

Overview

South Africa distinguishes itself as being one of a few net processed food**exporting** countries globally. It ranks as one of the top five **exporters** of grapes, avocadoes, citrus, and plums.

The country has a market-oriented **agricultural** economy that is highly diversified and includes the production of all the major grains (except rice), oilseeds, deciduous and subtropical fruits, sugar, citrus, wine and most vegetables.

A sophisticated and competitive agro-processing industry also exists and accounts for approximately 23% of the country's manufacturing sector

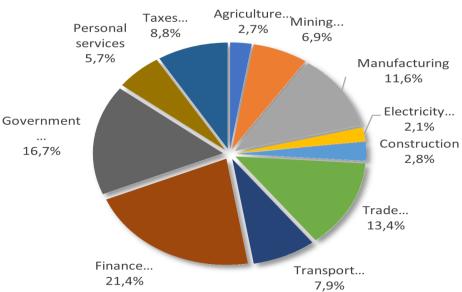
Despite the impact of Covid-19 on the economy, 2020 saw the agricultural sector contribute positively with growth primarily underpinned by production in citrus, wine, maize, nuts, deciduous fruit and sugar cane, favourable weather conditions and a volatile exchange rate which had a positive impact on agricultural exports

Given its contribution to the economy, agriculture has been identified as one of the sectors of focus in South Africa's Economic Recovery Plan

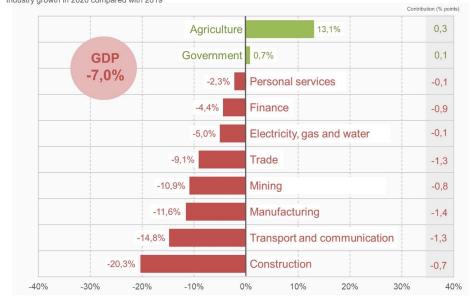
As an Agency of government, the Gauteng IDZ is promoting agro-processing investment opportunities at its SEZ located at OR Tambo International Airport



South Africa in 2020 Taxes...







Cource: Gross domestic product (GDP), 4th quarter 2020





About the Gauteng IDZ Development Company

Gauteng IDZ Company is an SPV 100% owned by the Gauteng Growth and Development Agency ("GGDA"), established to manage the establishment and operationalization of the OR Tambo International Airport SEZ (OR Tambo SEZ)

GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT (GDED)

Provincial Custodian of the Economic Development Function, 100% shareholder of the GGDA

GAUTENG GROWTH AND DEVELOPMENT AGENCY (GGDA)

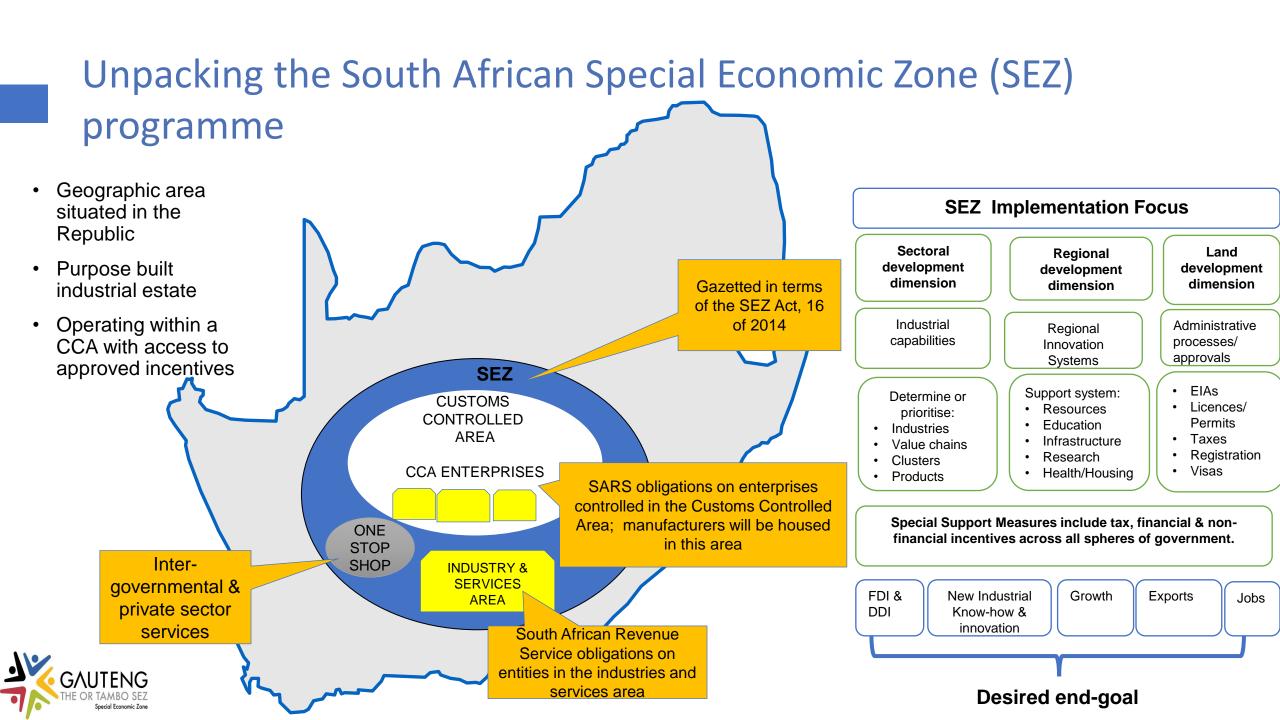
Implementing Agency of the GDED. Already established and registered as a Schedule 3C enterprise in terms of the Blue IQ Act

