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CORPORATE REPORT

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TRADE & INVESTMENT LIMPOPO

Driven and decisive

Motalane Monakedi



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Medupi Power Station

Assertive

The province's natural wealth is proving to be more than an advantage

Limpopo's resource-rich coalfields are set to become the future focus of major coal mining activity in SA, enhancing the province's attraction as a major investment destination for large companies and primary contractors.

The centrepiece of activity in Limpopo's expanding coal mining industry is Eskom's mega Medupi power station project at Lephalale (formerly Ellisras). The project will go a considerable way to building the utility's electricity supply capacity when the first unit comes on stream in the second half of 2012.

Medupi project manager for Eskom, Roman Crookes, emphasises that it is essential that SA's growing demand for

electricity is met by supply capability. Eskom's calculations indicate that the gap between the rate at which demand for electricity in SA is growing and the availability of electricity supply will narrow over time, once the Medupi power station comes on stream.

The value of the Medupi project is put at R125,5bn, spread across 38 primary contracts, of which the capital component is about R58bn.

Construction started in May 2007 and it is intended to have the first of six units in commercial operation by the second

half of 2012. Subsequent units will be brought on line every eight months after that.

The facility will generate 4 800 megawatts from the six units, which will add about 11% to Eskom's installed capacity.

Most of Eskom's current power stations are located in Mpumalanga (where its major new Kusile power station project is under way). But there is a limit to the number of power stations that can ultimately be built in the province before capacity is fully stretched.

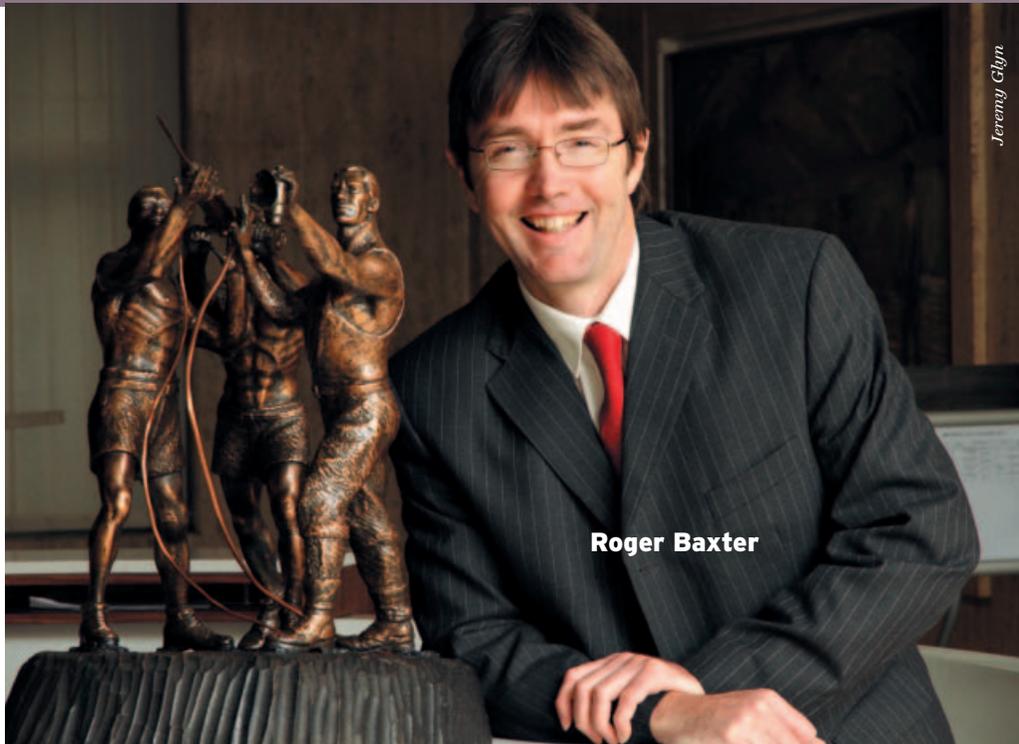
Says Crookes: "The new springboard on which future coal reserves are potentially being focused is the Waterberg area of Limpopo, in which there are very large and relatively untapped coalfields.

WHAT IT MEANS

➤ The Medupi project is estimated at R125,5bn

➤ It is expected to run for at least 50 years





Roger Baxter

“Essentially, we chose this area because it has an abundance of coal, which means it has a significant supply capability for the Medupi power station — bearing in mind that Medupi is planned to run for 50 years, using about 14 Mt of coal a year.”

