

GREEN HYDROGEN

**FREEPORT
SALDANHA**
INDUSTRIAL DEVELOPMENT ZONE



CORPORATE PLAN 2024 / 25

Saldanha Bay IDZ
Licencing Company
SOC Ltd t/a
Freeport Saldanha

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EXECUTIVE AUTHORITY STATEMENT

With the 'Growth for Jobs Strategy' – the Western Cape Government's economic action plan – firmly in its implementation phase, it is more crucial than ever that we work with our partners towards our collective goal of enabling the growth of a thriving, jobs-rich, inclusive, sustainable and diverse economy that creates thousands of jobs.

Freeport Saldanha's stated mission is to facilitate and foster responsible investment and economic development in the Special Economic Zone, which creates shared prosperity for the Saldanha Bay region.

Freeport Saldanha is recognised as having immense green hydrogen potential and is well positioned to explore opportunities to increase demand through production, bulk exports and attracting foreign direct investment. Each of these can help mitigate the effects of the ongoing energy crisis, the resulting economic damage, unlock the immense potential of this sector to attract investment and reduce the impact of climate change.

In line with the Growth for Jobs Strategy, Freeport Saldanha is actively exploring new opportunities in green hydrogen, to facilitate and attract private investment in the development of this industry in Saldanha.

As always, there is much work to be done and I look forward to seeing the results of this as well as the positive impact that Freeport Saldanha's successful projects will have on local, regional and national economic development.

Freeport Saldanha has my endorsement to reach sustainability, to fully realise its potential as a catalyst for investment, economic growth and job opportunities, and to spread these benefits across the province, the nation and the broader Southern African region.



Mireille Wenger
**Minister of Finance and Economic
Opportunities**

ACCOUNTING AUTHORITY STATEMENT

The 2024/25 Corporate Plan of the Saldanha Bay Licencing Company SOC Ltd (trading as 'Freeport Saldanha') aims to overcome certain of the post-pandemic investment challenges that may have a telling effect on the entity's short-term sustainability.

Firstly, and most importantly, the Saldanha Bay IDZ ('the Zone') was set up to create an enabling environment to promote sustainable economic development and job creation. Though ostensibly an infrastructure programme with relatively long-term financial returns, the Zone's second aspiration was to become financially self-sustainable by the 2022/23 financial year-end.

These two aims are not necessarily mutually inclusive and create certain short-term challenges, mainly with respect to operational funding, especially as the Zone has not reached the required maturity whereby current tenants/investors can sustain the operations – this is not likely to occur until 2026–2027, in the best-case scenario. It is, therefore, imperative that the company raises sufficient operational funds to continue until the revenue from investors is sufficient to cover costs. We are looking to the Shareholder to either fund the current expected shortfall or to allow the entity to independently raise the necessary funds.

The company faces further challenges in respect of the provision of specific marine infrastructure to satisfy the requirements of marine investors, as well as in reaching agreement with the Port in relation to port land that is designated as a part of the IDZ. To this end, we have embarked on a two-pronged approach, firstly, negotiating with the TNPA to come to a fairer leasing arrangement for the port land, incorporating a shared risk and reward approach to an

agreement in respect of tenants/investors within the Port precinct and, secondly, jointly striving in a partnership approach with TNPA, Infrastructure SA and the IDC to put together the best private sector-financed and operated solution to the provision and operation of new port infrastructure.

Green hydrogen is both a looming challenge and an opportunity. The West Coast and, more specifically, Saldanha Bay is currently the best-placed region in South Africa to take up the production challenge to service the growing global demand for decarbonised green products in the hard-to-abate sectors of ship bunkering and the steel industry, among others. While there are great things envisaged for the Northern Cape and specifically Boegoebaai, this infrastructure at best will take some time to come to fruition, whereas the West Coast has several infrastructural assets that can be immediately utilised. This does not come without major challenges, however, possibly the greatest being unclear grid capacity availability and the West Coast being a water-scarce area. The IDZ, along with the port and the municipality, can become a major catalyst to unlock these challenges to ensure that investors can make the best use of the region.

The Corporate Plan shows the Freeport's focus on a key new dynamic market in green hydrogen and its derivatives, which took firmer shape towards the end of 2023 with pivotal developments between the Western Cape and Northern Cape, the proposed South African Green Hydrogen Commercialisation Strategy and investors' announcements, including Sasol and AMSA, targeting a 'Saldanha GH2 Hub' and investment in the Zone for GH2 production and associated component manufacturing and services.

We have also more succinctly incorporated the priorities of the Western Cape's new Growth for Jobs Strategy (G4J) in our programmes and subsequent outputs and outcomes over the next three years.

We continue to engage with the leadership of the Executive Authority, the Western Cape Government's Office of the Director-General, the Saldanha Bay Municipality (SBM) and the DTIC on key intergovernmental matters, along with Transnet, the Port Authority and the Department of Public Enterprises (DPE), among others, in the pursuit of securing functional compacts regarding a common, accountable, mutually beneficial destination for the Port and the Zone.

On behalf of the Board, the Accounting Authority for Freeport Saldanha, I reaffirm our commitment to providing oversight and leadership to the Freeport, with the firm intention of ensuring that the company delivers the outputs set out in this Corporate Plan, which will assist the Freeport to achieve the outcomes and impact described in its five-year Strategic Plan.



Mr Irvin Esau
Acting Chairperson of the Board

OFFICIAL SIGN-OFF

It is hereby certified that this Corporate Plan:

- Was developed by the management of Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd (t/a Freeport Saldanha), under the guidance of the Board and the Shareholder Representative, Minister Mireille Wenger, the Minister of Finance and Economic Opportunities.
- Was prepared in line with the current Strategic Plan of Freeport Saldanha.
- Accurately reflects the performance targets which Freeport Saldanha will endeavour to achieve, given the resources made available in the 2024/25 budget.

Mr Herman Boneschans
Chief Financial Officer



Signature

Mr Doug Southgate
Chief Operations Office, and
Chief Executive Officer (Acting)



Signature

Mr Irvin Esau
Accounting Officer (Acting)



Signature

Minister Mireille Wenger
Executive Authority

Noted by



Signature

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LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor-General of South Africa
CCA	Customs Control Area
CCRS	Climate Change Response Strategy
CHIETA	Chemical Industries Education and Training Authority
CIS	Country Investment Strategy
CMTF	Comprehensive Maritime Transport Policy
COGTA	Cooperative Governance and Traditional Affairs
CSIR	Council for Scientific and Industrial Research
DEA&DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DDM	District Development Model
DFFE	Department of Forestry, Fishing and the Environment
DLG	Department of Local Government
DTIC	Department of Trade, Industry and Competition
ERRP	Economic Reconstruction and Recovery Plan
EIA	Environmental Impact Assessment
EoDB	Ease of Doing Business
ESG	Environmental, Social and Governance
ESSA	Employment Services System of South Africa
G4J	Growth for Jobs Strategy
GDP	Gross Domestic Product
GH2	Green Hydrogen
GHG	Greenhouse Gas
GPS	Growth Potential Study of Towns
GPS 18	Growth Potential Study of Towns 2018
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IGP	Infrastructure and Growth Plan
ISA	Infrastructure South Africa
IUDF	Integrated Urban Development Framework
JDMA	Joint District and Metro Approach
JET IP	Just Energy Transition Investment Plan

JETP	Just Energy Transition Partnership
MERO	Municipal Economic Review and Outlook
MERP	Municipal Economic Recovery Plan
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSDF	Municipal Spatial Development Framework
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NIP	National Infrastructure Plan
O&G	Oil & Gas
OEMP	Oceans Economy Masterplan
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PPP	Public-Private Partnership
PSDF	Provincial Spatial Development Framework
RIS	Reimagined Industrial Strategy
SAOGA	South African Oil and Gas Alliance
SARS	South African Revenue Service
SBIC	Saldanha Bay Innovation Campus
SBIDZ	Saldanha Bay Industrial Development Zone
SBM	Saldanha Bay Municipality
SCM	Supply Chain Management
SEZ	Special Economic Zone
SIP5	Strategic Integrated Project 5: Saldanha-Northern Cape Development Corridor
SOC	State-Owned Company
SOEs	State-Owned Enterprises
TNPA	Transnet National Ports Authority
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WCD	West Coast District
WCDM	West Coast District Municipality
WCG	Western Cape Government





A

**OUR
MANDATE**

PART A: OUR MANDATE

1 Constitutional mandate

Constitution of the Republic of South Africa, 1996; and the Constitution of the Western Cape, 1997

The Saldanha Bay Industrial Development Zone (SBIDZ) is mandated by both the Constitution of the Republic of South Africa, 1996, and the Constitution of the Western Cape, 1997. In terms of Schedule 4 of the Constitution of the Republic of South Africa, "industrial promotion" is a functional area of concurrent national and provincial legislative competence. The SBIDZ is thus a component of the "industrial promotion" functional area.