GAUTENG IDZ DEVELOPMENT COMPANY (GAUTENG IDZ or GIDZ)

SPV: 100% owned GGDA; Already established with and application for registration as a Schedule 3C enterprise submitted to National Treasury.

License Holder and Operator of the OR Tambo SEZ





Benefits of locating a business in the SEZ

Sectoral & value chain cluster facilitation and support

Infrastructure development

Enhanced Security

Enhanced ease of doing business

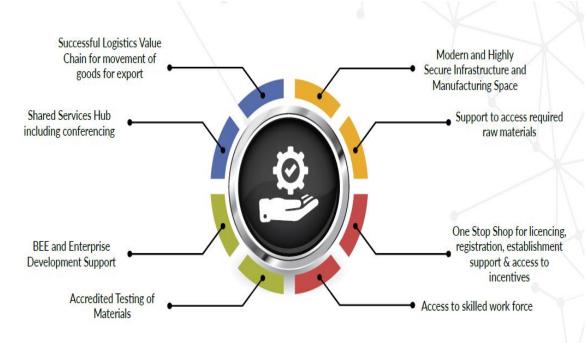
Access to incentives



The OR Tambo SEZ Value Proposition

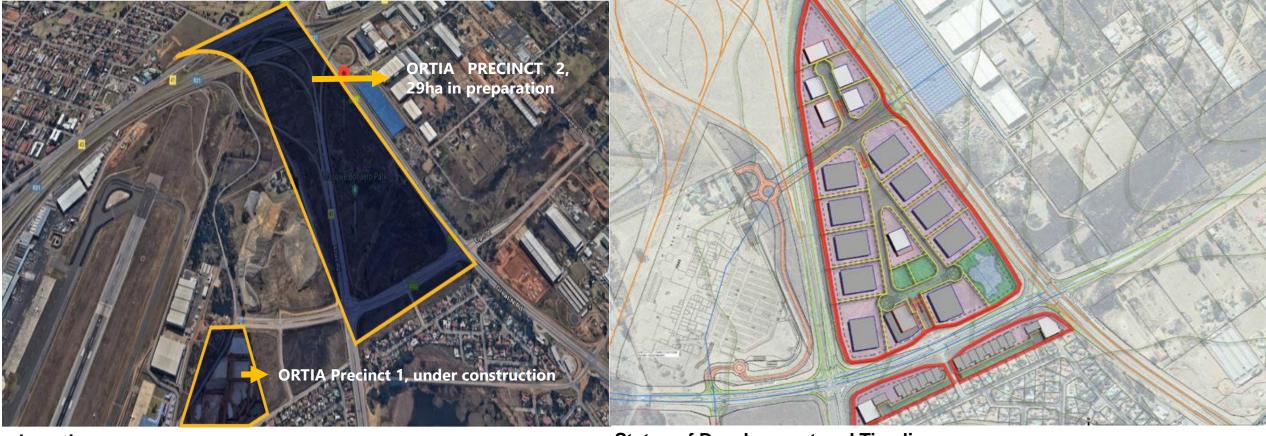
- The OR Tambo SEZ's value proposition is centred around its competitive location at or in proximity to OR Tambo International Airport facilitating ease of access to the global and African Market
- It also includes the following :
 - An integrated spatial planning approach that forms part of the broader Aerotropolis development framework in the Ekurhulen eastern corridor; this includes upgrades planned to OR Tambo International and broader infrastructure capabilities of the Metro;
 - The offering & capabilities of Gauteng
 - Logistics handling centred around the global capabilities of OR Tambo International's air cargo facilities;
 - Supporting concomitant supply and value chain relationships located in Ekurhuleni;
 - Incentives including employment tax incentive, VAT exemption and duty-free importation of production related material and assets
 - Serviced land
 - Supplier development support
 - One-stop shop management arrangements including a single point of contact.







