>• Spatial Development Frameworks</li> <li>• National 9 Point Plan</li> </ul>		
<b>Opportunities</b>		
<ul style="list-style-type: none"> <li>• Gas to power</li> <li>• Align with Operation Phakisa, initiatives (oil and gas feasibility, marine engineering feasibility)</li> <li>• Linkages with industrial hubs</li> <li>• Metals beneficiation</li> <li>• Agro-processing</li> <li>• Techno parks</li> <li>• Renewable energy</li> <li>• Port optimisation</li> <li>• Automotive components manufacturing</li> <li>• ICT</li> <li>• Establishment of an Implementing Agency</li> </ul>		

### 7.3 Strategic Goals

<b>Strategic Goal 1</b>	<b>To have a fully serviced Special Economic Zone on 3000ha land in line with the 50 year Master Plan</b>
<b>Goal Statement</b>	Secure, develop or manage 552 ha of land by 2023
<b>Statement Indicator</b>	Number of hectares secured and fully serviced
<b>Justification</b>	To allow for diversification of investment portfolio that will create additional jobs.
<b>Links</b>	The achievement of this goal will contribute to decent employment through inclusive economic growth, an efficient, competitive and responsive economic infrastructure network. PGDS
<b>Strategic Objectives</b>	SO 1.1 To develop and maintain engineering infrastructure for all RBIDZ land parcels
	SO 1.2 To secure purchases, options, leases or management agreements on land parcels identified for development

<b>Strategic Goal 2</b>	<b>To attract new sustainable investments for economic empowerment</b>
<b>Goal Statement</b>	Secure operational investors with a minimum value of <b>R8.5 billion</b> by 2023.
<b>Statement Indicator</b>	Value of operational investments
<b>Justification</b>	To contribute to the economic development of the region
<b>Links</b>	Support the outcome towards decent employment through inclusive economic growth. PGDS
<b>Strategic Objectives</b>	SO 2.1 To promote, attract and facilitate appropriate investments
	SO 2.2 To provide investor aftercare and support in order to retain sustainable investments

<b>Strategic Goal 3</b>	<b>To secure adequate financial resources to ensure the sustainability of the RBIDZ</b>
<b>Goal Statement</b>	Secure <b>an adequate funding allocation</b> for infrastructure development, additional land and operations by 2023
<b>Statement Indicator</b>	Adequate funding secured
<b>Justification</b>	To enable the development of a fully compliant Special Economic Zone that will provide economic development in the area.
<b>Links</b>	The achievement of the goal will contribute to decent employment through inclusive economic growth; an efficient, competitive and responsive economic infrastructure network and environmental assets that are well protected and continually enhanced PFMA, Treasury Regulations, Companies Act, King iv Code on Good Corporate Governance, PGDS
<b>Strategic Objectives</b>	SO 3.1 To secure an adequate funding allocation to meet operational and capital requirements
	SO 3.2 To maintain appropriate Financial and Supply Chain Management frameworks

<b>Strategic Goal 4</b>	<b>To grow the skills base and create employment opportunities</b>
<b>Goal Statement</b>	Create 6700 employment opportunities by 2023
<b>Statement Indicator</b>	Number of employment opportunities created
<b>Justification</b>	To contribute toward government's goal of reducing unemployment.
<b>Links</b>	Positive contribution to decent employment through inclusive growth.. (IPAP2, New Growth Path, PGDS, National and Provincial Planning Strategies , Export and Investment Promotion Strategy)
<b>Strategic Objectives</b>	SO 4.1 To create 5500 cumulative construction employment opportunities SO 4.2 To create 1200 permanent jobs by investors

<b>Strategic Goal 5</b>	<b>To build a high performing and visible organisation on a strong foundation of good governance</b>
<b>Goal Statement</b>	Full compliance with legislation, ethical standards, best practices and internal policies.
<b>Statement Indicator</b>	100% compliance to legislation, ethical standards, best practices and internal policies.
<b>Justification</b>	To position the RBIDZ as a world class performing entity
<b>Links</b>	To manage the entity that promotes fair and inclusive citizenship and contributes to efficient, effective and developmental oriented public service. PGDS
<b>Strategic Objectives</b>	SO 5.1 To create a high performing organisation that is solutions driven SO 5.2 Provide Leadership to promote strategic Stakeholder relations for value creation SO 5.3 To improve RBIDZ brand image SO 5.4 To ensure adherence to legislation, ethical standards, best practices and internal policies SO 5.5 To provide and maintain ICT infrastructure and services that meet the needs of stakeholders SO 5.6 To maintain a safe work environment

<b>Strategic Goal 6</b>	<b>To achieve Economic Transformation by providing economic and skills development opportunities to local communities, Black, Youth and Women in particular</b>
<b>Goal Statement</b>	Develop at least 1 enterprise owned by local Black, Youth or Women per operational investor  Minimum 35% of procurement spend, to be spent with Youth and Women owned enterprises
<b>Statement Indicator</b>	Percentage of operational investors having Enterprise Development Programme  Percentage of procurement spend, to be spent with Youth and Women owned enterprises  Cumulative number of interns employed for the financial year by RBIDZ, locators and contractors  Create database of available skills that are required by investors.
<b>Justification</b>	To achieve Economic Transformation of local communities
<b>Links</b>	Aligning to Growth Path, PGDS, National and Provincial Planning Strategies
<b>Strategic Objectives</b>	SO 6.1 To contribute to external People Empowerment by packaging skills needs from

Strategic Goal 6	To achieve Economic Transformation by providing economic and skills development opportunities to local communities, Black, Youth and Women in particular
	investors SO 6.2 To promote local enterprise development by investors SO 6.3 To empower Black owned enterprises

## PART B: STRATEGIC OBJECTIVES

### 8 Strategic Objectives

#### 8.1 Programme 1: Administration

The administration programme of the RBIDZ primarily provides strategic support to the company and maintains good corporate governance systems that guide the implementation of organisational strategy in line with mission espoused in this plan. Administration is made up of the following sub-programmes: Office of the CEO (Strategy, Monitoring & Evaluation), Finance & Supply Chain Management and Corporate Services.

##### 8.1.1 Sub-Programme: Office of the CEO

The purpose of the sub-programme is to establish corporate governance systems and to monitor the implementation of organisational strategy in line with the overall strategic goal of ensuring best practice and good governance. It acts as a link between management and the Board as well as external stakeholders and is the overall guardian of the brand.

The principal function of this sub-program is:

- To spear-head the development and implementation of the organisational strategy;
- To monitor performance progress through standardised reporting structures on a monthly and quarterly basis;
- To produce progress reports for the Board, Shareholder and key Stakeholders as well as formulating communication and stakeholder engagement strategies; and
- To identify emerging opportunities that are in line with the organisational mandate and to standardize project management practices within the organisation

The sub-programme is also a custodian for Corporate Social Investment (CSI) which places emphasis on initiatives that promote the empowerment of youth and women.

#### Strategic objectives for the next five years:

SO 5.2 Provide Leadership to promote strategic Stakeholder relations for value creation

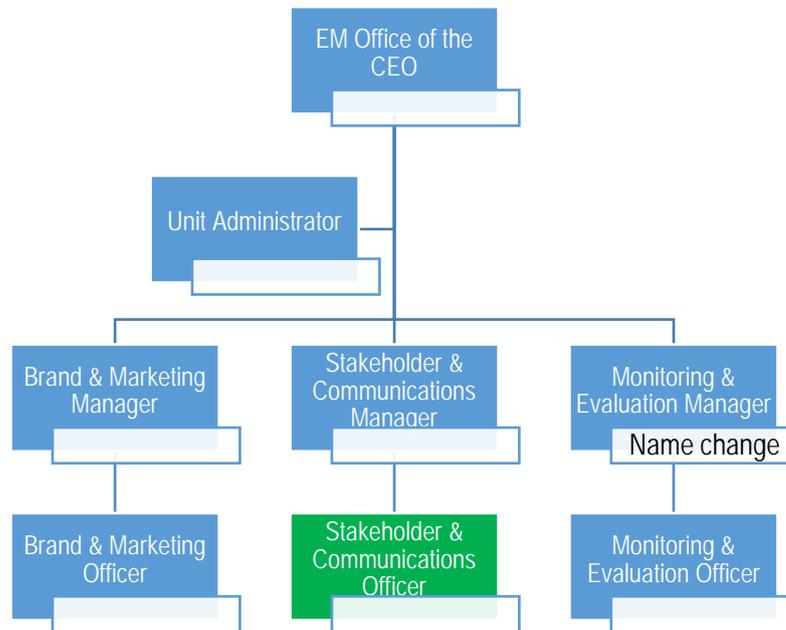
SO 5.3 To improve RBIDZ brand image

SO 5.4 To ensure adherence to legislation, ethical standards, best practices and internal policies