Section 81 of the Constitution of the Western Cape, 1997, provides that the Western Cape Government (WCG) must adopt and implement policies to actively promote and maintain the welfare of the people of the Western Cape, including policies aimed at the creation of job opportunities and the promotion of a market-orientated economy. The SBIDZ fulfils the purpose of a Special Economic Zone (SEZ) within the greater Saldanha Bay area and ensures compliance with the Constitution of the Western Cape by continuing to catalyse growth and development through the provision of an enabling, inclusive environment and by striving to fully operationalise and become commercially sustainable.

2 Legislative and policy mandates

2.1 National legislative mandates

Special Economic Zones Act, 2014 (Act 16 of 2014)

The purpose of the Special Economic Zones Act, 2014 (Act 16 of 2014) (the 'SEZ Act') is to provide

for the designation, promotion, development, operation and management of Special Economic Zones, which includes the establishment of provincial government business enterprise entities. The SEZ Act also provides for the functions of Special Economic Zone operators. The Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha) is one such entity, established to manage the SEZ in Saldanha Bay.

In terms of the SEZ Act, the SBIDZ is an economic development tool to promote national economic growth and exports by using support measures to attract targeted foreign and domestic investments and technology. The purpose of the SBIDZ includes:

- attracting foreign and domestic direct investment;
- providing the location for the establishment of targeted investments;
- taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production;
- promoting regional development;
- 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
- the generation of new and innovative economic activities.

The SBIDZ, as per its initial designation, is intended to be an oil and gas and marine repair engineering and logistics services complex, serving the needs of the upstream exploration and production service companies operating in the oil and gas fields in Sub-Saharan Africa. The SBIDZ will include logistics, repairs and maintenance, as well as fabrication activities.

The IDZ designation afford Freeport Saldanha the ability to offer a contiguous customs-free area. Freeport Saldanha is the implementing vehicle of the SBIDZ and is responsible for the provision of infrastructure, and the promotion, management and marketing of the IDZ.

Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended by the Broad-Based Black Economic Empowerment Amendment Act, 2013 (Act 46 of 2013)

The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003) ('B-BBEE Act) establishes the legislative framework for the promotion of black economic empowerment. Freeport Saldanha's mandate is to promote sustainable economic growth and job creation within the broader Saldanha Bay Municipality (SBM) region. Freeport Saldanha has embraced the principles and objectives of the B-BBEE Act, the B-BBEE Regulations and the related Codes of Good Practice through the implementation of various enterprise, skills and supplier development interventions/ programmes.

The regulatory framework for the IDZ programme is informed by relevant provisions of the following legislation:

- Relevant provisions of the Income Tax Act, 1962 (Act 58 of 1962);
- Section 21A of the Customs and Excise Act, 1964 (Act 91 of 1964);
- Relevant provisions of the Value Added Tax Act, 1991 (Act 89 of 1991);
- Employment Tax Incentive Act, 2013 (Act 26 of 2013);
- Relevant provisions of the Customs Duty Act, 2014 (Act 30 of 2014);
- Relevant provisions of the Customs Control Act, 2014 (Act 31 of 2014); and,
- Report No. 14, promulgated by the International Trade Administration Commission in accordance with the Customs and Excise Act, 1964 (Act 91 of 1964, as amended).

2.2 Provincial legislative mandates

Saldanha Bay Industrial Development Zone Licencing Company Act, 2016 (Act 1 of 2016)

In 2016, The Provincial Parliament of the Western Cape passed the Saldanha Bay Industrial Development Zone Licencing Company Act, 2016 (Act 1 of 2016). The Act regulates the operation of Freeport Saldanha and provides for the objects, functions and governance of the company. In terms of the Act, the objects of the company are to establish and fulfil the purpose of a SEZ within the greater Saldanha Bay area, including:

- a) promoting, managing and marketing the SBIDZ;
- b) providing internal infrastructure in the SBIDZ area;
- c) facilitating the ease of doing business in the SBIDZ area; and
- d) acquiring and leasing land incidental to the Company's business.

Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996), as amended by the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013)

The Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) was established as a trade and promotion agency under the provincial Department of Economic Development and Tourism (DEDAT) to promote and support economic growth and related activities within the Western Cape, thus facilitating job creation by creating and keeping more businesses in the Western Cape as well as helping local companies to export to the rest of the African continent and the world. In line with the national InvestSA Initiative, the DEDAT through Wesgro has established the Cape Investor Centre. In light of the sector-specific competencies of Wesgro and Freeport Saldanha, and both parties' desire to be contributing agencies in providing services to the Cape

Investor Centre, Wesgro and Freeport Saldanha have agreed to collaborate and cooperate in providing services at the Cape Investor Centre to create an enabling investor environment.

2.3 Global policy context

Freeport Saldanha is committed to responsible and inclusive growth while ensuring the long-term viability of the Zone's activities. The company's activities and plans are linked to global policies and strategic imperatives such as the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change. Specifically, the company can closely be linked to achieving the outcomes of the following SDGs:

SDG 7: Affordable and Clean Energy

Over the past year, the company made strides in positioning the Zone as a potential Green Hydrogen (GH₂) hub. The company has also supported and participated in research and development initiatives focused on advancing clean energy/ environmentally friendly technologies in the maritime and energy sectors.

SDG 8: Decent Work and Economic Growth

In terms of the SEZ Act, the Zone is an economic development tool to promote national economic growth and exports by using support measures to attract targeted foreign and domestic investments and technology that would lead to the creation of decent work opportunities and other economic and social benefits.

SDG 9: Industry, Innovation and Infrastructure

Much of the company's work centres on acting as a catalyst to expand the industrial potential of the Port of Saldanha by advocating and supporting the development and upgrading of marine infrastructure that will unlock South Africa's latent potential in the maritime industry. In addition, the company has established the Saldanha Bay Innovation Campus (SBIC) which seeks to develop and establish clusters driving research, development and innovation in the energy and maritime industries.

SDG 13: Climate Action

Owing to changes in market dynamics and increased global requirements to reduce the carbon footprint of economic activity, the company has increasingly supported research and development activities that are aimed at decreasing the carbon footprint of maritime and energy operations.

As indicated, Freeport Saldanha aligns with the principles of the Paris Agreement on Climate Change. This alignment not only demonstrates environmental responsibility but also positions the SEZ for long-term resilience and competitiveness in a low-carbon future.

2.4 National policy context

In addition to legislative mandates, Freeport Saldanha is linked to broader national strategies and policies, including:

- The National Development Plan;
- The South African Economic Reconstruction and Recovery Plan;
- The National Infrastructure Plan 2050 (Phase 1 and Phase 2 [draft]);
- The Reimagined Industrial Strategy;
- The Presidential Infrastructure Coordinating Commission (PICC) Rollout Programme;
- The Industrial Policy Action Plan;
- Operation Phakisa Oceans Economy; and the
- Comprehensive Maritime Transport Policy (CMTP).

2.4.1 Overarching Policy Environment

National Development Plan: Vision 2030

The guiding principle of the National Development Plan: Vision 2030 (NDP) issued in 2012, as stated, is to "eliminate poverty and to sharply reduce inequality" with a focus on inclusivity in the economy. The Freeport directly addresses three of the top four policy proposals (of nine listed) in the NDP, namely:

- "create jobs and livelihoods";
- "expand infrastructure"; and
- "transform urban and rural spaces".

The NDP sets out a long-term vision for the country and provides the programme for South Africa to advance radical economic transformation through development planning. The Medium Term Strategic Framework (MTSF) 2019–2024 outlines the priorities to be implemented by the sixth democratic administration. It also outlines priorities and interventions across South Africa's national development pillars. The MTSF notes that the most pressing problem facing South Africa today is the lack of faster and sustained inclusive economic growth, which is the prerequisite for addressing the triple challenge of poverty, inequality and unemployment. As 'economic transformation and job creation' is listed as a priority area in the MTSF, Freeport Saldanha is actively contributing to achievement in this priority area through its strategies, plans and operations.