He says that in discussions with the major coal producer Exxaro, coal industry analysts took the view that though the potential extent of these largely untapped coal reserves is unknown, the supply could be such that it may be possible to build many more power stations with a 50-year lifespan “without even making a dent” in the potential capacity.

“There is significant space for making Limpopo a really attractive investment opportunity. It could become a booming province in the process because of this resource-rich potential that will draw big companies to Limpopo,” says Crookes.

“The stock of raw resource material that Limpopo offers is already attracting significant contributors such as Eskom and Sasol. And for primary construction projects, Limpopo will obviously attract second-, third- and fourth-tier companies due to this investment.”

Another primary reason for choosing the site, says Crookes, is that it is situated in an area that has considerable technical advantages. It is also close to the Exxaro Grooteveluk coal mine. This mine has

the capability to produce substantial volumes of coal and Eskom has enjoyed a good working relationship with Exxaro through the Medupi power station project, which was another plus factor in the choice of site, he says.

“Eskom is different from several of the international power utilities in that we like to build our power stations close to our coal supplies. This reduces transportation costs, which are substantial. So the closer you are to the coal source, the more you are able to make your sale price attractive in the long run,” he says.

Though Medupi is in a relatively water-scarce area, it makes use of cutting-edge technology that utilises minimum amounts of water.

Mining analysts point out that over the next 10 years, Eskom alone will require another 75 Mt-100 Mt of coal a year, depending on the rate of economic growth in SA.

Also, says SA Chamber of Mines chief economist Roger Baxter: “This means that the coal mining sector in SA will have to grow production by about 3%-3,5%/year in the period.

“There are some large-scale existing coal mining operations taking place in the Witbank coalfields, in particular. And over time there will be a migration of activity into the northern coalfields, which include the Limpopo coalfields as

well as the Waterberg coal reserves.”

Baxter says that the demand will be driven both by the need for power as well as demand for an export market. This will also involve creating heavy-haul rail links to the Waterberg area — two proposed routes are under consideration.

“The Limpopo coalfields hold much promise and they extend across the province into Botswana. Over time, there will be much interest in how synergies are established, not only with the Waterberg coalfields, but also those of Botswana and other countries, in relation to power generation — and ultimately the export market — in the process benefiting the countries in the region.

“The critical issue is that at present we do not have sufficient electricity to provide for growth in the economy. Limpopo is definitely one of the growth focal areas and the infrastructure that is put in place there will have huge spin-off effects on the rest of society and the economy,” he says.

As it is, there are significant socio-economic benefits emanating from the Medupi project in Limpopo — not least the effect on the local Lephalale community, says Crookes.

The Eskom contracts with auxiliary contractors have significant elements of AsgiSA (government’s initiative for the development of scarce skills) embedded in them. This includes spend on localisation as well as skills development.

The number of staff already being trained and developed by project contractors, during additional time allocated over and above actual construction time spent on the job, adds up to more than 1 900 people.

With each contract, various scarce skills in the market are identified and the appropriate training for that particular skill is introduced as a prerequisite for the contractor to deliver in the duration of the contract period. If a worker fails or drops out, the onus remains on the contractor to deliver training for the stipulated number of trainees earmarked for skills development.

These skilled workers — who range from artisans through to university graduates — are then accredited and registered by the relevant organisations, enabling them to seek jobs and to ply their new skills in the wider workplace.

In one of a number of other skills development initiatives, contractors Hi-



We are building



Over the next five years, we will be spending in excess of R400 billion on electricity infrastructure. Some 12 000MW is already under construction (Medupi, Kusile, Ingula and the return-to-service stations). Since 2005 we have built two new gas turbine stations and 2825 km of high-voltage transmission lines.



Attraction Coal mining activity is increasing

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tachi and Murray & Roberts, for example, have added a new wing to the FET (further education & training) college at Lephallale. The new facility focuses on developing skills such as welding, fitting and turning as well as machine work, among others.

As at the end of May this year, Eskom had a peak number of 7 300 people on its Medupi project site. About 43% of the total labour on site comes from a 70 km radius around Lephallale, while the rest comes from the Limpopo region.

“Our focal point is to bring as much of the local flavour as we can onto these projects. We have few expatriates work-

ing on contracts. Many of these are first-time employees who have never had a job before,” says Crookes.

