

MMSEZ**STRATEGIC
POTENTIAL**

The development of the Musina Makhado Special Economic Zone is firmly aligned with the aims of the African Continental Free Trade Agreement

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According to a new report by the African Export-Import Bank the African Continental Free Trade Agreement (AfCFTA) signed by 54 of the 55 countries on the continent will unite an estimated \$3 trillion market and could help to stimulate more than \$84 billion in untapped intra-African exports. With all African countries but one participating, the AfCFTA would have the largest number of member countries in any trade deal since the formation of the World Trade Organisation.

Currently, Africa has eight regional economic blocs and the AfCFTA lays the basis for countries to harmonise customs and tariff

regimes. It is expected that manufacturing-led intra-regional trade will mean massive employment creation, skills development, technology transfer, economic growth and a high possibility for incremental alteration of the global supply-chain configuration. The development of the Musina Makhado Special Economic Zone (MMSEZ) resonates squarely with the objectives of the AfCFTA.

Strategically located on the north-south corridor, the MMSEZ will soon become a mega intra-regional trading zone that will service various markets in the SADC region and beyond.

The MMSEZ is a flagship initiative of the Limpopo provincial government and enjoys the advantage of proximity to the Beitbridge border post, the busiest road border post in Southern Africa. Situated between SA and Zimbabwe, the border post is the busiest regional transit link in Southern and East Africa, connecting SA with Zimbabwe, Botswana, Zambia, the DRC, Malawi, Tanzania and northern Mozambique. An estimated 400 trucks cross the Beitbridge border post every day.

The MMSEZ initiative is driven by manufacturing and resources-beneficiation with backwards and forwards linkages across the value chains in various sectors. The heavy industrial complex will house the energy and metallurgical cluster, which will include the following plants: coal power; coke; ferro-chromium; ferromanganese; pig iron; carbon steel; stainless steel; lime; silicon-manganese; metal silicon and calcium carbide. The light to medium industrial park will cover general manufacturing, agro-processing and logistics.

SA has established itself as the powerhouse for the automotive industry in sub-Saharan Africa. More than 10% of the vehicles manufactured in SA are supplied by road through Beitbridge to the northern markets in the SADC regions. This window of opportunity makes MMSEZ an ideal location for various opportunities across the automotive sector value chain such as vehicles and components manufacturing; a storage and distribution hub, an after-care products distribution hub and a tyre-manufacturing and distribution hub.

The manufacturing cluster of the MMSEZ will provide a platform for various original-equipment manufacturers to produce goods in the SEZ for both domestic consumption and export markets in Africa and beyond. A strategic opportunity exists for the



Artistic impression of the
Musina Makhado Special
Economic Zone

manufacture of products such as fertilisers, agro-chemicals, industrial chemicals and steel fabrication.

Another strategic opportunity for investment is in the manufacture of pharmaceuticals for the export market. The MMSEZ will be a melting pot of activities and opportunities for entrepreneurs.

The Limpopo province is the food basket of SA as it is endowed with various agricultural resources, some of which are sought after in the lucrative world markets. Exotic fruits and vegetables are available in abundance, which creates a viable potential for agro-processing of value-added products for domestic consumption and the export market. Food production has over the years become a multibillion-rand industry that requires entrepreneurial creativity to exploit. Complemented by the logistics support, the agro-processing cluster of the MMSEZ is destined to become a big success over the next few years.

Various opportunities exist within the agro-processing cluster, including among others food processing, fresh-produce handling, dry-fruits packaging, food canning, timber processing and furniture manufacturing.

SEZ projects are by their very nature catalytic. They stimulate growth and development that is felt outside a delimited geographic space.

In Musina and Makhado, various stimulus packages have been identified as investment opportunities for the private sector outside the confinement of the SEZ spaces. Among such

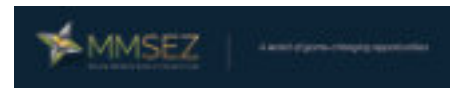
opportunities are the new Musina dam, the high-speed rail project, the Manaledzi mega housing project in Makhado, Musina airport, human settlement, a private hospital, private schools and training centres, and retail property and hotels. It is for these reasons among others that the MMSEZ is considered 'a world of game-changing opportunities'.

The MMSEZ is fashioning itself as an ideal investment destination of choice for both domestic and international investors, in line with the ideals of the AfCFTA. In addition, the SA government offers a basket of incentives (ie preferential 15% corporate tax, building allowance, employment incentive, custom controlled area) to businesses that locate their operations and or investments in the country's SEZs, including the MMSEZ.

Team MMSEZ is ready and strategically positioned to welcome investors to the world of game-changing opportunities.

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