2.4.2 Leading Economic Policy

The South African Economic Reconstruction and Recovery Plan

On 15 October 2020, President Ramaphosa tabled the Economic Reconstruction and Recovery Plan (ERRP) at a joint sitting of Parliament. The ERRP is the culmination of work between government, business, labour and the community at the National Economic Development and Labour Council (NEDLAC) and includes key commitments from each stakeholder to achieve its objectives.

The Plan includes measures to:

- achieve a sufficient, secure and reliable energy supply within two years;
- create mass employment;
- increase infrastructure investment;
- reduce data costs; and,
- increase localisation for reindustrialisation and growth.

The National Infrastructure Plan 2050 Phase 1 and Phase 2 [draft]

Infrastructure development is critical to attaining South Africa's long-term economic and social goals. The National Infrastructure Plan (NIP) 2050 will ensure that the foundations for achieving the NDP vision of inclusive growth are supported. The NIP 2050 offers a strategic vision and plan

that links top NDP objectives to actionable steps and intermediate outcomes intended to lead to inclusive growth and promote job-creation and transformation in South Africa. The aim is to promote dynamism in infrastructure delivery and address institutional blockages and weaknesses that hinder success over the longer term. Additionally, the NIP 2050 will guide the way to building stronger institutions that can deliver the infrastructure-related aspirations of the NDP.

In August 2021, the Department of Public Works and Infrastructure (DPWI) gazetted the draft NIP 2050 Phase 1 for public comment. The NIP 2050 Phase 1 was prepared by an Infrastructure South Africa (ISA) team working closely with sector specialists and other stakeholders over a period of six months. Published on 11 March 2022 for implementation, the NIP 2050 Phase 1 details the South African Government's broad vision for infrastructure development in the country. Phase 1 of NIP 2050 focuses on four strategic sectors: energy, water, digital infrastructure and freight transport.

The draft of the NIP 2050 Phase 2 was gazetted for public comment on 21 October 2022. Phase 2 attempts to offer a strategic vision and plan to deliver high-priority distributed infrastructure networks by 2050. The focus on distributed infrastructure links more closely to businesses and communities. Building on the bulk infrastructure sectors prioritised in NIP 2050 Phase 1, Phase 2 also offers a strategic vision and plan that links NDP objectives to practical steps and intermediate outcomes, focusing mainly on six distributed infrastructure sectors: human settlements, municipal trading services, passenger transport, road infrastructure, and social infrastructure related to education and health.

Comprehensive Maritime Transport Policy (CMTP)

The adoption of the Comprehensive Maritime Transport Policy (CMTP) by Cabinet on 10 May 2017 created a historic opportunity to invigorate the maritime transport sector. The CMTP Implementation Plan 2030 was subsequently developed as the CMTP's preferred path to maritime sector transformation and development.

One of the aims of the CMTP Implementation Plan 2030 is to establish the fundamental pillars that will culminate in South Africa becoming an international maritime centre by 2030.

Freeport Saldanha participated in the 2022 Hybrid Mid-term Maritime Policy Conference hosted by the National Department of Transport (DoT) in April 2022. The conference took place five years after the adoption by the Cabinet of the CMTP and sought to review progress on its implementation. Conference delegates agreed that the full value of the CMTP had yet to be realised. With this in mind, the DOT established six industry-championed maritime task forces to accelerate the implementation of the CMTP. Freeport Saldanha's strategy and work align closely with the CMTP's key strategic objectives and the company has continued to contribute as a valued and active stakeholder to the CMTP by nominating representatives to serve on and participate in the work of the CMTP maritime task forces.

New Growth Path (NGP)

The New Growth Path (NGP) aims to combat poverty and inequality in an inclusive economy. Of the four areas of "drivers" it identifies to achieve this aim, the creation of employment is the number one driver. Similar to the NDP, the NGP highlights infrastructure as a key priority and references the sectors prioritised in the Industrial Policy Action Plan (IPAP).

2.4.3 Industrial Policy

Reimagined Industrial Strategy

The Department of Trade Industry and Competition (the dtic) did not develop a new annual IPAP due to the shift in industrial policy initiated by the Department. This shift in industrial policy is articulated in the new Reimagined Industrial Strategy (RIS).

The sixth South African democratic administration led by President Ramaphosa has stressed the importance of policy implementation as a central feature over the next five years. The Cabinet endorsed the RIS in June 2019. The RIS underlines the role of the state in changing the growth trajectory of the

South African economy through supporting improved industrial performance, dynamism and competitiveness. A key pillar of the RIS is the development of master plans and central to these master plans is a strong social compact between the government, industry and organised labour, wherein each social partner commits to implement concrete interventions to transform and build the economy.

Each of the master plans currently at various stages of development is led by an identified national government department. The theme of transformation is to be entrenched in each master plan, with an emphasis on driving industry transformation by supporting new and emerging entrants to the market, particularly black industrialists, the youth and women. The process of developing a master plan includes:

- a comprehensive review of the South African value chain's present position and policies;
- completing an industry SWOT and drawing lessons from international successes;
- developing policy and regulatory recommendations for the government;
- proposing programmes for collective action (industry, government and labour);
- developing development targets for industry; and
- establishing an institutional structure to drive implementation.

Once developed, Executive Oversight Committees (EOCs) and Industry Reference Groups (IRGs) will be set up to monitor the implementation of the commitments reflected in each master plan. The dtic is currently responsible for the development and execution of master plans for the following sectors:

- car manufacturing;
- clothing, textile, leather and footwear;
- poultry;
- sugar;
- steel and furniture; and
- chemicals and plastics.

The Oceans Economy Master Plan (OEMP) is currently in development led by the Department of Forestry, Fishing and the Environment (DFFE). The purpose of the OEMP is to advance the

stabilisation, revival and growth of the sub-sectors within the oceans economy to ensure its increased contribution to job creation, GDP, economic recovery and potential growth.

2.5 Provincial policy context

Since the DEDAT is the overseeing governing body, the SBIDZ is linked to broader provincial strategies and policies, including the Western Cape Provincial Strategic Plan (PSP) 2019–2024, the Western Cape Recovery Plan, the Western Cape Provincial Spatial Development Framework (PSDF), the Western Cape Infrastructure Framework (WCIF) and the Western Cape Growth Potential of Towns Study (GPS). Specifically, the SBIDZ falls under Provincial Strategic Goal VIP2 of the PSP, focusing on exports, employment and GDP. The SBIDZ also aligns with the SBM's Local Economic Development Strategy. These provincial strategies and policies are further expanded upon below.

3. Institutional Policies and Strategies over the Five-year Planning Period

3.1 Policies

3.1.1 Western Cape Provincial Strategic Plan, 2019–2024

The PSP sets out the WCG's vision and strategic priorities. It seeks to describe and define the WCG's approach to addressing the economic, social and development challenges in the province. These challenges are to be addressed through the WCG's five strategic priorities, known as Vision-Inspired Priorities (VIPs). These are:

- VIP 1: Safe and Cohesive Communities;
- VIP 2: Economy and Jobs;
- VIP 3: Empowering People;
- VIP 4: Mobility, Spatial Transformation and Human Settlements; and,
- VIP 5: Innovation and Culture.

Due to its mandate and nature of work, the SBIDZ contributes primarily, but not exclusively, to "VIP 2: Economy and Jobs". This is mainly achieved by focusing on attracting direct investment,

increasing employment and contributing to the Western Cape GDP by increasing value-added production and generating new and innovative economic activities within the oil, gas and marine services industries.

The PSP recognises the oil, gas and marine services sectors as priority sectors based on their potential to create jobs and unlock further economic opportunities and comparative advantages. Consequently, the PSP has identified the SBIDZ as playing a catalytic role in unlocking the industrial and economic potential of the West Coast.