In addition to its contractual obligations for the Medupi project, Eskom has spent about R2,3bn in Lephallale alone over the past two years on the provision of houses, sewerage upgrades and other essential services, says Crookes. “We have also started to install more electrical infrastructure.

“We have spent an additional R120m on supplying basic infrastructure such as transportation, catering and laundry facilities, among others. Our contractors, in turn, have spent about R771m of their

own money,” he says.

“In total, this is approaching R3bn in terms of physical infrastructure investment and expenditure within the town.”

In addition, Eskom, together with its contractors, has introduced a Medupi Legacy Programme in Lephallale. One of the key elements in this is enterprise development.

Eskom has identified various companies (approaching 30 businesses) that may have technical capability but not necessarily the business acumen. It has then arranged access for those companies to a university contractor training academy course to learn practical business skills.

Other investments will include building and renovating crèches, clinics and community halls and other infrastructure in the villages. ■

“There is significant space for making Limpopo a really attractive investment opportunity”

— ROMAN CROOKES

Definitely in a good position

Energy security and self-sufficiency make Limpopo attractive

Limpopo arguably has the most lucrative and expansive coal reserves in SA. And these will be developed further once the Witbank coalfield mining operations have been fully exploited commercially.

As such, Limpopo, which is already attracting a considerable cross-section of major and junior mining companies in their quest for prospecting and exploration rights, is set to lure an ever-swelling cadre of local and international investors to the province.

Energy security and self-sufficiency are increasingly becoming big business considerations — and Limpopo is in pole position to benefit.

Coal production is very much part of Limpopo's lifeblood. At Lephallale, the Grootegeluk mine — under the jurisdiction of mining giant Exxaro — has been mining the Limpopo coalfields for the past two decades or so.

WHAT IT MEANS

► **Coal production Limpopo's lifeblood**
► **Attracting major and junior mining firms**

Anglo Coal also has a major project in the Waterberg coalfields area, while Sasol is considering its Mafutha coal-to-liquids project, a strategic plan to replace Secunda in the long term.

A number of junior mining operations are also active, including the Australian company Firestone. Also in production for the past 20 years is another Exxaro mine, Tshikondene, a small coking coal mine alongside the Kruger National Park.

Within this growing coal mining radius of activity, a number of diverse coal-related projects are coming to life. One of these, Vele, is being developed

by Australia's Coal of Africa Ltd, now in the process of graduating from a junior to a midtier mining operation. The Vele coal reserve lies alongside the Limpopo river and is adjacent to the Mapungubwe archaeological heritage site.

According to Brad Rip, senior mining consultant: coal for TWP Projects (part of the Basil Read group), the Limpopo coal resources currently being mined contain a coking coal fraction that makes them eminently suitable for metallurgical applications, such as steel making. The balance of these coal deposits comprises steam coal or energy coal, generally used in power station boilers.

Yet another project — Chapudi — is being undertaken under the auspices of Rio Tinto, but is on hold. This project was previously investigated by TWP during 2008/2009 as a potential IPP (independent power producer) energy coal source.

Adding to the mix, a substantial Coal of Africa project at Makhado (formerly Louis Trichardt), takes the form of a coking and energy coal initiative north of the Soutpansberg mountains.

Throughout Limpopo, the coalfields are made up of coal zones, as opposed to coal seams — some are up to 50 m thick. These coal zones comprise a mixture of good and poor quality coal plies. This calls for the selective mining of the good coal plies from the larger coal zone. Invariably, this is considered more suitable for large open pit mining than underground mining operations.

Rip points out that a number of projects under development, such as Vele and the Grootegeluk expansion plans, among others, have been allocated capital expenditure, with contracts being awarded, adding to the overall attraction for potential investors.

For projects further down the line, exploration money is also in the pipeline, with projects being awarded to exploration companies and local companies and workers being employed, usually on a contract basis. In many instances, notes Rip, these mining companies have opened up local offices in Limpopo “and there is certainly immediate money being spent by virtue of these projects”, he says.

Several of these participating companies are listed entities, with rights issues to raise further capital often a distinct possibility, adding to the lure for local

and foreign investors into the province. Australian junior mining companies, in particular, are invariably listed — or at least have private equity money behind them — and are answerable to shareholders.