Introducing ORTIA Precinct 2; the land parcel available for market uptake



Location

- ORTIA Precinct 2 is a 29ha land parcel forming part of the OR Tambo SEZ
- Located just outside OR Tambo International Airport and accessed off Atlas Road in Kempton Park, this gazetted SEZ land parcel is earmarked for the production of high value light weight goods that utilise air freight as a mode of transport. These include, medical consumables and equipment, electronics as well as perishable food products

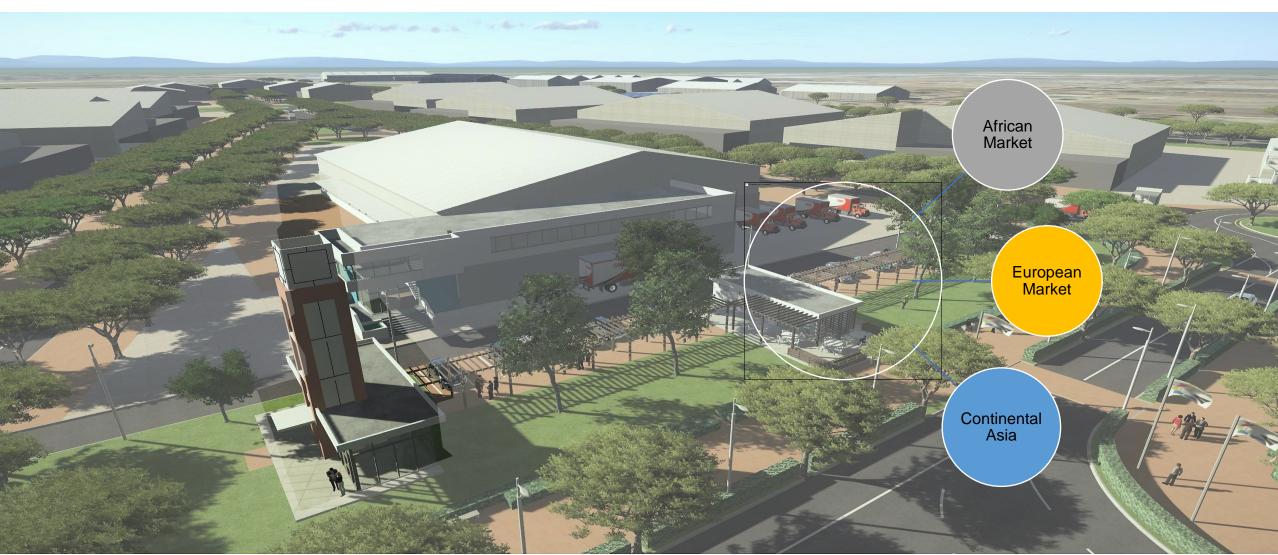
Status of Development and Timelines

- Master plan done, indicating a projected GLA of 143 000 sq.m.
- Environmental Impact Studies underway, ROD to be secured by end of 2021, paving the way for bulk infrastructure works to ensue.
- Bulk infrastructure installations: from 2022
- Top Infrastructure Construction: from 2023