3.1.2 Western Cape Growth for Jobs Strategy

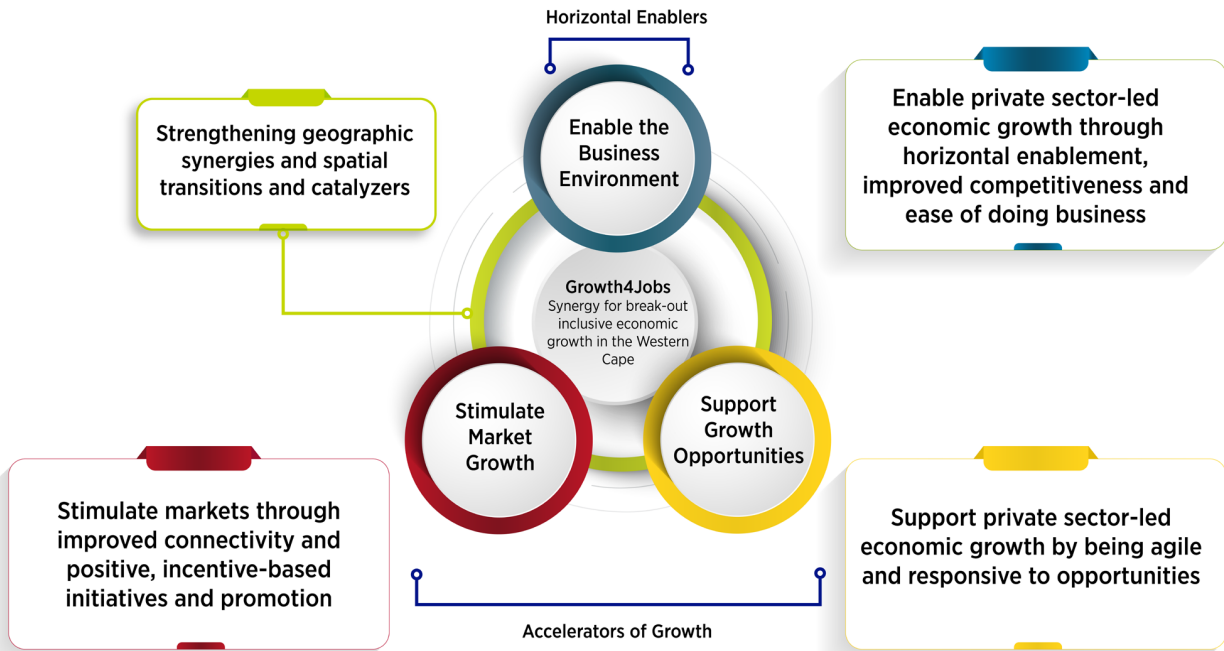
The Growth for Jobs (G4J) Strategy for the Western Cape is premised on a recognition that the private sector creates jobs and that the State must stimulate market growth and create an enabling environment in which people and businesses can create and exploit opportunities. Taking into consideration South Africa's profound socio-political challenges, the strategy was developed through sound research and analysis, including a detailed growth diagnostic commissioned by the WCG.

The G4J Strategy reflects a bold vision for the economy of the province; that is, "A provincial economy that achieves break-out economic growth, resulting in sufficient employment and opportunity and an economy that is sustainable, resilient, diverse and thriving – generating confidence, hope and prosperity for all".

To achieve this, the WCG's goal is that the Western Cape will be a R1 trillion inclusive economy by 2035, growing at between 4% and 6% per annum, which will stimulate sufficient employment and opportunities to improve lives. This will be achieved through enabling a competitive business environment in which growth is driven through businesses exploiting opportunities.

To guide the WCG's approach towards achieving this vision and goal, the Strategy relies on several key pillars of growth acting as beacons to inform choices, decisions and actions. These principles are depicted in figure 1.

Figure 1: Key pillars of the Growth for Jobs Strategic Framework



Source: G4J Strategy

The G4J identifies seven essential growth areas of the economy that correspond to seven priority focus areas (PFAs) for its first horizon, as reflected in figure 2.

Figure 2: Priority Focus Areas



Source: G4J Strategy

Freeport Saldanha's alignment with and contribution to the G4J Strategy is evidenced by the company's investment promotion mandate, the

investment pipeline established and the infrastructure developed, where investments are already realised and in operation in the Zone.

The four strategic priorities of the company, taken together, will create a conducive, enabling business environment in and around the Zone, and will facilitate positive, value-adding outcomes and impacts in the local and provincial economy and communities.

3.1.3 Western Cape Provincial Spatial Development Framework

The Western Cape Provincial Spatial Development Framework (PSDF), adopted in 2014, addresses the province's spatial agenda. It is not a blueprint that can be implemented in the short term, but rather a framework within which:

- coherent and consistent sector and area-based plans (e.g. for functional regions or municipalities) can be formulated and rolled out by the spheres of government and SOEs operating in the Western Cape; and
- Communities and the private sector have greater certainty over where development and investments are heading and can respond to opportunities arising from them.

The PSDF's spatial policies cover three interrelated themes, namely "resources", "space-economy" and "settlement". In adopting a strategic view of the provincial space-economy, the PSDF identifies three functional regions with significant development trends and/ or development potential. One of these regions is the emerging Greater Saldanha Regional Industrial Complex, with the Saldanha Bay/ Vredenburg growth centre at its heart. The PSDF proposes that the advancement of this functional region should be facilitated by targeting support for the oil and gas economic sectors, facilitating the development of a water demand management system for the region and, lastly, by encouraging the flow of new regional and bulk economic infrastructure investment into the area to leverage private sector and community investments.

3.1.4 Western Cape Infrastructure Framework

The WCG is mandated to coordinate provincial planning by Schedule 5A of the Constitution. As part of this mandate, the Western Cape

Infrastructure Working Group produced the WCIF, which was adopted in 2013. The WCIF aims to align the planning, delivery and management of infrastructure provided by all stakeholders (national government, provincial government, local government, State-owned Entities and the private sector) to the WCG strategic agenda and vision for the province. The WCIF recognises that the harbour and industrial development in Saldanha will create a need for a substantial transition in infrastructure coordination, administration and provision related to bulk water supply, energy generation, transportation and Information and Communications Technology (ICT).

It should be noted that the Western Cape Provincial Department of Transport and Public Works (DTPW) is currently leading a process to revise and update the WCIF. Freeport Saldanha is participating in this process as a key stakeholder.

3.1.5 West Coast District: Joint District and Metro Approach Plan

The WCG has adopted the Joint District and Metro Approach (JDMA) in response and alignment with the national government's District Development Model (DDM). The objectives of the DDM are to:

- Coordinate a government response to challenges of poverty, unemployment and inequality, particularly among women, youth and people living with disabilities.
- Ensure inclusivity by gender budgeting, based on the needs and aspirations of our people and communities at a local level.
- Narrow the distance between people and government by strengthening the coordination role and capacity at the District and City municipal levels.
- Foster a practical intergovernmental relations mechanism to jointly plan, budget and implement to provide coherent government to the people in the Republic (solve silos, duplication and fragmentation), maximise impact and align plans and available resources through the development of "One District, One Plan and One Budget".
- Build government capacity to support municipalities.

- Strengthen monitoring and evaluation at district and local levels.
- Implement a balanced approach to development between urban and rural areas.
- Exercise accountable and transparent oversight over budgets and projects.

Coordinated by the WCG's Department of Local Government (DLG), a holistic JDMA plan has been developed for municipalities within the West Coast District. This plan has been approved by all municipalities in the district, the WCG and the national government through the Department of Cooperative Governance and Traditional Affairs (COGTA). The SBIDZ has been included in the economic section of this plan as a strategic project of the West Coast District area.

3.1.6 Saldanha Bay Municipality 4th Generation Integrated Development Plan 5th review (2022/2023) 2017–2022 2nd Amendment

The Saldanha Bay 4th Generation 2017–2022 Integrated Development Plan (IDP) is the SBM's principal five-year strategic plan that guides decision-making and deals with the most critical development needs of the municipal area as well as the most critical governance needs of the SBM. The IDP is adopted by the municipal council within one year after a municipal election and it remains in force for the council's elected term of five years; it is reviewed annually in consultation with the local community as well as interested organs of state and other role players. The IDP should guide and inform all SBM planning and development undertaken within the municipal area towards the fulfilment of the SBM's constitutional, legislative and developmental mandate.

The Saldanha Bay IDZ will create opportunities for economic growth and employment for the people living in the SBM municipal area and beyond, either through direct employment in the Zone or through small local businesses doing business with zone tenants and users. The Municipality believes that the SBIDZ will change the lives of Saldanha Bay citizens for generations to come. This conviction is underscored by the economic projections of the jointly conducted

economic research study, the Saldanha Bay Municipality Socio-Economic Futures (SBM SEF), which identified and reaffirmed the Saldanha Bay IDZ's potential importance to the local economy. The SBM SEF report will inform both the municipality and the Freeport's strategic planning.