There is a significant BEE component to most of the exploration and mining activity within the Limpopo coalfields. None of the junior mining firms has entered into these projects without BEE partners to help them secure the prospecting rights — an obvious incentive for Limpopo-based, black-owned business enterprises to become involved from the outset.

Predominant in all of Limpopo's energy-related projects is the Medupi coal powered station project — the most advanced of the new thermal power stations being planned — with the first boiler set to come into production in 2012.

Medupi, which is adjacent to the current power station fed by Exxaro's Grootegeluk mine, will eventually feed into the national electricity grid. It is regarded as the biggest power station of its type ever likely to be built, with a projected output of around 4 800 megawatts.

Rip says that thermal power stations can be built at a fraction of the cost of nuclear power stations — an option mothballed by Eskom last year — in terms of capital expense as well as the timeframes for production. The timeframe for licensing nuclear power stations is many times the lead time for licensing a thermal power station. ■



Jeremy Glyn

Brad Rip

Several of these participating companies are listed entities . . . adding to the lure for local and foreign investors



TRADE & INVESTMENT
LIMPOPO

Corporate Profile



Trade and Investment Limpopo (TIL) is an agency of the Limpopo Department of Economic Development, Environment and Tourism (LEDET), mandated to handle trade and investment promotion and facilitation. TIL's core business is to, in collaboration with other parastatals and departments in the economic cluster, respond to provincial economic development.

Strategic Objectives

- Seek increased added value from existing and new projects
- Increase the Limpopo added value content of exported products
- Create sustainable new jobs and maintain existing jobs
- Increase equity and Broad Based Black Economic Empowerment (BBBEE)
- Create a competitive environment in Limpopo through improved capacity and by removing obstacles to competitiveness
- Make TIL the most effective learning organisation in Limpopo through knowledge management and sharing

Regional Integration

TIL enjoys diplomatic and economic strategic partnerships with SADC neighbouring states, including Botswana, Mozambique, Swaziland and Namibia. In an effort to realize regional economic intergration, TIL has signed Memoranda of Understanding with SADC states and trade promotion aligned institutions - geared towards market access, product development and coordination of market intelligence.

Capacity Building

TIL has, in recognition of the centrality of local economic development in job creation and poverty alleviation, developed a municipal capacity building programme. It is aimed at empowering municipalities with regards to human capital development, institutional capacity building, and the improvement of their business environments. This intervention is further aimed at enabling a systematic and informed approach to attracting investment into respective municipalities, based on enhanced competencies and understanding of:

- Value chain analysis and cluster development
- Macro-economic analysis
- Investment promotion and marketing
- Global competitive strategies

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FUEL

Building a reserve



Stockpile Demand for liquid fuel is increasing

SA's quest for greater energy and fuel security brings Sasol's Project Mafutha initiative in Limpopo into sharp focus, given the expected demand for liquid fuel.

Carine van den Berg, GM Project Mafutha for Sasol, says SA has experienced significant economic growth since 1994 and this has greatly increased demand for liquid fuel. The post-recession outlook for SA is one of further economic growth with demand for liquid fuel expected to continue to increase, she says.

"The predicted growth could compel SA to increase fuel imports, which in turn would exert greater strain on the country's foreign currency reserves," she says.

"SA's supply of liquid fuel from indigenous raw materials has reduced to 26% from the targeted 30%. The projected growth in demand will reduce the synthetic fuel contribution even further, which will increase the concomitant risk to SA's energy security in the event of a global shortage of crude oil."

Van den Berg says that Project Mafutha will provide SA with increased energy security while being aligned with Sasol's growth objectives in Southern Africa.

With nearly 50% of SA's coal reserves

located in Limpopo, the location of Project Mafutha was determined largely by the abundance of coal reserves in the Lephalale area, she says.

But how far is the concept of a "Petrochemicals Hub" on the way to becoming a reality — and what important role will Limpopo potentially play in this?

Van den Berg's response is that Project Mafutha will be an 80 000 barrels per day coal-to-liquid (CTL) facility with a dedicated coal mine and associated infrastructure. The facility will be based on Sasol's world renowned Fisher-Tropsch technology and will convert coal into high-quality liquid fuel, with a petrol:diesel ratio of 30:70.

"Project Mafutha would further include the development of the first new town since 1994, which creates a unique opportunity for the development of integrated communities in harmony with sensitive ecological principles," she says.