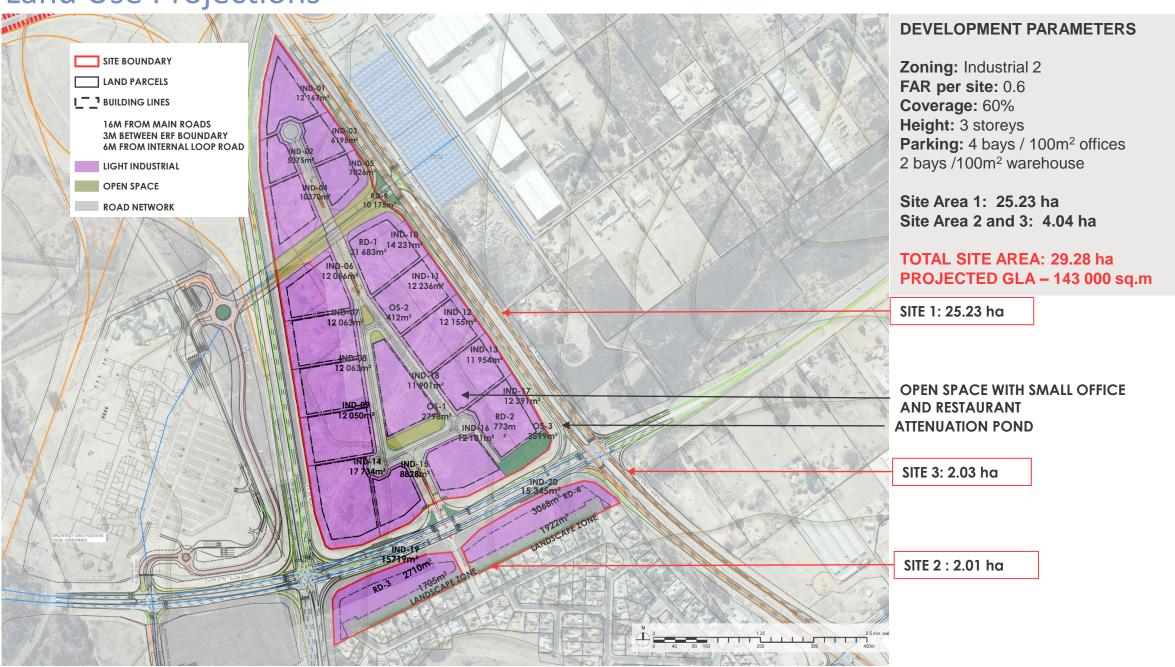
Vision for ORTIA Precinct 2

To position ORTIA Precinct 2 as a supplier for PERISHABLES, including fresh food products into Continental Europe, Asia and the African market.

This is in support of the Location's access to air cargo capabilities and counter seasonality to Europe, offering an opportunity to grow this already existing market.



Land Use Projections



Opportunities available for market uptake

ORTIA Precinct 2 is strategically located close to the OR Tambo International Airport and offers the following value add opportunities that also lend themselves to agri-tech solutions:

- Cold storage and lifespan extension activities including preservation
 - Processing and packaging of fresh produce
- Modern plant and crop production through modern greenhouses/indoor vertical farming
- Manufacturing of digital agriculture and its related technologies (remote sensors, UAVs) for the local and global market

In summary, why invest at OR Tambo SEZ

Locational Advantages:

OR Tambo SEZ's proximity to well-developed logistics capabilities at OR Tambo International Airport, inclusive of the cold storage capabilities make it suitable for packaging and exporting of perishable products

Country Advantages:

South Africa's capabilities in the agriculture and agro-processing value chain are amongst the best globally. The country is already home to globally competitive agriculture and agro-processing exporters

South Africa's counter seasonality to global markets especially Europe, making it a competitive supplier of agro-products

Trade Enhancement Opportunities

South Africa is well positioned to take advantage of significant opportunities that the expansion of intra-Africa trade poses. Through the African Continental Free Trade Area Agreement (AfCFTA), South Africa stands to gain access to a market of over 1,2 billion,

Currently only 15% of African exports go to other African countries as opposed to Europe where 70% of exports are received by other European countries.

The UN estimates that the implementation of AfCFTA could boost intra-Africa trade by as much as **53%** as import duties and tariffs are lifted.

General SEZ benefits

Sectoral and value chain cluster facilitation

Infrastructure Development

Reduced Red Tape

SEZ incentives



Rental Parameters





Building sizes	Range from 500m ² to 17 000m ²
Tenant Lease term	10 years
Rental, Parking & Service Rates:	
Land lease - Investor is responsible for constructing the top infrastructure	R14/m ² Annual escalation to apply
Facility lease	R60-150/m ² Annual escalation to apply
Parking (standard parking)	R450 per bay per month
Service Contribution / Levies	2,50% of rental income Annual escalation to apply
Electricity & Water Rates	R22 / per Kwh (excludes MVA charges) and R10/ per Kilo litre subject to usage

Proposed Components of the Cluster

Food Factory

Supplier Development

Value Chain Providers

Innovation Centre

Investor Profile



- Interested in operations within an 18-24 month lead time
 - This provides opportunities for input into the design of the top infrastructure as well as collaboration on funding.
- Long term tenancy in the form of lease agreements guaranteeing rights over a defined period
- Looking to expand into Africa and capitalize on Africa's growth trajectory in the selected industries
- Looking to expand their already established operations by working with government to realise growth potential
- Looking to forge partnerships and collaborations with government and other key stakeholders including established local players



Thank you





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