It is with this in mind that the SBM placed the SBIDZ and its development at the core of its long-term development strategy in its Strategic Objective 1, which aims "to diversify the economic base of the municipality through industrialisation, de-regulation, investment facilitation and tourism development while at the same time nurturing traditional economic sectors". Thus, clear linkages exist between this strategic objective and several of the SBIDZ's stated purposes, including:

- attracting foreign and domestic direct investment;
- taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production; and,
- providing the location for the establishment of targeted investments.

3.1.7 Saldanha Bay Municipality Spatial Development Framework

The Saldanha Bay Municipal Spatial Development Framework (MSDF) was reviewed and adopted in 2019 and is reviewed annually as part of the Municipality's integrated development planning process. It is a core component of the IDP and thus the Municipality's economic, sectoral, spatial, social, institutional and environmental vision. It is the principal tool the SBM uses to achieve its desired spatial form. The MSDF identifies the SBIDZ as one of several development initiatives that influenced industrial development and contributed to the broadening of the economic base of the municipal area.

As such, the MSDF reflects the "identification of areas for future industrial development" as a key strategy towards implementing the part of its spatial vision relating to the "promotion of the industrial area, including high-tech economic development, to take advantage of

global demand opportunities and encourage local employment and capacity building". Given the potential of the growth in backward and forward linkages, this becomes especially pertinent when considering the future growth of the port facility and expected pressures on the industrial land supply.

3.1.8 Saldanha Bay Municipal Economic Recovery Plan 2020

The pandemic dealt a heavy blow to economic growth, causing a significant decline in the vibrancy of the economy that resulted in massive job losses. Following engagement at multiple levels, the SBM crafted a Municipal Economic Recovery Plan (MERP) with the following objectives:

- Maintaining a very high level of energy water supply and municipal services;
- Investment retention and promotion;
- Supporting local businesses;
- Creating business opportunities via localisation; and,
- Direct job creation through the EPWP and CWP.

The MERP's framework of action has the overarching theme of Rebuilding the Economy and three action areas, namely: New Investment and Investor Retention; Localisation and SMME Support (working with local business organisations); and, Value Chain Analysis and Support (enhancing longer-term competitiveness).

As the most important single development occurring in the SBM area over the next 10 to 20 years, the SBIDZ is a catalytic and critical short, medium and long-term recovery mechanism contributing to each of these action areas through its construction programme, the positive spill-over benefits between businesses in and outside the Zone, job creation and the long-term wholesale restructuring of the local economy towards a deep and solid industrial base.

3.1.9 Saldanha Bay Municipal Infrastructure Growth Plan

The SBM compiled the Saldanha Bay Infrastructure and Growth Plan (IGP) due to the

increased economic activities in the municipal area. The SBM's IGP seeks to reflect the status of all infrastructure within each town, list possible major gaps and projects together with estimated costs and funding sources, and provide a high-level assessment of the financial capacity of the SBM regarding the funding of capital projects. The IGP provides an overview of the infrastructure needs of SBM within the broader context of economic, developmental and human settlement-related factors. Within this context, the IGP views the SBIDZ and the envisioned developments in the Zone as determining factors that will shape the economic and basic service delivery infrastructure status, needs and management within the municipal area.

3.1.10 COGTA Integrated Urban Development Framework (IUDF)

The NDP indicates that South Africa should achieve meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements by 2030. To attain this goal, the Department of Cooperative Governance and Traditional Affairs (COGTA) has worked with stakeholders and partners to develop the Integrated Urban Development Framework (IUDF) to transform and restructure South Africa's urban spaces. The IUDF is the South African government's policy to guide the future growth and management of urban areas. The IUDF is intended to foster a shared understanding across government and society about how to manage urbanisation best to create resilient and inclusive cities and towns. Ultimately, in relation to the mandate of Freeport Saldanha, the IUDF calls for government and society to adopt a more resolute, holistic and coordinated approach when deciding on the most appropriate locations for business and industrial developments in towns such as Saldanha and Vredenburg.

3.2 Strategies

3.2.1 DTIC SEZ Strategic Framework 2020–2030: Draft

The draft SEZ Strategic Framework 2020–2030 draws on best practice research from the

United Nations Conference on Trade and Development (UNCTAD), the World Bank, the United Nations Development Programme (UNDP) and SEZ case studies across the globe.

The Framework notes the following: "Provision of relevant and high-quality infrastructure, and competitive incentives, at a desirable location, is no longer sufficient for the South African

SEZ programme to succeed. The probability of success is significantly increased when the SEZ implementation and delivery process is viewed as a portfolio or an ecosystem of linked and mutually dependent implementation actions, occurring in a dynamic environment. It is the effectiveness of these elements that are, as noted above, fast becoming an important deciding factor in terms of locational investment decisions".

Figure 3: DTIC SEZ Industrial Ecosystem, 2020-2030



Sources: Adapted from UNCTAD, World Bank (2019); UNDP (2018); Malaysia, (2016)

The Framework has set the following draft vision: “The South African SEZ programme will, through the development of competitive and world-class SEZs in South Africa, have a significant and lasting impact on sustainable reduction in poverty and inequality, and increased inclusivity in the South African economy, improving the quality of life for all”.

Its enabling mission is as follows: “The South African SEZ programme will, by 2030, ensure that all designated SEZs and those in the current pipeline have been supported through infrastructure delivery, incentives delivery and zone services to the extent required to deliver measured economic, social and environmental benefits to citizens. The programme will continue to identify SEZ opportunities annually and will ensure economic and social inclusivity in all procurement and supply chains for black South Africans, and women in measurable ways”.

Seven strategies are proposed to fulfil the Framework’s mission and move towards the determined vision. These are:

- **Strategy One** - Improve the legal and regulatory environment to ensure South African SEZs are globally competitive by building in flexibility to the Act and linked regulations to stay ahead, without compromising on good governance.
- **Strategy Two** - Deliver world-class industry-relevant infrastructure to target industries and build low carbon and environmental compliance into all master plans. The SEZ programme will work directly with relevant South Africa sectors and their master plans for optimum planning and implementation outcomes.
- **Strategy Three** - Proactive opportunity and investor stance – this requires an opportunity scan annually, proactive and coherent marketing and information implementation nationally and at the SEZ level.
- **Strategy Four** - Stakeholder management and national buy-in. Ensure businesses, communities, politicians, academic institutions and other essential stakeholders are on board and in agreement and that all stakeholders are regularly engaged and consulted.
- **Strategy Five** - Improve funding capability – introduce a fund wherein the DTIC SEZ fund is only one of several co-funders.

- **Strategy Six** - Build the essential ecosystem – SEZs are not only about location, incentives and infrastructure.
- **Strategy Seven** - Invest in people. Skills, training and capacity need improved coordination and organisation to meet the needs of investors and their supply chains.

The framework, currently under review for comment, sets out a quintessentially integrated operational delivery environment for SEZ operators. This new direction for the SEZ Programme recognises the backward, forward and sideways socio-economic potential of SEZs and the associated responsibilities of SEZ operators and the multitude of different stakeholders who have a contribution to make to realise outcomes.

3.2.2 Western Cape Climate Change Response Strategy

The WCG has identified the need to act locally – on a transversal, bold and unprecedented scale – to reduce society’s collective Greenhouse Gas (GHG) emissions and adapt to global climate change.

Building on the 2008 Western Cape Climate Change Response Strategy and Action Plan, the 2014 Climate Change Response Strategy (CCRS) is aligned with the National Climate Change Response Policy and geared to strategically direct and mainstream climate change actions and related issues throughout relevant provincial transversal agendas. In line with the National Climate Change Response Policy, the Strategy takes a two-pronged approach (adaptation and mitigation) to address climate change:

- **Adaptation:** To reduce the climate vulnerability and develop the adaptive capacity of the Western Cape’s economy, people, ecosystems and critical infrastructure in a manner that simultaneously addresses the province’s socio-economic and environmental goals.
- **Mitigation:** To contribute to national and global efforts to significantly reduce GHG and build a sustainable low-carbon economy which simultaneously addresses the need for economic growth, job creation and improving socio-economic conditions.

To attract and retain key investors in the gas, energy and related servicing industries, Freeport Saldanha has to understand, align and leverage the focus areas of the CCRS, which include:

- energy efficiency and demand-side management;
- renewable energy development;
- the built environment;
- sustainable transport;
- water security and efficiency;
- biodiversity and ecosystem goods and services;
- coastal and estuary management; and,
- food security and healthy communities.