Scope	Unit Functions
Strategy, Monitoring and Evaluation	Drive the organisational strategy as influenced by the dynamics of the country and the economy Monitoring and evaluating the implementation of the corporate strategy and APP Maintain a Clean Audit outcome on performance information Organisational Performance Management Continue pursuing the objectives and deliverables of the Master Plan
Internal Auditing	Ensuring establishment and consistent application of sound internal controls to safeguard the assets of the RBIDZ, facilitating internal audits with positive outcomes
Communications and Stakeholder Management	Manage communications strategy and protocol internally and externally Build sustainable relations with key stakeholders for the realisation of the 50-year Master Plan (national, provincial and local government; business; tribal authorities and other state owned entities etc.)
Corporate Social Investment	Impactful and measurable CSI programme
Special Projects	Explore opportunities (strategic projects) that resonate with the RBIDZ's mandate. Implement strategic projects that would emanate from the Master Plan or any other strategic project that is in line with the RBIDZ mandate
Brand and Marketing	Brand visibility and corporate marketing of the RBIDZ

### 8.1.1.1 Resource considerations

The Programme's budget for fiscal year 2018/2019 is as projected in the APP. Currently there are 6 personnel within the Office of the CEO - the Chief Executive Officer, Executive Assistant, Brand and Marketing Manager, Stakeholder and Communications Manager, Brand and Marketing Officer and a Unit Administrator. In the short term the unit needs to recruit a Monitoring and Evaluation Officer, and fill the vacant positions. There is a new requirement for a Stakeholder & Communications Officer position in the structure, which is critical for the rollout of the Stakeholder Plan that has recently been approved.



### 8.1.2 Sub-Programme: Corporate Services

Corporate services aims to facilitate the development of a world-class IDZ that is enabled by cohesive, high performing teams, world-class facilities & ICT infrastructure, while complying to legislative and corporate governance frameworks. Corporate Services ensures that the RBIDZ operates responsibly and commits to long-term sustainability through implementation of international best practices with regard to quality management, health and safety, environmental management and Customs Control Area management. Its other role is to ensure that the RBIDZ contractors, investors and stakeholders uphold environmental, health and safety best practices.

Other key deliverables include:

- Provision and management of human capital and related corporate matters;
- Human resource development and retention;
- Provision and maintenance of integrated ICT systems; and
- Ensuring 100% governance and legislative compliance.

#### Strategic Objectives for the next five years:

SO 5.1 To create a high performance organisation that is solutions driven

SO 5.4 To ensure adherence to legislation, ethical standards, best practices and internal policies

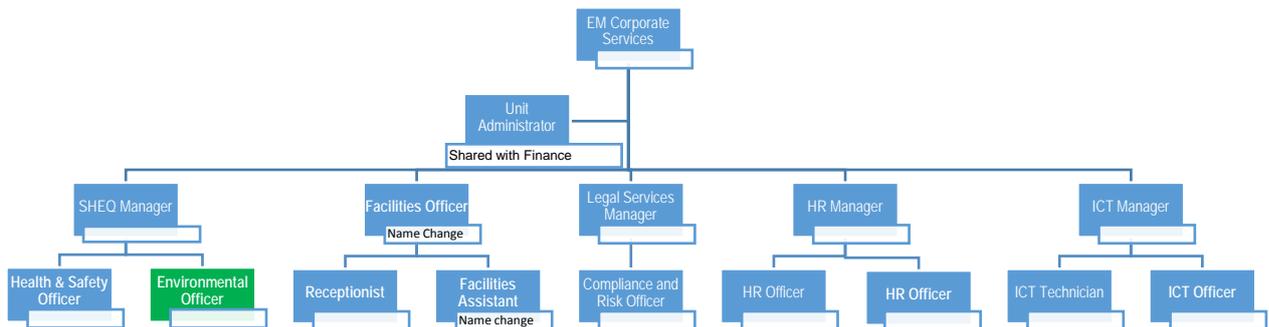
SO 5.5 To provide and maintain ICT infrastructure and services that meet the needs of stakeholders

SO 5.6 To maintain a safe work environment

SO 6.1 To contribute to external People Empowerment by packaging skills needs from investors

Scope	Unit Functions
Human Resources Management	Management of human capital and development
ICT	Provision and maintenance of efficient ICT systems, governance and controls
Skills Development for Locators	External people empowerment by packaging needs from investors and collaborate with private and public sector to develop SMME's therefore transferring skills to the local workforce
Office Management	Office environmental support Office Maintenance
Fleet Management	Provision, maintenance and control of the Company's vehicle fleet
Governance, Compliance and Legal Services	Ensuring legislative compliance, drafting and vetting of legal documents and litigation management. Company Secretariat functions
Information Management	Document management Compliance with Promotion of Access to Information Act and Protection of Personal Information Act.
Risk Management	Facilitating risk assessments, monitoring implementation of mitigating actions
Environment	Ensure compliance to environmental management Acts and Regulations Initiate activities that promote sustainable resource use Facilitate environmental authorisations and other permits Improve stakeholder relations within environmental management
Health and Safety	Ensure compliance to Health and Safety Act and Regulations Implement projects and initiatives that promote health and safety
Quality Management	Obtain, implement and maintain ISO 9001, 14001 and OHSAS 18001 Ensure continual quality improvement

### 8.1.2.1 Resource considerations



### 8.1.3 Sub-Programme: Finance

The purpose for the unit is to establish and maintain appropriate financial and supply chain management systems and policies, ensuring compliance to applicable legislation, guidelines and reporting dates. The unit is tasked to manage the financial resources of the company efficiently, effectively and economically.

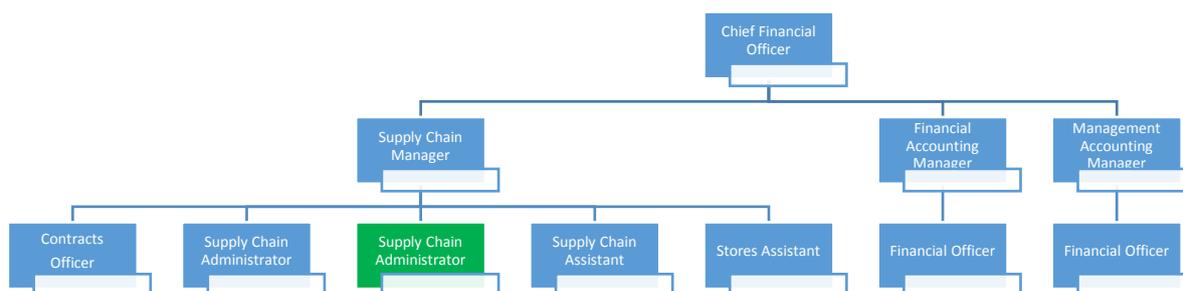
#### Strategic objectives for the next five years:

- SO 3.1 To secure an adequate funding allocation to meet operational and capital requirements
- SO 3.2 To maintain appropriate financial and supply chain management frameworks
- SO 6.3 To empower Black owned enterprises

Scope	Unit Functions
Financial Management and Supply Chain Management	Budget Management Supplier maintenance Audit Management Tax management Annual Financial Statements Ensuring compliance with SCM legal framework and other relevant legislation Facilitate Enterprise Development
Asset Management	Fixed Assets Management Cash management
Financing (Grants, Loans & Investor Funding Applications)	Secure funding for operational needs and capital projects

#### 8.1.3.1 Resource considerations

The Programme's budget for fiscal year 2018/2019 is as projected in the APP. The unit has a staff complement of 9 personnel, being the CFO, Financial Accountant, Management Accountant, SCM Manager, SCM Administrator, Contracts Officer, SCM Assistant, Stores assistant and 1 Financial Officer. The unit needs to recruit a financial officer in the short term.