Should it be found feasible, Van den Berg says, Project Mafutha will enhance the industrial development of Limpopo. It will also stimulate further downstream growth opportunities in the engineering services and chemical industries — to support construction and continued operations.

She says Sasol generally funds its in-

vestments without partners. But on large-scale projects, in SA and around the world, it prefers to partner governments in typical public-private partnership arrangements.

"Project Mafutha creates an excellent opportunity and platform for partnerships with all spheres of government to address the challenges of energy security. This would be while exploring opportunities for the creation of decent jobs, developing skills and building capacity, establishing a new town and enhancing the industrial development of the Limpopo province," says Van den Berg.

"To successfully execute a mega project of this nature, extensive government involvement is essential, both as a partner and provider of investment incentives.

"The Limpopo provincial government will therefore be one of the key government roleplayers in establishing the bulk and social

infrastructure required to establish and host a new integrated town and large-scale CTL facility."

Project Mafutha will seek to replicate the success of Sasol's investment in Secunda, which has not only been beneficial to Sasol and the Mpumalanga province, but also to the country as a whole, says Van den Berg.

Besides increasing the country's energy security, Project Mafutha will:

- Provide savings on final product imports and therefore improve the country's balance of payments;
- Increase GDP (resulting from the replacement of final product imports as well as the increase in the aggregated fixed investment in SA during construction);
- Create thousands of direct construction jobs and permanent direct operational jobs, of which a large portion will be sourced from local communities in the Lephalale and Waterberg districts and northwest Limpopo;
- Contribute to significant skills development and capacity building that will bring added benefits. During the construction phase alone thousands of skilled artisans, technicians, engineers, operators and project managers will be required;

- Stimulate second and subsequent generations of new jobs and socioeconomic benefits through the development of the new town; and
- Enhance the industrial development of the Limpopo, which is one of the poorest and underdeveloped provinces of SA.

To date, Van den Berg says, Sasol has approved R1,5bn for the prefeasibility study, of which R1bn has been committed and/or spent to date. The substantial prefeasibility work currently being performed, includes:

- Large-scale gasification trials to be

conducted in Secunda in the second half of the calendar year;

- Further geological exploration and coal analysis;
- Preparation of an application for mining rights;
- Technical and specialist environmental impact studies on all elements of Project Mafutha; and
- Finding a commercially possible carbon capture and storage (CCS) plan to achieve Sasol's CO₂ reduction targets.

"To successfully execute a mega project of this nature, extensive government in-

volvement is essential, both as a partner and provider of investment incentives," she says.

"However, it would not be sensible for the project to move into the next phase until the results of the large-scale gasification tests are available and a viable CCS solution is found. In addition, more certainty relating to government's prioritisation of Project Mafutha is also required."

As a result, she says, the planned commissioning of Project Mafutha will be delayed. ■

JOBS

Creating opportunities

Limpopo's Employment Growth & Development Plan (LEGDP) is the foundation on which a blueprint for economic growth and job creation — based on a diverse economy — is being rolled out.

The new plan replaces the Provincial Growth & Development Strategy, which was focused mainly on growing the economy. "However, as government we realised that growing the economy without creating jobs was not beneficial to our people in the province," says Limpopo premier Cassel Mathale.

Seven months after the new provincial administration came into office, he says, stakeholders from all sectors in the province's economy met at the Provincial Growth & Development Summit, where delegates agreed to the development of the LEGDP. The plan identifies areas that are able to sustain Limpopo's economy as well as those that require immediate interventions.

"During the recession we lost many jobs faster than we expected," says Mathale, "and we did not have immediate mechanisms in place to offset the effects of the low sales in our companies. We now understand better than ever that the creation of sustainable employment must be built on a more diverse economy. We also understand that an economy that simply exports raw materials is not diverse enough to support shared and sustainable long-term growth."

As such, the premier says, it was decided to come up with a document that would focus broadly on ensuring "that we

create jobs in order to realise a meaningful development for our people . . . a better life for all".

"In pursuit of this ideal we created the LEGDP, which would help us deliver on our promise as outlined in the electoral mandate during our term of office," he says. "Given the mineral wealth of our province and as government, our driving force will be the desire to see more beneficiation from these mines in a manner that will create industries through the processing of the minerals."

He says plans are afoot to build a Mining Input Supplier Park in the Sekhukhune district that will supply equipment and machinery parts to the mines operating in the province — with Sekhukhune in particular as the hub of this mining activity.