3.2.3 Western Cape Growth Potential Study of Towns 2018

The Western Cape Growth Potential Study of Towns 2018 (GPS 18) serves as a five-year information update of the Growth Potential Study (GPS) that was drafted in 2013 and released in 2014. The GPS is one of the crucial instruments needed to develop capabilities for effective spatial decision-making and implementation. Although the study was originally conducted to inform the Western Cape PSDF, which it still does, GPS 18 has wider applications, serving as a support tool to inform strategic objectives, policy-making and spatially targeted investments. It also strengthens allocative decisions for integrated management, service delivery and spatial alignment within the provincial and municipal spheres of government in the Western Cape.

The GPS 18 classifies the SBM as a municipality that has “high” development potential due in large part to the existence and development of one of the most important export harbours in the country, located in the Town of Saldanha. The harbour is of great importance to the economy of the Western Cape and the country, as it is South Africa’s largest natural deep-water port. The bay is partly protected by a 3.1 km-long artificial breakwater. Given these features, Saldanha Bay is ideally positioned as a centre for industrial development, with Freeport Saldanha acting as a catalyst to expand the industrial potential of the harbour and attract international investment.

3.2.4 Saldanha Bay Municipality Local Economic Development Strategy

The SBM LED Strategy seeks to provide an overarching long-term plan for the economy of Saldanha Bay to ensure that all stakeholders’ efforts are prioritised and aligned to optimally benefit the SBM economy. The SBM LED strategy identifies and focuses on seven economic sectors that are key to economic growth within the municipal area. Four of these are directly linked to the Freeport:

- Oil & Gas storage and processing;
- Engineering, metal fabrication and manufacturing;
- Ports, freight, transport, logistics and services; and
- Property and infrastructure development and construction.

This theme of close alignment with the Freeport extends within the LED document to the actual strategies that the Municipality will seek to employ to achieve its economic objectives. These are:

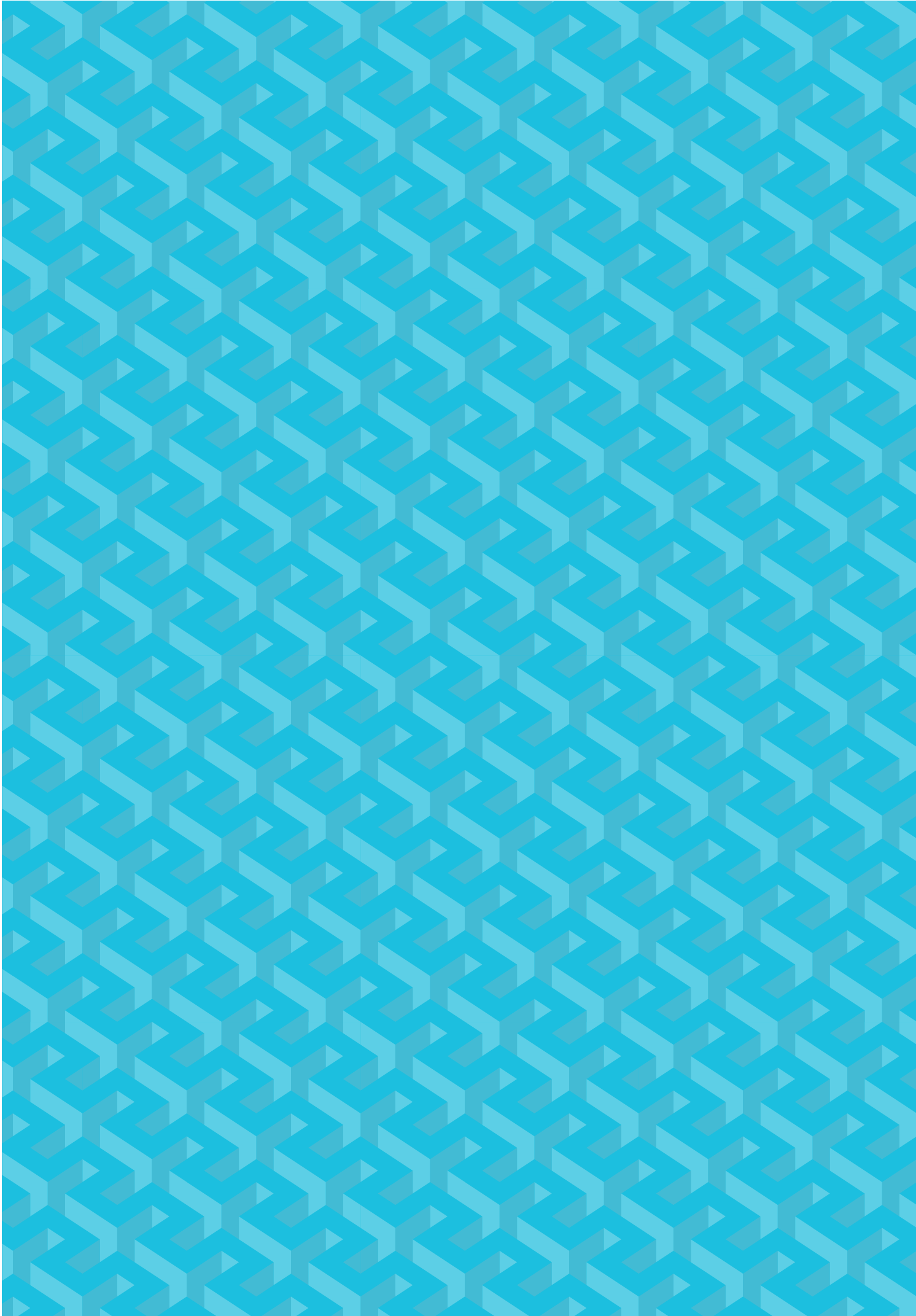
- **Strategy 4:** Attract new industrial investors by creating a more enabling environment;
- **Strategy 5:** Maximise the competitive advantages from ports;
- **Strategy 6:** Support local SMEs to access more opportunities;
- **Strategy 7:** Credible vocational skills development and tertiary education available.

A significant part of the Municipality’s current economic strategy is closely aligned to the mandate and work of Freeport Saldanha. It should also be noted that the SBM has recently appointed a service provider to draft its new economic development strategy, with Freeport Saldanha set to participate in the process as a key informant and stakeholder.

4. Relevant Court Rulings

There are no court rulings that are relevant to Freeport Saldanha or that may have a significant impact on its operations.







B

OUR
STRATEGIC
FOCUS

PART B: OUR STRATEGIC FOCUS

1. Vision

Our vision is to be Africa's premier maritime, energy and logistics Freeport, offering a world-class integrated shipyard, engineering, fabrication, logistics and services Freeport environment to Zone users and tenants.

2. Mission

We strive to foster responsible investment and create shared prosperity for Saldanha Bay as a sustainable pioneer in the region.

3. Values

Pioneering: We know where we have come from and where we are heading. We dedicate ourselves to creating the conditions for our collective success. We achieve what is possible and overcome what others see as impossible.

Partnership Focused: We work together. We grow together. We show mutual respect.

Accountable: We take ownership of our actions. We hold ourselves accountable. We make the right decision and take the right action, to deliver sustainable growth to our organisations, communities and our country.

Sustainability-Driven: We believe in making a difference that matters and that sustains itself after our work is done. We create spaces for empowerment and self-development. Creating sustainable transformation for lives, businesses and economies.

4. Situational Analysis

4.1 Performance Delivery Environment

4.1.1 Local Environment Analysis

The macroeconomic context summarised below is sourced and adapted, where required, from the 2023/24 Provincial Economic Review and Outlook released in September 2023 (PERO 2023) and the 2022/23 Municipal Economic Review and Outlook (West Coast District), which was released in November 2022 (MERO 2022), both issued by the Provincial Treasury. The MERO employs a variety of data sources to provide a detailed analysis of the socio-economic trends displayed across the municipal areas of the Western Cape. National economic and employment data were sourced from Statistics South Africa (Stats SA), while the Western Cape gross domestic product per region (GDPR) and employment data were obtained from Quantec Research. To discuss the various indicators, the most recent available data sources were used.