## Strategic Objectives

<b>Strategic Objective 3.1</b>	<b>To secure an adequate funding allocation to meet operational and capital requirements</b>
<b>Objective Statement</b>	Obtain funding commitments for operational and capital needs over the MTEF period
<b>Baseline</b>	R127.6 million (2017/18) [Not Audited]
<b>Justification</b>	To sustain operations and finance the development of further land for investment opportunities.
<b>Links</b>	The achievement of the goal will contribute to decent employment through inclusive economic growth, an efficient, competitive and responsive economic infrastructure network and environmental assets that are well protected and continually enhanced PFMA, Treasury Regulations, Companies Act, King iv Code on Good Corporate Governance, PGDS
<b>Indicators</b>	Percentage of funding secured for Operations and Approved Capital Projects
<b>Five year targets</b>	Secure 100% of funding required for infrastructure development, additional land and operations by 2023

<b>Strategic Objective 3.2</b>	<b>To maintain appropriate Financial Management and Supply Chain Management frameworks</b>
<b>Objective Statement</b>	Continuous improvement on the prudent financial control system in place
<b>Baseline</b>	Supply Chain Management Policy in place, clean audit outcome attained
<b>Justification</b>	To maintain a track record of a Clean Audit outcome
<b>Links</b>	The achievement of the goal will contribute to decent employment through inclusive economic growth; an efficient, competitive and responsive economic infrastructure network and environmental assets that are well protected and continually enhanced PFMA, Treasury Regulations, Companies Act, King iv Code on Good Corporate Governance, PGDS
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Maintained unqualified audit opinion</li> <li>• Collection of revenue due (excluding interest income)</li> </ul>
<b>Five year targets</b>	Maintain a clean Audit outcome through to 2023

<b>Strategic Objective 5.1</b>	<b>To create a high performance organisation that is solutions driven</b>
<b>Objective Statement</b>	Human Resources Strategy implemented as per approved 5 year roadmap
<b>Baseline</b>	Approved Human Resources Strategy
<b>Justification</b>	To execute the RBIDZ mandate effectively & efficiently
<b>Links</b>	<ul style="list-style-type: none"> <li>• The achievement of the goal will contribute to decent employment through inclusive economic growth, an efficient, competitive and responsive SEZ SEZ Act, Skills Development Act, Employment Equity Act, PGDS, IPAP</li> </ul>

<b>Strategic Objective 5.1</b>	<b>To create a high performance organisation that is solutions driven</b>
<b>Indicators</b>	Implement Human Resources strategy
<b>Five year targets</b>	100% implementation of the 5 year Human Resources Strategy

<b>Strategic Objective 5.2</b>	<b>Provide Leadership to promote strategic Stakeholder relations for value creation</b>
<b>Objective Statement</b>	Relations with key stakeholders fully established (Stakeholder management supports an organization's strategic objectives by interpreting and influencing both the external and internal environments and by creating positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives)
<b>Baseline</b>	Stakeholder Survey Outcome / Stakeholder engagement plan
<b>Justification</b>	To ensure that there is continuous promotion of stakeholder management to ensure effective and efficient engagement
<b>Links</b>	The achievement of the goal will result in an active and on-going dialogue with stakeholders obtaining buy-in for the IDZs initiatives
<b>Indicators</b>	<ul style="list-style-type: none"> <li>External stakeholder survey conducted</li> <li>Implementation of the CSI Strategy initiatives</li> <li>Implementation of the Stakeholder plan (with leadership strategic initiatives that address value creation)</li> </ul>
<b>Five year targets</b>	<ul style="list-style-type: none"> <li>Healthy relations with key stakeholders fully established by 2023</li> <li>RBIDZ CSI programme visible in the surrounding communities through flagship programmes.</li> </ul>

<b>Strategic Objective 5.3</b>	<b>To improve RBIDZ brand image</b>
<b>Objective Statement</b>	The RBIDZ promoted as the investment destination of choice to the right market with the right messaging
<b>Baseline</b>	25% brand visibility
<b>Justification</b>	To create the much needed awareness of the organisation and thus attract relevant and substantial investments
<b>Links</b>	<ul style="list-style-type: none"> <li>The achievement of the objectives here will ensure that RBIDZ is well-positioned to its targeted markets and stakeholders</li> <li>Alignment to PGDP and PGDS</li> </ul>
<b>Indicators</b>	Percentage improvement on brand visibility (Leadership support where critical)
<b>Five year targets</b>	Improve RBIDZ brand visibility Nationally and Internationally by 50% targeting countries identified by the Investment Attraction Strategy

<b>Strategic Objective 5.4</b>	<b>To ensure adherence to legislation, ethical standards, best practices and internal policies</b>
<b>Objective Statement</b>	Compliance to applicable statutory laws and codes of best practice
<b>Baseline</b>	<ul style="list-style-type: none"> <li>Fully registered company, PFMA schedule 3D</li> <li>100 % compliance on key legislation, a compliant Board in place</li> </ul>
<b>Justification</b>	To ensure compliance with all legal requirements that affect the RBIDZ
<b>Links</b>	The achievement of the goal will contribute to the protection of natural assets and the maintenance of a safe work environment. The objective will contribute to the successful implementation of the PFMA and the Companies Act, CIDB, LRA, BCEA, PGDS, IGR NEMA, NEM:WMA, etc.
<b>Indicators</b>	<ul style="list-style-type: none"> <li>Clean Audit outcome (Performance information)</li> <li>100% of significant internal and external audit findings for the organisation addressed within appropriate timeframes</li> <li>RBIDZ reportable environmental incidents</li> </ul>
<b>Five year targets</b>	Full compliance with applicable legislation

<b>Strategic Objective 5.5</b>	<b>To provide and maintain ICT infrastructure and services that meet the needs of stakeholders</b>
<b>Objective Statement</b>	To establish ICT infrastructure to act as a catalyst to attract and support investors
<b>Baseline</b>	High speed connectivity, upgraded server infrastructure, automated audio visual equipment, Wi-Fi in the RBIDZ offices
<b>Justification</b>	To ensure strategic and operational effectiveness in meeting RBIDZ and investor technology requirements.
<b>Links</b>	Provincial Innovation Strategy, Techno Hub Development, Implementation, Management Plan; Corporate Governance and Governance of ICT Policy Framework
<b>Indicators</b>	Provide and maintain ICT infrastructure for investors at all RBIDZ estates
<b>Five year targets</b>	Position RBIDZ as an investment destination of choice through world class ICT infrastructure

<b>Strategic Objective 5.6</b>	<b>To maintain a safe work environment</b>
<b>Objective Statement</b>	Provide a safe work environment through compliance with applicable health and safety legislation and standards.
<b>Baseline</b>	<ul style="list-style-type: none"> <li>Zero lost time injuries for RBIDZ employees</li> <li>1 lost time injury for contractors. Internal policies and procedure for health and safety are in place</li> </ul>
<b>Justification</b>	To maintain a safe work environment in line with statutory requirements.
<b>Links</b>	An efficient, effective and developmental oriented public entity that promotes citizenship safe work environment in compliance with the requirements of the BCEA, OHS Act, and the Constitution

<b>Strategic Objective 5.6</b>	<b>To maintain a safe work environment</b>
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• RBIDZ internal safety performance (number of lost time incidents)</li> <li>• Contractor lost time incidents</li> </ul>
<b>Five year targets</b>	Zero lost time incidents for employees and contractors by 2023

<b>Strategic Objective 6.1</b>	<b>To contribute to external People Empowerment by packaging skills needs from investors</b>
<b>Objective Statement</b>	To develop the required skills needs to meet investor needs
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 1 skills audit completed</li> <li>• Database of students in place</li> </ul>
<b>Justification</b>	To ensure that relevant skills required by Investors are available within the region
<b>Links</b>	Positive contribution to decent employment through inclusive growth (IPAP2, New Growth Path, PGDS, National and Provincial Planning Strategies , Export and Investment Promotion Strategy)
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Create database of available skills that are required by investors.</li> <li>• Cumulative number of interns employed for the financial year by RBIDZ, locators and contractors</li> </ul>
<b>Five year targets</b>	To provide 100% of the skills requirements of all RBIDZ locators

<b>Strategic Objective 6.3</b>	<b>To empower Black owned enterprises</b>
<b>Objective Statement</b>	To ensure the development of Suppliers and Enterprises through inclusive opportunities
<b>Baseline</b>	None (new Strategic Objective)
<b>Justification</b>	To contribute towards improving the economy by empowering local enterprises within the region
<b>Links</b>	Positive contribution to decent opportunities to the previously marginalised groups (IPAP2, New Growth Path, PGDS, National and Provincial Planning Strategies.
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• % of procurement spend on Suppliers with a B-BBEE rating as a percentage of total measured procurement spend</li> <li>• Procurement spend on marginalised group</li> </ul>
<b>Five year targets</b>	To positively contribute to Black-owned enterprises empowerment.

## 8.2 Programme 2: Zone Development and Operations

The purpose of the programme is:

- To develop and maintain world class infrastructure for the RBIDZ land portfolio through an integrated planning, design and management process;
- Ensure that the RBIDZ operates responsibly through the implementation of the Customs and Excise Act in designated Customs Control Areas; and
- Implement integrated security management.