"We are also developing the town of Lephalale at great speed to accommodate the kind of investment that is flowing into the town due to exploration in the coalfields in that area," he says.

The LEGDP also outlines how Limpopo will use its agricultural sector to develop the agro-processing industry. This will enable the fruit and vegetables that are produced in the province to be processed for bottling and canning, and not shipped out of the province to be processed as happens at present.

"These are some of the many initiatives the government of Limpopo,

together with investors, is making in an effort to ensure that as many jobs as possible are created to lift our people out of poverty," says Mathale.

"With the blessing of all the assets the province possesses and the strategic positioning of our province as a gateway to the rest of Africa, we are determined to make the most of these possessions.

"As such, the LEGDP is a tool that will be used in achieving our objectives of bettering the living conditions of our people," he says. ■



Cassel Mathale

**PROFILE**

Determined, new blood

Growing and developing a strong manufacturing and secondary industry base in Limpopo as well as enhancing the province's attractions as an investment destination of choice are among the key objectives of Motalane Monakedi, newly appointed CEO of Trade & Investment Limpopo (TIL).

Monakedi was the executive mayor of Capricorn district municipality for 10 years before he was appointed to his new position in August. He is also a former member of the Limpopo provincial legislature.

His responsibilities included ensuring citizens receive adequate basic services. On the question of ensuring sustainable and adequate marketing resources in the short to medium term, Monakedi says one of the objectives will be to ensure that allocated budgets are fully spent in a manner that "promotes our province as an investment destination of choice and that we work effectively to access markets nationally and internationally".



Motalane Monakedi

There appears to have been a degree of underexpenditure in this regard in the past, he says. "So, in the short term we must ensure that we are able to provide adequate services with the budgets entrusted to us, which should have a positive effect on creating jobs and reducing poverty in our province," he says.

Another long-term option may be to mobilise private-sector funding, "given that we are an agency of government that also provides services to businesses in the private sector by opening markets for them and attracting investment. We may need to examine whether this is a viable and appropriate option, in order to allow the private sector to contribute financially to the work we are doing".

One of the major challenges to be dealt with, Monakedi says, is to ensure Limpopo's readiness for the internal amalgamation process — in line with the decision taken by the provincial government to amalgamate TIL with the Limpopo Economic Development Enterprise and the Limpopo Business Services Development Agency. "As we adapt to the new structure we must also see to it that we continue to work to promote trade and investment for Limpopo," he says.

"The structure of the organisation needs to be re-engineered so that we avoid duplication and have a structure in place that is responsive to the mandate we are given — which is to attract investment and promote trade.

"We also need to position ourselves to harness and take advantage of positive spin-offs from SA's successful hosting of the soccer World Cup." The re-engineered strategy should set clear targets "so that we are able to measure our performance against those objectives".

At the end of his first 100 days in office, Monakedi says he would ideally like to see a responsive organisation in place, "one that is united and boosted by a high level of morale. It should also be an organisation that has strengthened its networks and links with various stakeholders, especially the people it serves".

The new CEO describes his personal leadership style as "one of involvement and consultation, while taking firm decisions that have to be implemented to the letter. At the same time, people should feel that they are part and parcel of the decision-making processes within the organisation". ■

DEVELOPMENT

Ready to shine

Arising from the Limpopo Employment Growth & Development Plan (LEGDP), the provincial government has identified a number of key strategic sectors of the Limpopo economy that have the potential for growth and job creation.

Key areas in this growth strategy are mining, tourism and agriculture — but other sectors are also being considered. "The sectors we are targeting for development are interlinked," says Limpopo MEC for economic development, environment & tourism Pitsi Moloto.

"For example, to be in a position to develop mining, tourism and agriculture, we need significant infrastructure development to upgrade rail networks, among other priorities. So we regard infrastructure development as potentially another key sector in uplifting the economy," he says.

The establishment of a logistics hub within Limpopo is another potential development that is on the agenda, Moloto says. "If we consider the growing trade, for example, between SA and Zimbabwe, there is a substantial supply of goods moving through to Zimbabwe and a great deal of cross-border activity generally.

"Therefore, we view the development of a logistics hub as critical. We have also identified the development of broadband communication as another key aspect of our growth and development strategy," he says.

Moloto says Limpopo is using Trade & Investment Limpopo (TIL) — the province's trade and investment arm — as one of the main vehicles to attract the required inward investment.