4.1.1.1 Global Economic Outlook¹

The global economic outlook is uncertain, marked by slow growth, high inflation and increasing debt. Challenges like supply chain disruptions and geopolitics add complexity. The International Monetary Fund's (IMF) July 2023 projection forecasted global growth to drop from 3.5% in 2022 to 3% in 2023 and 2024, influenced by central banks combating inflation. China's recovery has weakened due to lower exports and slow domestic growth, with real estate issues risking its financial stability. This impacts

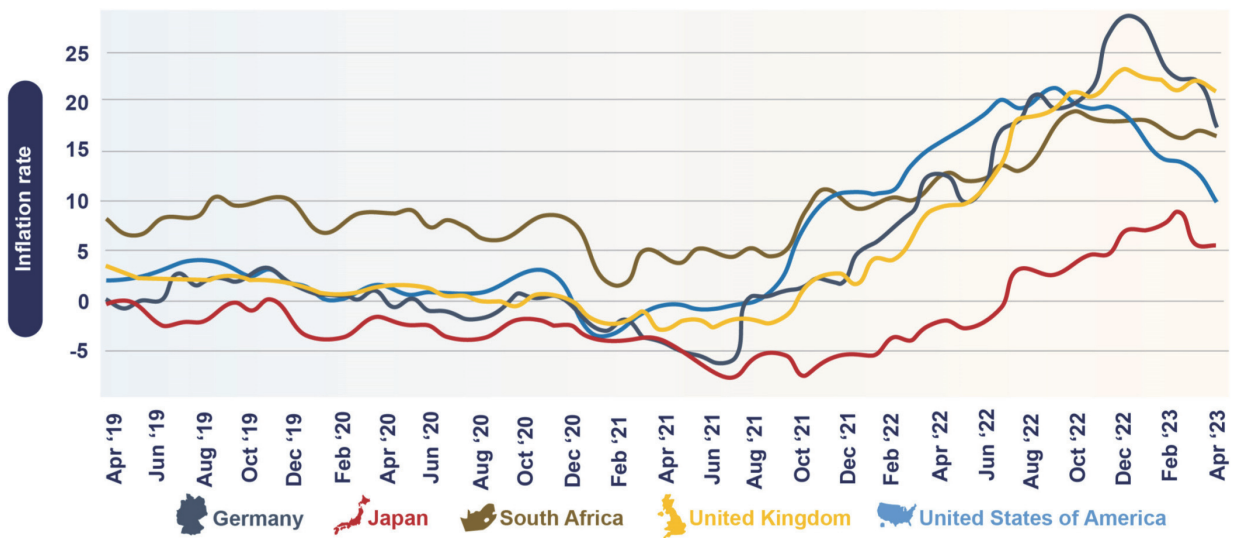
¹ PERO 2023

the global economy, affecting businesses and consumers, and hitting exporters and retailers in China due to weakened growth.

Global headline inflation is set to decline from 8.7% in 2022 to 5.2% by 2024, with core inflation decreasing at a slower pace. Although global growth and low inflation point to a promising economic direction, risks linger. Tightened monetary policies are slowing down global activity, notably impacting credit and

real estate. The rise in wages is not matching price inflation, leading to reduced real wages and affecting economic stability. Financial conditions, though eased, still carry repricing risks due to potential inflation shocks or shifts in risk appetite. For many economies, the aim is sustainable disinflation coupled with financial stability. Targeted support and building fiscal buffers can drive fiscal consolidation and align inflation with goals by enhancing the economy's supply side (IMF, 2023).

Figure 4: Inflation rates for selected countries, April 2019–April 2023



Source: PERO 2023³

Consistent high inflation diminishes household purchasing power, prompting central banks to raise borrowing costs, which slows economic activity. Though banking issues have lessened, higher interest rates strain the financial system, tightening lending and limiting credit. Inflation, though lessening, varies among economies and remains high, especially for energy and food prices. While energy costs have dipped

since 2022 due to factors like European gas inventories, food prices remain elevated.

In conclusion, global growth is slowing due to high inflation, tightening financial conditions and spill-overs from the Russia-Ukraine war. However, some positive signs are emerging as inflationary pressures ease in major economies, with central banks raising interest rates and

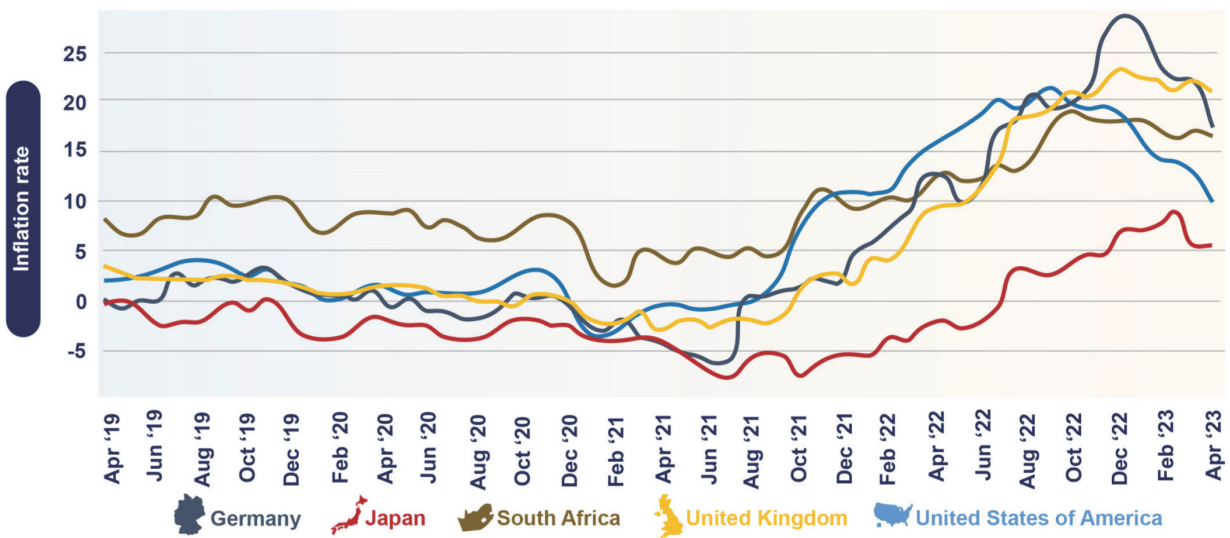
commodity prices declining from their peaks in 2022. These global trends directly impact South Africa through trade, financial linkages and investor sentiment.

4.1.1.2 South African Outlook²

After posting a relatively strong recovery (4.7%) in 2021, the South African economy reverted to mediocre growth (1.9%) in 2022. Several factors

contributed to this lacklustre growth path, including the impact of Russia's war in Ukraine, monetary policy tightening as a result of rapidly rising inflation, severe floods in April and an unprecedented energy crisis. The country's economic prospects are further constrained by limited fiscal space, rising debt levels, higher debt servicing costs, longstanding rigidities in the labour markets and governance and corruption vulnerabilities.

Figure 5: GDP growth per sector and South Africa's GDP growth, 2012-2022



Source: PERO 2023³

The South African economic outlook indicated sluggish growth of 0.5% for 2023 before recovering somewhat to modest growth of 1.8% in 2024, which has further implications for the rest of South Africa and the Western Cape economy. The finance, mining and transport sectors were expected to contribute positively to growth in 2023, while the manufacturing, construction, trade and government sectors were likely to decline.

The modest recovery in 2024 is based on expected recoveries in the government, trade and construction sectors. However, despite improved global demand and inflation expectations, electricity supply challenges

will continue to weigh on the South African economy's output potential in 2024. The mining sector's improvement in 2023 is primarily a mathematical effect from a low base in 2022 and the sector will likely continue to face significant logistical constraints that dampened its outlook in 2022. Growth is expected to ease over the medium term as commodity prices stabilise and freight-related problems continue to hinder South Africa's export potential.

The outlook of the South African economy faces both global and domestic risks, including:

- Continued load-shedding;
- Weaker mining commodity prices and their impact on the economy and national fiscus;

² PERO 2023

³ PERO 2023

- Private consumption and investment slowdown amid elevated inflation, higher interest rates and economic uncertainty;
- Weaker global economic activity reducing demand for South Africa's exports;
- Sluggish private sector credit growth due to tight lending standards;
- Slower progress or reversals of reforms could impede potential growth, increase fiscal pressures and negatively impact poverty reduction and job creation;
- Political uncertainty and the inadequate resolution of the energy crisis may reduce investor confidence; and,
- Systemic financial instability in advanced economies may lead to adverse spill-overs.

South Africa's recovery remains fragile, with GDP growth decelerating to 1.9% in 2022. Persistently high unemployment, rising debt levels and deteriorating fiscal and external balances constrain the economy. Inflation rose above the SARB's target range in 2022, driven by higher food and fuel prices. However, inflation has started moderating, allowing the SARB to pause its hiking cycle. Managing inflation expectations remains critical.