### Strategic objectives for the next five years:

SO 1.1 To develop and maintain engineering infrastructure for all RBIDZ land parcels

SO 1.2 To secure purchases, options, leases or management agreements on land parcels identified for development

SO 4.1 To create 5500 cumulative construction employment opportunities

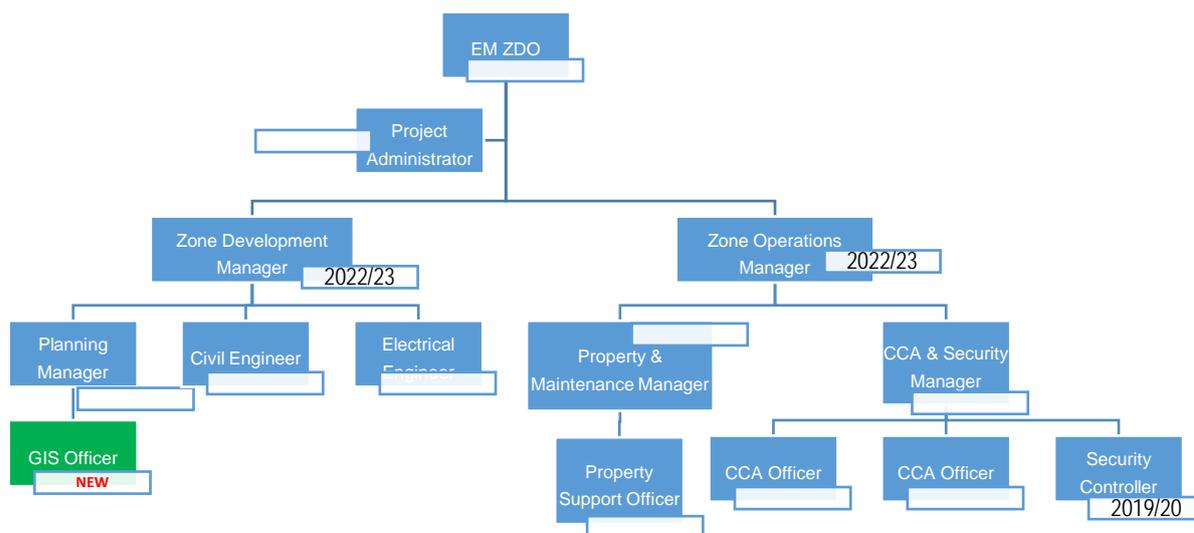
Scope	Unit Functions
Planning and Development Approvals	Obtaining planning and design approvals for the development of RBIDZ identified land
Infrastructure Implementation	Provision of engineering infrastructure on RBIDZ land
Maintenance of RBIDZ infrastructure	Implementation of maintenance programmes for all RBIDZ installed infrastructure
Managing the RBIDZ Property Portfolio	Managing the zone operations for each Phase of the RBIDZ, address tenant requirements, managing lease agreements with tenants, manage asset inventory data base, and manage the contracts in place for Technical, Non-Technical and Support Services
Security Management	Security management Compliance with applicable Acts and Regulations applicable to Security Management
Customs Control Area Operations	Implement processes towards establishment of the CCA Compliance with applicable Acts and Regulations applicable to Customs Control

### 8.2.1 Resource considerations

The Programme's budget for 2018/19 fiscal year is as projected in the APP. The Unit currently has a staff complement of 5 comprising the Executive Manager, Planning Manager, CCA Operations and Zone Security Manager, Property Support Officer, CCA Officer and a shared Unit Administrator.

Acting staff are currently filling the position of the Property and Maintenance Manager. In the 2017/18 financial year the unit needs to recruit the vacant Civil Engineering Manager position and Property and Maintenance Manager.

In the short-term, the business unit needs to recruit a Project Administrator. An Electrical Engineering Manager needs to be recruited in the 3<sup>rd</sup> quarter of the 2018/19 financial year and in the long term the unit needs to recruit a Zone Development Manager and Zone Operations Manager and a Security Controller.



## Strategic Objectives

<b>Strategic Objective 1.1</b>	<b>To develop and maintain engineering infrastructure for all RBIDZ land parcels</b>
<b>Objective Statement</b>	Engineering infrastructure to all land parcels provided and maintained
<b>Baseline</b>	<ul style="list-style-type: none"> <li>Phase 1A Fully Serviced (62Ha)</li> <li>Medway Road completed on 30 October 2017</li> <li>Approval of engineering designs for Phase 1F obtained on 30 September 2015</li> <li>Installation of engineering services to Phase 1F commenced on 16 November 2016</li> </ul>
<b>Justification</b>	Availability of engineering infrastructure is a key requirement to attract investment into the RBIDZ
<b>Links</b>	The achievement of the goal will contribute to decent employment through inclusive economic growth; an efficient, competitive and responsive economic infrastructure network assets that are well protected and continually enhanced. PGDS
<b>Indicators</b>	Engineering infrastructure implemented within approved budget
<b>Five year targets</b>	Acquire, develop or manage 552 ha fully serviced industrial land by 2023

<b>Strategic Objective 1.2</b>	<b>To secure purchases, options, leases or management agreements on land parcels identified for development</b>
<b>Objective Statement</b>	The acquisition of additional land secured
<b>Baseline</b>	216 ha of land secured. Additional land parcels identified through the Master Plan
<b>Justification</b>	Need to obtain legal rights to additional land
<b>Links</b>	The achievement of the goal will contribute to decent employment through inclusive economic growth; an efficient, competitive and responsive economic infrastructure network and environmental assets that are well protected and continually enhanced. PGDS

<b>Strategic Objective 1.2</b>	<b>To secure purchases, options, leases or management agreements on land parcels identified for development</b>
<b>Indicators</b>	Secure option or purchase agreement for acquisition of additional land
<b>Five year targets</b>	Acquire, develop or manage 552 ha fully serviced industrial land by 2023

<b>Strategic Objective 4.1</b>	<b>To create 5500 cumulative construction employment opportunities</b>
<b>Objective Statement</b>	To have attracted infrastructure projects that will contribute 5500 construction jobs by 2023
<b>Baseline</b>	1625 construction jobs (2016/17 Audited)
<b>Justification</b>	To get a return on investment and to contribute towards improving economy. To ensure that relevant skills required by Investors are available within the region
<b>Links</b>	Positive contribution to decent employment through inclusive growth path. (IPAP2, New Growth Path, PGDS, National & Provincial Planning strategy, Export and Investment promotion strategy)
<b>Indicators</b>	Number of people newly employed and retained for construction jobs by the RBIDZ
<b>Five year targets</b>	To create 5500 <b>cumulative</b> construction jobs by 2023

### 8.3 Programme 3: Business Development and Support

The purpose of the programme is to formulate strategies and measures aimed at attracting fixed investment for the production of exports and import substitutes into the Zone. The principal intention of the Programme is to assist the RBIDZ fulfil its mandate of attracting meaningful investments that create jobs and enhance productive capacity.

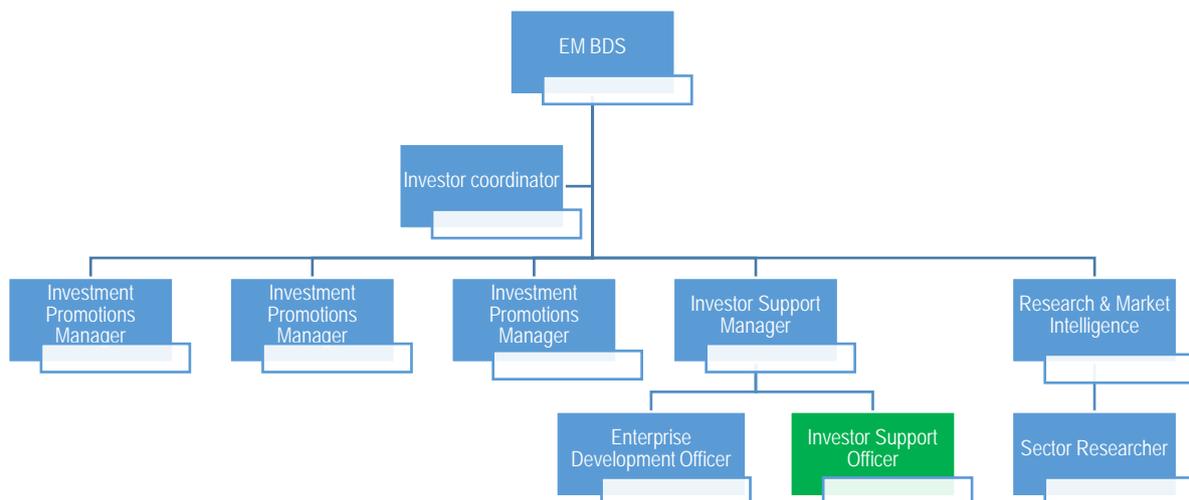
#### Strategic Objectives for the next five years:

- SO 2.1 To promote, attract and support appropriate investments
- SO 2.2 To provide investor aftercare and support in order to retain sustainable investments
- SO 4.2 To create 1200 permanent jobs by investors
- SO 6.2 To promote local enterprise development by investors

Scope	Unit Functions
<b>Investment Promotions</b>	Investment targeting and priority sector promotion Generate enquiries, leads and convert them to investments Collaboration and information sharing with relevant stakeholders Facilitate new investment through value added One stop shop services
<b>Research &amp; Market Intelligence</b>	Intelligence gathering, prioritized sector investigation, incentive packaging, and project opportunities packaging.
<b>Investor Support and Enterprise Development</b>	One stop shop services, export promotion support, investor aftercare, develop investor value chain, SMME development, Investor retention and expansion

#### 8.3.1 Resource considerations

The Programme's budget for fiscal year 2018/2019 is as projected in the APP. The Unit currently has a staff complement of 4, namely 2 Investment Promotions' Managers, Investment Support Manager and Investor Coordinator (Executive Manager Position – Vacant). The short-term plan is to recruit an Executive Manager, and a Sector Researcher. In the medium-term the unit will recruit an additional Investor Support Officer, Enterprise Development Officer, and a Research and Market Intelligence Manager.



## Strategic Objectives

<b>Strategic Objective 2.1</b>	<b>To promote, attract and support appropriate investments</b>
<b>Objective Statement</b>	Local and foreign investors attracted and retained (Developing a good investment climate is central to growth and poverty reduction. Private investment creates jobs, provides the goods and services needed to improve living standards and contributes taxes necessary for public investments)
<b>Baseline</b>	2016/17 Audited <ul style="list-style-type: none"> <li>• Number of new investors commencing construction (1)</li> <li>• Number of new investment projects operational at year end (2)</li> </ul>
<b>Justification</b>	To ensure industrialisation of the region, and job creation To contribute to the economic development of the region
<b>Links</b>	The achievement of the goal will contribute to the attraction of investors who will invest significantly in the region, in our focus sectors which are aligned to IPAP, NDP, MTSF (Medium Term Strategic Framework), Manufacturing Development Act 187 Of 1993 and the PGDS.
<b>Indicators</b>	Cumulative Value of operational investors
<b>Five year targets</b>	Secure operational investors with a minimum value of <b>R8.5 billion</b> by 2023

<b>Strategic Objective 2.2</b>	<b>To provide investor aftercare and support in order to retain sustainable investments</b>
<b>Objective Statement</b>	To provide aftercare support to both signed and operational investors.
<b>Baseline</b>	N/A
<b>Justification</b>	To retain investors
<b>Links</b>	The achievement of the goal will contribute to the retention of investors and is aligned to IPAP, NDP, MTSF (Medium Term Strategic Framework), Manufacturing Development Act 187 Of 1993 and the PGDS.
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• Percentage customer satisfaction per customer satisfaction survey</li> <li>• Percentage retention of operational investors</li> </ul>
<b>Five year targets</b>	Achieve 100% customer satisfaction and retain 100% of operational investors

<b>Strategic Objective 4.2</b>	<b>To create 1200 permanent jobs by investors</b>
<b>Objective Statement</b>	Investment projects that will contribute 1200 permanent jobs by 2023
<b>Baseline</b>	553 construction and permanent jobs ( 2016/17 Audited)
<b>Justification</b>	To get a return on investment and to contribute towards reducing unemployment.
<b>Links</b>	Positive contribution to decent employment through inclusive growth. (IPAP, New Growth

<b>Strategic Objective 4.2</b>	<b>To create 1200 permanent jobs by investors</b>
	Path, PGDS, National & Provincial Planning Strategy, Export and Investment Promotion Strategy)
<b>Indicators</b>	Cumulative number of permanent jobs created by Investors
<b>Five year targets</b>	To create 1200 permanent jobs by investors

<b>Strategic Objective 6.2</b>	<b>To promote local enterprise development by investors</b>
<b>Objective Statement</b>	To ensure that operational investors conduct Enterprise Development Programmes
<b>Baseline</b>	None (new Strategic Objective)
<b>Justification</b>	To promote enterprise development of local Youth, Women and Black owned enterprises for economic transformation
<b>Links</b>	Positive contribution to decent SMME development through inclusive growth (IPAP2, New Growth Path, PGDS, National and Provincial Planning Strategies.
<b>Indicators</b>	Percentage of operational investors having Enterprise Development Programme.
<b>Five year targets</b>	100% of operational investors having Enterprise Development Programme

## 9 Strategic Risks

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
1.	Goal 2: To attract and retain sustainable investments for economic empowerment	Conversion of the pipeline into operational investors.  Risk of recognition agreements not evolving timely into lease agreements / operating investors.	Current recognition agreements are not sufficiently enforceable.  Delays in regulatory approvals e.g. Environmental Impact assessments.  Absence of tax incentives.  Labour instability-unwillingness of investors to comply with labour laws  Macro-economic climate/environment  Damage of critical infrastructure	Catastrophic	Almost certain	High	1. Environmental review committee  2. Petitioning DTI and the shareholder to institute the incentives scheme  3. Policy advocacy document process  4. Feasibility study funding.	Satisfactory	Priority 1	1) Establish a one stop shop (centralised place to assist investors)  2)Ongoing research of macro-environment and analysis of impact on strategy of RBIDZ  3) Harmonisation of DTI incentives and SARS for effective implementation  4) Establish set time frames and penalties for agreements.  5) Build stronger relationships with local funding institutions to partner on	1-3) EM BDS  Legal  5) TBA	1) Outstanding  2) Ongoing  3) Outstanding  4) Immediately  5) TBA

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
			<p>Lack of financial security on reserved land.</p> <p>Absence of local incentives from the Municipality to attract investors to the IDZ.</p> <p>Deal making and facilitation capability within the IDZ.</p>							projects (e.g. IDC, PIC, etc).		

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
2.	Goal 2: To attract and retain sustainable investments for economic empowerment	Water Security (shortage of water)	Risks that they greater Richards Bay area does not have sufficient bulk water capacity to support water intensive investors.  Drought may cause businesses to close and deter future investment.	Critical	Almost certain	High	1. RBIDZ represented on bulk water users group looking at solutions to water scarcity in Richards Bay.  2. Water recycling and harvesting.  3. Intent signed to be an offtake from the recycled water project.	Weak	Priority 1	1) Work with the City, Departments of Energy, Water and Sanitation, COGTA, locators and existing corporates to evaluate desalination and water recovery systems  Advocacy around water conservation initiatives with local stakeholders.	EM: CS	1) Ongoing

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
3.	Goal 5: To build a high performing and visible organisation on a strong foundation of good governance.	Attraction and retention of key skills.	<ol style="list-style-type: none"> <li>Geographical location of RBIDZ.</li> <li>Moratoriums on appointments.</li> </ol>	Major	Common	High	<ol style="list-style-type: none"> <li>Human resource policies and procedures in place. (Bursary, remuneration, retention etc.)</li> <li>Salary benchmarking</li> <li>Individual development plans created and integrated training plan developed</li> <li>Employee assistance programme policy approved</li> <li>Exit interviews</li> </ol>	Weak	Priority 1	<ol style="list-style-type: none"> <li>Develop a HR strategy and plan to implement HR policies</li> <li>Develop a succession plan</li> <li>Establish an engagement platform between HR and employees</li> <li>HR to focus on training and development</li> </ol>	EM: CS	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Ongoing</p>

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
4.	Goal 5: To build a high performing and visible organisation on a strong foundation of good governance.	Uncertainty around the impact of the implementation of the SEZ Act on the existence of RBIDZ.	1. Policy of the dti (separation of the owner and operator).	Significant	Likely	High	1. Engagement with the DTI, SEZs and other Provinces on the provisions of the SEZ Act and the concerns around the impact and practical considerations on the implementation of certain provisions.  2. Approved SEZ compliance plan.	2)	Priority 1	1)Continue engagement with the DTI, in collaboration with other IDZ's	1 - 2) Legal Manager	1)Ongoing