At departmental level, he says this has been reinforced by meetings between Limpopo government executives and potential investors from China. This has been typified by a joint venture between one of China's leading steel companies, Sino Steel and Limpopo province to produce ferrochrome. China's fast-growing economy is hungry for the type of mineral resources that Limpopo is able to provide.



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CORPORATE REPORT **TRADE & INVESTMENT LIMPOPO**

“We are trying to tap into this area of demand by not merely investing in mining to boost exports, but encouraging and exploring the potential for area-based local beneficiation to help diversify our economy and generate jobs,” says Moloto.

He says there are also investment opportunities for private-sector companies, in addition to the international investors. In the tourism sector, for example, the Waterberg area offers huge scope for the development of tourism facilities.

There are also business opportunities linked to the platinum mining industry in the province. “We are trying to attract suppliers closer to the sites of mining operations. And to achieve this, one of the initiatives on which we are working is the development of a Mineral Input Supply Park. This would also assist in job creation and the diversification of the economy,” he says.

Moloto points out that one of the



Pitsi Moloto

drawbacks to attracting investment is that Limpopo does not have “province-specific incentives” in place such as tax breaks or industrial development zones, for example. “Perhaps this is something that ought

to be looked at in the next phase of the province’s development,” he says.

Regarding the current economic growth and development strategy, the province is looking at a horizon of five years. “This will take us up to 2014. We are on track with this and many of the aspects of this development strategy will continue beyond 2014,” says Moloto.

Other expected developments include the imminent signing of an agreement with China to develop a cement factory in the Thabazimbi area. Discussions are also taking place with Transnet on the upgrading of the province’s rail network, linked to the launching of a fresh produce market in Limpopo. There are also huge investment possibilities in the Lephalale region, the site of Eskom’s Medupi power station project, says Moloto. ■

Corporate Report written by David Jackson
Advertising executive: Monica Moleleki

A clear, targeted strategy

Investment promotion is a key pillar of Limpopo’s growth and development strategy for the medium and long term. Within this framework, Limpopo’s Investor Targeting Strategy aims to identify the projects on which Trade & Investment Limpopo (TIL) needs to focus as part of this investment promotion drive.

TIL economic planning GM PJ Moloisane says that through the investment targeting strategy, three sectors have been identified. These are mining (including the downstream beneficiation of minerals), agro-processing and tourism.

In the mining sector, the strategy has clearly highlighted the strengths that the province is well positioned to promote to its advantage, he says. These include platinum group metals, the province’s substantial coal potential, as well as diamonds — focusing on the Venetia mine, currently the biggest diamond mining operation in SA, Moloisane says. Also highlighted by the strategy are some of the potential strengths that could emanate from the

downstream beneficiation industry, through an increased focus on mineral beneficiation — from chrome, coal and platinum.

In the area of agro-processing, the emphasis is on juice extraction from mangoes, oranges, litchis and tomatoes.

One of tourism’s biggest drawcards, as identified in the strategy, is the Kruger National Park — two thirds of which lie within Limpopo’s borders.

“We have never taken full advantage of this wonderful natural facility,” says Moloisane. “And the issue we have to address is how to position ourselves as a province to ensure Kruger National Park works to our benefit. We are also looking at other sites within the province such as the Mapungubwe Heritage site and the Waterberg area, with a view to possible game park development.”

Golf course development has been earmarked as another tourism strength on which Limpopo could capitalise. Limpopo has the highest number of golf courses in SA, says Moloisane, including the world’s only 19-hole golf course, The Legend.

“We decided to implement an investment targeting matrix to match up potential countries with specific companies that would be suitable candidates to invest in Limpopo,” he says.

TIL is also looking to its partnership with the University of Venda (Univen) to identify social responsibility initiatives, especially in those areas that have not been previously covered.

This initiative is part of the province’s rural development strategy for Venda, and seeks to establish a sustainable relationship between Univen and TIL, focusing on issues of student development and research programmes between TIL and university staff. For instance, this will give the university lecturers an opportunity to gain private-sector experience by working at TIL for an agreed period of up to a fortnight at a time.

It will also enable TIL staff members to impart practical knowledge to students in the various disciplines, as part of a knowledge exchange programme.

An important element of this partnership, Moloisane says, is that future annual provincial strategy conferences will be undertaken jointly by TIL and Univen. ■





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