

COEGA WELCOMES OVER R440 MILLION SIGNED INVESTMENT IN THE FIRST HALF OF THE 2023/24 FY

Coega's 23 years of excellence, as an exemplary state owned entity, has continued in 2023, and should be celebrated.

The Coega Development Corporation (Coega) has achieved outstanding performance results since the beginning of the 2023/24 financial year (FY), as reflected in the half-yearly performance results, says Mr. Rodger Hill, Coega's Chief Financial Officer (CFO).

For six months, April to September 2023 (Q1 and Q2), Coega signed seven (7) new investors in the Coega Special Economic Zone (SEZ), with a combined investment value of R440,59 million.

During the first quarter, Coega signed four (4) new investors, with a combined investment value of R385,2 million; and three (3) new investors in the second quarter, with a combined investment value of R55,39 million.

Some of the investors in the first quarter included MEC Commercial Trailers with an estimated total investment of R 370 million, projected to create approximately 150 operational jobs and 200 construction jobs. The second was from Atlantic Glass with an investment of R13 million, projected to create 20 operational jobs. Romark Logistics was the third, with a R 2.2 million investment, and lastly CNSA Investment, both recently concluded lease agreements in the Coega SEZ's Multi-user Facility. Romark Logistics is projected to create 14 operational jobs while CNSA Investment is also projected to create jobs during operational phase. CNSA is a Chinese investor that will be storing solar panels and related goods, thus, supporting energy-related solutions required by South African consumers.

During the second quarter, Coega recorded an investment from Discovery Central Services, with an estimated investment value of R 3,466 million. Discovery, which is an existing investor in the Coega Business Process Outsourcing (BPO) Park, signed a lease for additional space within the BPO Park, and is projected to create 118 jobs. This is testament to the success and satisfaction of current operational investors.

As a matter of fact, the Coega SEZ 2021 Investor Survey indicated that 91.7% of current operational investors' key performance indicators (KPIs) improved since locating at the Coega SEZ, 92% of the investors agreed that Coega has met its obligations to tenants since locating at the Coega SEZ, and 91.6% indicated with

confidence that they would encourage other local and global businesses to locate at the Coega SEZ. The expansion of facilities and plants by current investors, like Discovery and Benteler Automotive, is indicative of Coega SEZ's unique value proposition, competitive advantage, and investor confidence.

Another investment, during the second quarter, is from Grindrod Logistics, with an estimated value of R50,4 million, and projected to create 44 operational jobs. Grindrod Logistics has acquired a ready-to-occupy facility within the Zone. The third investment is from Jedidiah General Trading, with an estimated value of R1,524 million. Jedidiah General Trading is in the clothing and textiles sector and is expected to generate 4 jobs.

A few of the **benefits of locating in the Coega SEZ**, include:



- **Good brand reputation** amongst global investors;



- **World-class infrastructure**, which includes roads, bulk water and sewer networks, secure telecommunication sleeve networks, electrical substations (HV and MV), and overhead power lines (HV and MV) – all that investors are looking for and more in a world-class industrial development zone;



- **Access to export markets** via the deepwater Port of Ngqura, the Port of Port Elizabeth, and the Chief Dawid Stuurman International Airport;



- **Serviced land and buildings** for short- and long-term lease;



- **24-hour security**, providing a safe trading environment;



- **Exemption from loadshedding** up to stage four;



- **Investor support and incentives** from national, provincial, and local government;



- **A Customs Controlled Area**, offering duty and VAT suspension;



- Investor-related services through the **Coega One-Stop-Shop**;



- Skills development and training capabilities through the **Coega Skills Development Centre**; and

- Dedicated focus on **environmental, social, and governance (ESG)** outcomes.

“These investments are a testament to the Coega SEZ as a preferred investment destination in Africa and a gateway to international markets,” added Asanda Xawuka, Coega's Executive Manager for Business Development (SEZ Services).

Reflecting on the performance, Coega's Head of Research and Senior Economist, Mr. Semiyou Rafiou, whose unit has played a key role in business development and sector research for the past 15 years, said: “Despite various challenges, Coega has successfully attracted investment into the region, demonstrating its potential as a crucial driver of economic development, job creation, and overall economic growth. Further, Coega's remarkable track record continues to drive positive change and solidify a promising outlook for the Eastern Cape.”

Stakeholders agree: According to veteran Remax estate agent, Alan Moore, “Coega's successes are the foundation for Gqeberha's revival ... The investments being made at Coega could quickly turn the city's success around ... If we now look and listen to what is happening at Coega and pay attention to how much money is being invested, it could prove to be a very exciting prospect for all of us.” Moore continued to say that developments at Coega are significant for the city and much bigger than people realise. Therefore, the multibillion-rand investments in the Coega Special Economic Zone should be celebrated. They are laying the foundation for Gqeberha to realise its true potential as a city. Moore believes the SEZ's successes should not be seen in isolation, but as a catalyst for change in Nelson Mandela Bay.

Coega's track record of innovation and continuous improvement aims to set industry benchmarks and lead by example in how it conducts business. Coega's processes are therefore bolstered by strict adherence to the prevailing legislative compliance universe, corporate policies, and governance practices. Coega consistently demonstrates its commitment to transparency, accountability, and ethical conduct, fostering an environment that nurtures trust and credibility among stakeholders. This is aligned to Coega's value of integrity, which refers to honesty, trust, and reliability.

Coega's Head of Compliance and Acting Company Secretary, Ms. Celeste Prince, explains that Coega's corporate governance practices are aligned to the King IV Report on Corporate Governance, the Public Finance Management Act, and related prescripts. “With a robust framework in place, Coega continues to set the standard for responsible and ethical business practices, fostering a culture of integrity and excellence. Coega's achievement of a clean audit four years

in a row further demonstrates its prowess to good corporate governance,” says Prince.

Recently, Coega welcomed the Stellantis (Middle East and Africa) announcement to locate their R3bn state-of-the-art CKD auto manufacturing plant in the Coega SEZ. The organisation also celebrated Benteler Automotive's 9000m² expansion of their existing facility, worth R500 million.

To date, based on audited reports, Coega is home to 58 operational investors across diverse sectors, with a combined investment value of R11.96 billion. Approximately 31% of these investments are Foreign Direct Investment (FDI), ranging from small, medium, and micro enterprises (SMME) to large global exporters.

The organisation looks forward to the Hive Energy Green Ammonia plant that is planned to be built in the Coega SEZ, which has been celebrated and widely reported by the media.

Coega has achieved numerous accolades and awards since its inception in 1999, which can be attributed to an uncompromising commitment to excellence based on internationally recognised quality standards. Notably, service excellence is one of Coega's core values and has been integral to its operational success, socio-economic impact, and brand reputation.

Located in the Eastern Cape, and fully supported by the province, the Coega SEZ stands as a story of good progress and beacon of hope that should be celebrated in the country and throughout the African continent, concludes Hill.



▪ right **PLACE** ▪ right **TIME** ▪ right **CHOICE**

BBBEE LEVEL 1 CONTRIBUTOR
ISO 9001:2015 ▪ ISO 14001:2015 ▪ ISO 45001:2018
ISO 20000-1:2018 ▪ ISO 27001:2013

INVEST AT COEGA

The Coega SEZ provides some of the most affordable rates for developed industrial land in Africa, with incentives ranging from the 12I Tax Allowance Incentive, Automotive Investment Scheme, Global Business Services Incentive, Capital Projects Feasibility Programme, and exemption from loadshedding up to stage 4.

For more information on investment opportunities, email: invest@coega.co.za.