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
5.	Goal 1: To have a fully serviced Special Economic Zone on 3000ha of land in line with the 50 year Master Plan.	Inability to secure suitable land to meet the needs of our potential investors.	<ol style="list-style-type: none"> <li>1. Financial constraints.</li> <li>2. Targeted land not available for sale.</li> <li>3. Subdivision of Agricultural land 70 of 1970.</li> <li>4. Land claims.</li> </ol>	Critical	Likely	High	<ol style="list-style-type: none"> <li>1. Option for purchase of phase 2A has been approved by Provincial Treasury.</li> <li>2. Negotiations in place between RBIDZ and landowners</li> <li>3. Offer submitted to the city for Phase 1D</li> <li>4. Feasibility studies completed for prospective land for incorporation into the zone</li> <li>5. An environmental review committee is in place to assist in assessing the suitability land</li> <li>6. Approved 50 year master plan in place</li> <li>7. Task team has been established to identify alternative land parcels.</li> </ol>	Satisfactory	Priority 1	<ol style="list-style-type: none"> <li>1) Obtain approval from the Minister of Agriculture to enter into option agreement (Phase 2)</li> <li>2) Engage in negotiations for land acquisition</li> <li>3) Finalise the due diligence on Bayside.</li> <li>4) Consider PPP models for acquiring land.</li> </ol>	<ol style="list-style-type: none"> <li>(1-2) CEO</li> <li>3) EM-ZDO</li> </ol>	<ol style="list-style-type: none"> <li>1) 31/3/19</li> <li>2) Ongoing</li> <li>3) 30/03/2018</li> </ol>

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
6.	Goal 3: To secure adequate financial resources to ensure the sustainability of the RBIDZ.	Funding/Financial viability.	<ol style="list-style-type: none"> <li>1. Inability to secure the level of funding required to execute the strategic goals</li> <li>2. Inadequate funds to acquire land</li> <li>3. Additional SEZ's established will require funding from the same source as RBIDZ</li> <li>4. Unexpected cuts in funding.</li> </ol>	Critical	Likely	High	<ol style="list-style-type: none"> <li>1. Funding agreements for OPEX have been signed and MTEF allocations confirmed</li> <li>2. Submission of SEZ funding applications</li> <li>3. Lobbying and relationships developed with development funding institutions and key stakeholders (DBSA, IDC, Land bank, KZN growth fund, NEF etc.)</li> </ol>	Satisfactory	Priority 1	<ol style="list-style-type: none"> <li>1) Develop borrowing strategy and limits, and obtain approval from the relevant authority.</li> <li>2) Develop alternative funding and revenue models.</li> </ol>	(1-3) CFO	<ol style="list-style-type: none"> <li>1) 31/3/18</li> <li>2) 31/3/18</li> </ol>
7.	Goal 2: To attract and retain sustainable investments for economic empowerment	Attractiveness of RBIDZ as an investment destination	<ol style="list-style-type: none"> <li>1. Impact of regionalisation amongst the investment community e.g. introduction of tax regimes with the aim to attract investment back</li> </ol>	Critical	Likely	High	<ol style="list-style-type: none"> <li>1. Increasing brand visibility</li> <li>2. Embarking on a relentless stakeholder relationship building</li> <li>3. Trade missions</li> <li>4. Implementation of the market strategy</li> </ol>	Satisfactory	Priority 1	<ol style="list-style-type: none"> <li>1) Implement more initiatives identified in the marketing plan</li> <li>2) Collaboration with the City in joint marketing initiatives and local incentives</li> <li>3) Focus studies</li> </ol>	1) EM-BDS	1) Ongoing

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
			<p>domestically.</p> <p>2. Regional investment initiatives e.g. Zimbabwean (investor empathy).</p> <p>3. Investor confidence in South Africa as a whole.</p> <p>4. Lack of local incentives</p> <p>5. High input costs</p> <p>6. Quality of life in Richards Bay.</p> <p>7. Lack of financial reward for land reserved by investors.</p>							<p>on opportunities to target investors capable of seizing local opportunities.</p> <p>4) Involved in the SMART city concept</p> <p>5. Investors One-stop shop</p> <p>6. Engage the Ports (Richards bay) to understand their plans</p>		

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
8.	Goal 3: To secure adequate financial resources to ensure the sustainability of the RBIDZ.	Sustainability of investors.	<ol style="list-style-type: none"> <li>1. Market dynamics (commodity prices, forex).</li> <li>2. Failure to deliver on incentives (key issues).</li> <li>3. Changes and delays in legislation regulation.</li> <li>4. Excessive depend on single source suppliers.</li> <li>5. Follow through and commitment on government programmes.</li> <li>6. Disruptive technologies impacting on local investor performance.</li> </ol>	Critical	Likely	High	1. Providing after care support e.g. Rescue plan etc.	Weak	Priority 1	<ol style="list-style-type: none"> <li>1. Develop initiatives for after care and support.</li> <li>2. Strengthening inter-governmental relationships.</li> </ol>	EM - BDS	31/03/2019

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
9.	Goal 2: To attract and retain sustainable investments for economic empowerment	Investors not creating downstream economic opportunities.	1. Lack of localisation of supply chain. 2. Quality of local SMMEs and willingness of investors to partner with un/little experienced partners.	Significant	Almost certain	High	No control.	None	Priority 1	1. Develop a local economic development plan.	EM-BDS	31/03/2018
10.	Goal 1: To have a fully serviced Special Economic Zone on 3000ha of land in line with the 50 year Master Plan.	Bulk infrastructure availability	1. Funding Constraints 2.Approvals 3. Timeframes 4. Water Security	Catastrophic	Almost certain	High	1. Master plan for development in place 2. Bulk service provider forum 3. Signed a letter of intent for the recycling facility 4. Ongoing collaboration with the City	Weak	Priority 1	1. Review the master plan 2. Source funding 3. Review the operational model	EM-ZDO/CFO	31/03/2019
11.	Goal 4: To grow the skills base and create employment opportunities.	Local skills development not demand driven	1. Collaboration between industry and tertiary institutions and relevant SETA. 2. Inadequate	Significant	Almost certain	High	Conducted a regional skills audit	Weak	Priority 1	1. Establish skills requirements from investors 2. Influence curricula of training	EM-CS	31/03/2019

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
			capacity and financial resources  3. Lack of government funding in growing skills							institutions		
12.	Goal 2: To attract and retain sustainable investments for economic empowerment	Perception of the IDZ.	1. Press reports.  2. International perception of governance at state owned entities in South Africa  3. Perceptions that IDZs do not deliver on intended economic growth objectives.	Critical	Almost certain	High	1. Disclosure of our internal governance process  2. Codes of Conduct and ethics  3. Fraud prevention strategy	Satisfactory	Priority 2	Accept Risk	N/a	N/a
13.	Goal 5: To build a high performing and visible organisation on a strong	Co-ordination and co-operation between key government stakeholders	1. Lack of co-ordination and co-operation between government stakeholders.	Critical	Almost certain	High	1. Local level tri-party forum.  2. Provincial level-ESID Cluster, shareholder oversight meetings  3. National level- task teams	Weak	Priority 2	1. Strengthen the SEZ CEOs Forum.  Active participation on	CEO	Immediate

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
	foundation of good governance		<p>2. Misalignment between the strategic objectives between key government stakeholders (local and district municipalities).</p> <p>3. Policy uncertainty.</p>				e.g gas			Min MEC.		
14.	Goal 5: To build a high performing and visible organisation on a strong foundation of good governance	Meeting community expectations.	<p>Understanding clearly, community expectations of the direct and indirect impacts of the IDZ on the greater Richards Bay area.</p> <p>Engaging and meeting marginalised community expectations</p> <p>Community</p>	Critical	Almost certain	High	TBA					

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
			activism.									
15.	Goal 2: To attract and retain sustainable investments for economic empowerment	Maintaining Investor satisfaction.	<ol style="list-style-type: none"> <li>1. Loss of certifications and licenses</li> <li>2. Inability to secure licenses and accreditation</li> <li>3. Maintaining infrastructure.</li> </ol>	Critical	Possible	Medium	<ol style="list-style-type: none"> <li>1. Customer satisfaction surveys</li> <li>2. Audits on CCA requirements and conditions</li> <li>3. Maintenance plans and maintenance contractors in place.</li> <li>4. Regular meetings/contact with investors</li> </ol>	Satisfactory	Priority 2	<ol style="list-style-type: none"> <li>1. Address areas noted for improvement as per surveys</li> <li>2. Improve engagement with the DTI</li> <li>3. Review organisational structure.</li> </ol>	EM-BDS	Immediate
16.	Goal 2: To attract and retain sustainable investments for economic empowerment	Land holding costs.	<ol style="list-style-type: none"> <li>1. Uncertainty around the gas sector.</li> <li>2. High cost of holding land reserved with no income being generated from the land.</li> </ol>	Significant	Likely	Medium	No control	None	Priority 2	1. Negotiate with Eskom to cover holding costs of the land	Legal	30/09/2018

Risk number	Goal	Risk name	Root causes	Impact	Likelihood	Inherent risk exposure	Key current risk mitigation activities	Perceived Control Effectiveness	Residual risk exposure	Planned actions to further mitigate risk	Action owner	Due date
17.	Goal 4: To grow the skills base and create employment opportunities.	Lack of commitment from investors, training institutions/contractors and industry	<ol style="list-style-type: none"> <li>1. Turnaround time to approve investors to start construction</li> <li>2. Lack of funding</li> <li>3. Business automation by investors.</li> </ol>	Significant	Likely	Medium	<ol style="list-style-type: none"> <li>1. Investor recruit policy - screening of potential investors with regard to job creation</li> <li>2. Monitor commitment of investors with respect to labour on a monthly basis</li> <li>3. Minimum local labour requirements in terms of tender process (internal purposes)</li> <li>4. Limitations on foreign labour in lease agreements</li> </ol>	Satisfactory	Priority 2	<ol style="list-style-type: none"> <li>1) Attract more sustainable (labour intensive) investments</li> <li>2) Facilitate the relationship between the investor and potential business</li> <li>3) To revise Land acquisition strategy</li> <li>4) Lobbying for fast tracking of local approvals of building plans</li> </ol>	<ol style="list-style-type: none"> <li>1) EM BDS</li> <li>2) EM BDS</li> <li>3) EM ZDO</li> <li>4) EM ZDO /CEO</li> </ol>	<ol style="list-style-type: none"> <li>1) Ongoing</li> <li>2) Ongoing</li> <li>3) 31/03/2018</li> <li>4) Ongoing</li> </ol>

## PART C: LINKS TO OTHER PLANS

### 10 Links to long-term infrastructure and other capital plans

The following table outlines other infrastructure projects or programmes that are considered beneficial to the organisation and its mandate but are not projects or programmes owned by RBIDZ:

No	Project/ Programme Name	Agency	Project description/ type of structure	Outputs	Estimated project cost	Project Duration	
						Start	Finish
1	Swaziland cross border rail link upgrade	Transnet Freight Rail	Rail link upgrades to Richards Bay	Additional general-freight capacity of 15-million tons to Richards Bay and eastern sea board	R17 billion	2016	2023
2	Richards Bay Dry Dock	Transnet	Ship repair facility	Ship repair facility for Richards Bay	R 4 billion	2019	2024
3	Bulk water supply upgrade from Tugela river to Lake Phobane	Department of Water Affairs	Potable bulk water supply upgrades for the uMhlathuze Municipal area.	Bulk water supply upgrade.	R 500 million	2016	2019
4	N2 Upgrade from Mtunzini to John Ross, Richards Bay	SANRAL	N2 Road upgrade	Additional road capacity to Richards Bay	R1.2 billion	2016	2019
5	N2 Upgrade from John Ross to Mtubatuba	SANRAL	N2 Road upgrade	Additional road capacity to Richards Bay and proposed Phase 2 of RBIDZ	Project in design stage.	Project in design stage. Dates subject to funding availability	Project in design stage. Dates subject to funding availability
6	N2 Corridor Development Plan	KZN COGTA	Development Plan	Coordinated development plan and project identification			2016

No	Project/ Programme Name	Agency	Project description/ type of structure	Outputs	Estimated project cost	Project Duration	
						Start	Finish
7	King Cetshwayo Spatial	King Cetshwayo District	Spatial Development Framework	Providing Framework for coordinated		2015	2016
8	uMfolozi Local Municipality Spatial Development Framework	uMfolozi Local Municipality	Spatial Development Framework	Providing Framework for coordinated development		2015	2016
9	uMhlathuze Local Municipality	uMhlathuze Local Municipality	Spatial Development Framework	Providing Framework for coordinated		2015	2016
10	Waste Water recycling facility	City of uMhlathuze	75ML waste water recycling facility	Supplementing industrial water availability in the City of uMhlathuze	Unknown	2017	2023

## 11 Sources

Sources of information with regard to the Situational Analysis beginning on Page 13-19 of the document are as follows:

<b>Special Economic Zones</b>	<p>Gokhan Akinci and James Crittle, Special Economic Zones performance, lessons learned and implications for zone development. 2008. FIAS  <a href="http://jafza.ae/">http://jafza.ae/</a>  <a href="http://www.apf.gov.au/...business/.../house_of_representatives_committees">www.apf.gov.au/...business/.../house_of_representatives_committees</a>            China's Special Economic Zones and Industrial Clusters: Success and Challenges  <a href="http://blogs.worldbank.org/developmenttalk/china-s-special-economic-zones-and-industrial-clusters-success-and-challenges">http://blogs.worldbank.org/developmenttalk/china-s-special-economic-zones-and-industrial-clusters-success-and-challenges</a>            Global Experiences with Economic Zones - With a focus on China and Africa (Douglas Zhihua Zeng)  <a href="http://www.worldbank.org/content/dam/Worldbank/Event/Africa/Investing%20in%20Africa%20Forum/2015/investing-in-africa-forum-global-experiences-with-special-economic-zones-with-a-focus-on-china-and-africa.pdf">http://www.worldbank.org/content/dam/Worldbank/Event/Africa/Investing%20in%20Africa%20Forum/2015/investing-in-africa-forum-global-experiences-with-special-economic-zones-with-a-focus-on-china-and-africa.pdf</a>  <a href="https://www.thebalance.com/export-processing-zones-epz-2221273">https://www.thebalance.com/export-processing-zones-epz-2221273</a>            Wetherell, S. 2016 Freedom Planned: Enterprise Zones and Urban Non-Planning in Post-War Britain <i>Twentieth Century British History</i>, Volume 27, Issue 2, Pages 266–289  <a href="https://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-2238">https://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-2238</a>  <a href="http://www.iaeng.org/publication/IMECS2014/IMECS2014_pp1047-1051.pdf">http://www.iaeng.org/publication/IMECS2014/IMECS2014_pp1047-1051.pdf</a>  <a href="https://fee.org/articles/how-special-economic-zones-are-quietly-advancing-freedom/">https://fee.org/articles/how-special-economic-zones-are-quietly-advancing-freedom/</a>  <a href="http://www.thedailystar.net/op-ed/economics/how-make-special-economic-zones-successful-1325266">http://www.thedailystar.net/op-ed/economics/how-make-special-economic-zones-successful-1325266</a> Article by Selim Raihan            Centre for Development Enterprise</p>
<b>Political</b>	<p><a href="http://www.kznonline.gov.za/index.php/component/k2/item/503-r4-5-billion-despite-junk-status">http://www.kznonline.gov.za/index.php/component/k2/item/503-r4-5-billion-despite-junk-status</a>  <a href="https://citizen.co.za/news/south-africa/1699478/another-cabinet-reshuffle-would-be-disastrous-for-sa-says-sisulu/">https://citizen.co.za/news/south-africa/1699478/another-cabinet-reshuffle-would-be-disastrous-for-sa-says-sisulu/</a>            Industrial Policy Action Plan 2017/18 - 2019/20 <a href="http://www.thedti.gov.za">www.thedti.gov.za</a>  <a href="https://www.dailymaverick.co.za/article/2017-06-29-analysis-anc-policy-radical-economic-transformation-and-ideological-proxy-battles-for-control/#.Wf1_21uCyM8www.dailymaverick.co.za">https://www.dailymaverick.co.za/article/2017-06-29-analysis-anc-policy-radical-economic-transformation-and-ideological-proxy-battles-for-control/#.Wf1_21uCyM8www.dailymaverick.co.za</a>  <a href="http://www.anc.org.za/sites/default/files/National%20Policy%20Conference%202017%20Economic%20Transformation_1.pdf">http://www.anc.org.za/sites/default/files/National%20Policy%20Conference%202017%20Economic%20Transformation_1.pdf</a>            Radical economic transformation: Beyond sloganeering   SA News <a href="http://www.sanews.gov.za">www.sanews.gov.za</a>            6 Things You Need To Know About Radical Economic Transformation <a href="http://www.huffingtonpost.co.za">www.huffingtonpost.co.za</a>  <a href="http://cep.lse.ac.uk/pubs/download/brexit03.pdf">http://cep.lse.ac.uk/pubs/download/brexit03.pdf</a>  <a href="https://www.theguardian.com/politics/2017/nov/07/brexit-uncertainty-is-jeopardising-public-finances-watchdog-warns">https://www.theguardian.com/politics/2017/nov/07/brexit-uncertainty-is-jeopardising-public-finances-watchdog-warns</a>  <a href="https://www.thesouthafrican.com/how-will-the-zimbabwe-situation-affect-south-africa/">https://www.thesouthafrican.com/how-will-the-zimbabwe-situation-affect-south-africa/</a>  <a href="http://harare24.com/index-id-opinion-zk-69937.html">http://harare24.com/index-id-opinion-zk-69937.html</a>  <a href="https://www.wsj.com/articles/house-senate-republicans-reach-deal-on-final-tax-bill-1513185360">https://www.wsj.com/articles/house-senate-republicans-reach-deal-on-final-tax-bill-1513185360</a>  <a href="https://www.forbes.com/sites/nusbusinessschool/2017/12/12/will-trumps-corporate-tax-cuts-send-ripples-through-asia/#48740f765ce1">https://www.forbes.com/sites/nusbusinessschool/2017/12/12/will-trumps-corporate-tax-cuts-send-ripples-through-asia/#48740f765ce1</a></p>
<b>Economic</b>	<p><a href="http://www.tradingeconomics.com/south-africa/government-debt-to-gdp">http://www.tradingeconomics.com/south-africa/government-debt-to-gdp</a>            Quantec Easy Data Quarterly Economic Review April 2016            RBIDZ – Gate way to world markets report            South African Reserve Bank Quarterly bulletin June 2016 No.280  <a href="https://www.ft.com/content/9a45a960-e6ac-11e5-a09b-1f8b0d268c39">https://www.ft.com/content/9a45a960-e6ac-11e5-a09b-1f8b0d268c39</a>  <a href="http://www.kznedtea.gov.za/index.php/economic-outlook/2-uncategorised/185-global-economic-developments;">http://www.kznedtea.gov.za/index.php/economic-outlook/2-uncategorised/185-global-economic-developments;</a>            2016 Budget review: Economic Overview – National Treasury  <a href="http://www.fin24.com/Economy/why-sa-is-most-exposed-to-brexit-impact-moodys-20160708">http://www.fin24.com/Economy/why-sa-is-most-exposed-to-brexit-impact-moodys-20160708</a>            Brexit Economic Impact: 5 Ways It Affects US Stocks, Trade, Currency and More  <a href="http://www.ibtimes.com/">http://www.ibtimes.com/</a>            Has the Renewable Energy Independent Power Producer Programme ground to a halt?   Special Reports   M&amp;Gmg.co.za  <a href="https://zululandobserver.co.za/143100/desalination-plant-officially-launched-richards-bay/">https://zululandobserver.co.za/143100/desalination-plant-officially-launched-richards-bay/</a></p>
<b>Social</b>	<p>Summary of Provincial HIV and AIDS statistics for South Africa (By Nathea Nicolay)            Daily Maverick (South Africa)- South Africa: Where 2 million live in extreme poverty (Greg Nicolson)            President Jacob Zuma : State of the nation address 2015            Crime statistics 2015/2016 - <a href="http://www.saps.gov.za/services/crimestats.php">http://www.saps.gov.za/services/crimestats.php</a>            2014 – 2019 South African Police Services Strategic Plan  <a href="http://www.statssa.gov.za/publications/P0302/P03022016.pdf">http://www.statssa.gov.za/publications/P0302/P03022016.pdf</a>            Authorities take action after reports our HIV-AIDS infection worst in province   Zululand Observer <a href="http://zululandobserver.co.za">zululandobserver.co.za</a>            Promoting Health Education and HIV/AIDS Awareness at UNIZULU – University of Zululand <a href="http://www.unizulu.ac.za">www.unizulu.ac.za</a>            #Crimestats: 10 latest crime statistics in South Africa   Zululand Observer <a href="http://zululandobserver.co.za">zululandobserver.co.za</a>            Crime Stats SA - Crime Stats Simplified <a href="http://www.crimestatssa.com">www.crimestatssa.com</a></p>
<b>Technological</b>	<p>SA's ICT spend to top the Mideast, Africa in 2017   Fin24 <a href="http://www.fin24.com">www.fin24.com</a>            2017: Challenging year for ICT in SA   ITWeb <a href="http://www.itweb.co.za">www.itweb.co.za</a>            Three facts about the ICT sector   Statistics South Africa <a href="http://www.statssa.gov.za">www.statssa.gov.za</a></p>
<b>Environmental</b>	<p>OECD's Environmental Performance Reviews South Africa Highlights 2013</p>
<b>Legislative</b>	<p>Subdivision of Agricultural Land Act 70 of 1970 - [Assented to 28 September 1970]; [date of commencement: 2 January 1971]            The Protection of Personal Information Act, 2013            Custom contested views and voices - Spatial Planning and Land Use Management Act , 16 of 2013            Protected Disclosure Act 26 of 2000 - [Assented to 1 August 2000]; [date of commencement: 16 January 2001]            NEMA- National Environmental Management Act 107            SEZ Act            South Africa Consolidated Acts - Broad-Based Black Economic Empowerment Amendment Act 46 of 2013            Acts online: National Water Act, Act No. 36 of 1998</p>

## 12 Indicator Descriptors

Below are tables of performance indicators and their descriptions per programme aligned to the performance indicators reflected on pages 34-43 of this document.

### Office of the CEO

Performance Indicator	Description	Evidence/Verification
Clean Audit outcome (Performance information)	Measures the achievement of non-material findings on performance information.	Final Audit report
100% of significant internal and external audit findings for the organisation addressed within appropriate timeframes	Measures the effort by the RBIDZ to address the findings for the prior year so that they do not become repeat findings.	Evidence acceptable to the auditor addressing the findings from each affected area within the business.
Stakeholder Survey Conducted	Conducting the external stakeholder surveys	Survey Report
Percentage improvement on brand visibility	Measures how visible is the RBIDZ brand in public and amongst its stakeholders	Report showing 10% improvement from the baseline which will be the original survey

### Corporate Services

Performance Indicator	Description	Evidence/Verification
Implement Human Resources strategy	Implement 100 % Year 1 and Year 2 projects	HR Strategy Implementation Plan
Cumulative number of interns employed by RBIDZ, locators and contractors	Total number of interns employed by RBIDZ, locators and contractors	Appointment letters
Create database of available skills that are required by investors.	Create database of available skills that are required by investors	Database
Provide and Maintain ICT infrastructure for investors at all estates	Provide and maintain ICT infrastructure for investors at all estates	Proof of ICT installations
RBIDZ internal safety performance (number of lost time incidents)	Number of RBIDZ lost time incidents	Incident report

Performance Indicator	Description	Evidence/Verification
RBIDZ contractor lost time injury rate	RBIDZ contractor lost time injury rate	Dashboard
RBIDZ reportable environmental performance	Number of RBIDZ reportable environmental incidents	Environmental incident report

## Finance

Performance Indicator	Description	Evidence/Verification
Maintained unqualified audit opinion	Unqualified opinion on the financial audit for RBIDZ	Audit report
Percentage collection of lease income due	Percentage collection of rental income and management fees due for the period	Finance records
% of procurement spend on Suppliers with a B-BBEE rating as a percentage of total measured procurement spend	Percentage that is spent on supply of goods and services with suppliers that have a BBEE rating	SCM report
% of black business enterprise participating in the supply of goods and services to RBIDZ (45% target)	Percentage that is spent on supply of goods and services with black-owned suppliers	SCM report
% of black women owned business enterprises participating in the supply of goods and services to RBIDZ (18% target)	Percentage that is spent on supply of goods and services with black women-owned suppliers	SCM report
% of black youth enterprise participating in the supply of goods and services to RBIDZ (15% target)	Percentage that is spent on supply of goods and services with black youth-owned suppliers	SCM report
Percentage of funding secured for Operations and Approved Capital Projects.	Funding secured as a percentage of funding required for operations and approved capital projects	Signed funding agreements with the applicable stakeholders

### Zone Development and Operations

Performance Indicator	Description	Evidence/Verification
Phase 1F internal civil and electrical engineering infrastructure implemented within approved budget	100% of internal civil and electrical engineering infrastructure completed	Minutes of site meetings indicating actual % progress on contracts
Number of people employed and retained for construction jobs by the RBIDZ	Cumulative number of construction jobs created by contractors	Monthly signed labour registers for all active construction projects

### Business Development and Support

Performance Indicator	Description	Evidence/Verification
Cumulative Value of operational investors	Cumulative value of operational investors	Confirmation of investment value received from operational investors
Percentage customer satisfaction per customer satisfaction survey	Customer satisfaction score (as a percentage) per the customer satisfaction survey results	Survey results
Percentage retention of operational investors	Percentage of operational investors retained	Operational investors
Percentage of operational investors having Enterprise Development Programme	Percentage of operational investors who have an enterprise development programme	Confirmation by the operational investor