South Africa's energy crisis, caused by Eskom's generation failures, presents a major downside risk, dampening confidence and disrupting economic activity. Electricity prices have also risen sharply and are impacting the competitiveness of key national sectors like manufacturing and mining. Resolving the energy crisis is an urgent priority. In addition, fixed investment remains subdued and FDI inflows remain lacklustre. Boosting productive investment requires

reforms to improve policy certainty, reduce regulatory hurdles and upgrade infrastructure. The stabilising of SOEs is also required to crowd in private investment.

While risks tilt to the downside, South Africa has strengths like a flexible exchange rate, relatively low foreign-denominated debt and substantial reserve buffers. Prudent monetary and fiscal policies aimed at stabilising sovereign debt, containing inflation and improving electricity generation capacity will be vital to bolster resilience.

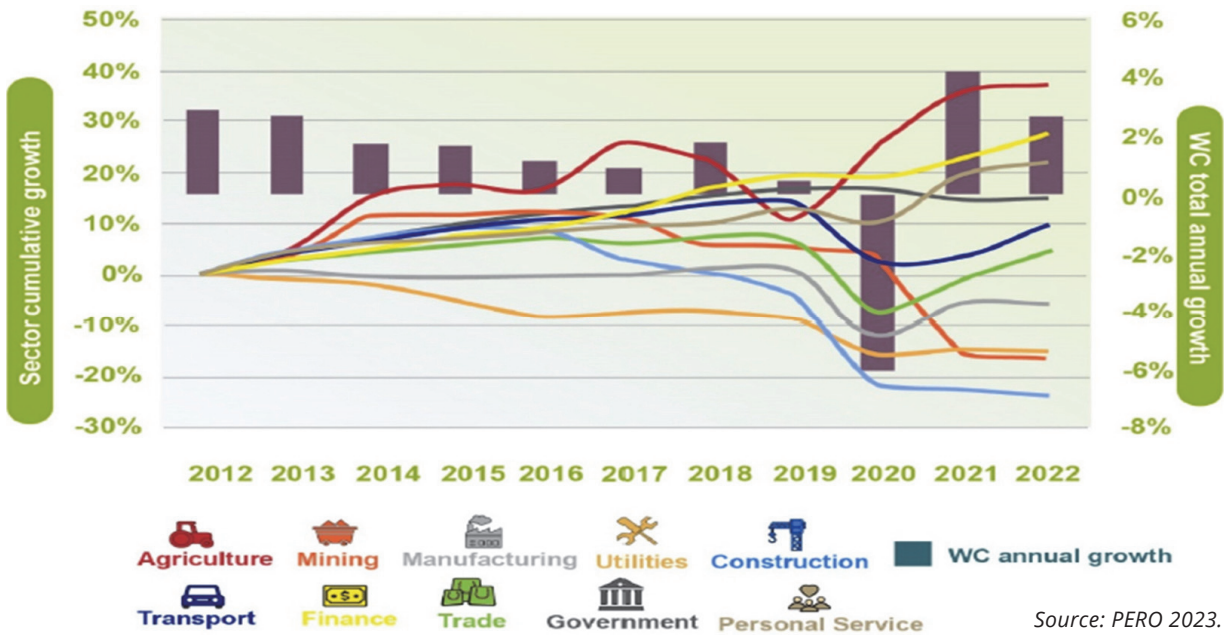
4.1.1.3 Western Cape Outlook⁴

The Western Cape stands out as a service-orientated economy. Driven in part by its relatively large finance sector, the province has carved a unique niche with its flourishing tourism and renowned wine industry. Remarkably, in 2022, the Western Cape expanded its contribution to the national Gross Domestic Product (GDP) by 0.1 percentage points, reaching 14.3%.

The structure of the Western Cape economy differs from the national economy in that the share of the finance sector (32.1% vs 26.1%) is substantially larger, while the mining (0.1% vs 4.9%) and personal services (11.2% vs 26.3%) sectors make significantly smaller contributions to GDP. The manufacturing sector's contribution to GDP is only slightly higher in the province at 13.8% vs 12.6% for South Africa. The finance sector is a primary driver of a service-based economy. It provides the free flow of capital and liquidity in the marketplace. When the sector is strong, the economy can grow at a faster pace.

⁴ PERO 2023

Figure 6: Western Cape GDP Growth Rate, 2012-2022

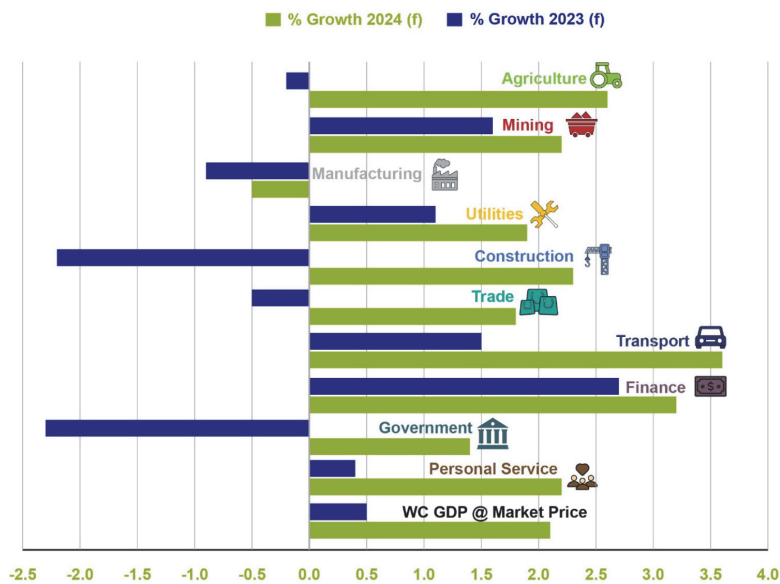


Source: PERO 2023.

The Western Cape economy expanded by an estimated 2.6% in 2022, of which the finance sector (1.2 percentage points) made the largest contribution, followed by the trade (0.7 percentage points) and transport sectors (0.5 percentage points). The relatively large contribution to growth in 2022 was due to a combination of the relative size of the sectors

in 2021 (finance 30.8%; trade 13.8%, transport 9.4%) and their robust growth in 2022 (finance 3.9%; trade 5.3%, transport 5.6%). This was aided by a recovery from COVID-19 lockdown regulations as markets opened, allowing the trade, finance and transport sectors to bounce back from a low base.

Figure 7: GDP growth and contribution of growth forecast per sector in the Western Cape 2023-2024



Source: PERO 2023.

In 2022, the Western Cape's GDP expanded by 2.6%, led by the finance, trade and transport sectors. This growth was reported in the context of an annual average growth rate of 1.1% per annum over the past decade, with the finance, government and personal services sectors constituting the main contributors to growth. The agriculture sector experienced exceptional growth, largely due to increased international market access and export growth over the decade. However, over the past decade, the real GDP per capita in the Western Cape decreased, suggesting that population growth and in-migration have outpaced economic expansion, potentially adversely affecting the standard of living for some residents.

Employment in the Western Cape rebounded robustly post-COVID-19, with significant recovery seen in the finance, personal services, manufacturing and trade sectors. By 2022, the finance sector dominated in most districts of the Western Cape, except in the West Coast and Central Karoo, where agriculture and personal services were the primary contributors to growth.

By 2022, arrivals at Cape Town International Airport surpassed pre-pandemic levels, highlighting the region's enduring appeal to international tourists. Within the same year, domestic tourism in the Western Cape also saw a substantial boost. The wine industry remains a major export earner for the Western Cape. However, over the past decade, South African wine exports have exhibited a declining trend. This was partly due to reduced global wine consumption, particularly in traditional wine-loving countries, even as wine production remained steady.

The economic outlook for the Western Cape in 2023 reflected local business sentiments, with a forecasted modest growth of 0.5% and a stronger recovery expected in 2024. The finance sector was expected to play a pivotal role in this growth, especially in 2023. Despite challenges like inflation and market volatility, the finance sector will prioritise digital transformation to enhance the client experience and drive operational efficiency, supporting the region's GDP. While the Western Cape economy consistently outperforms the national economy in several key indicators due to its comparative

advantages and strengths, structural energy and logistical constraints (including in the Port of Cape Town) limit the province from exhibiting break-out growth over the medium term. Significant efforts to remove structural energy and logistical constraints are the key to unlocking the Western Cape's growth potential.

4.1.1.4 West Coast District Economy⁵

WCD's future shines bright: a tapestry woven from fertile fields, burgeoning factories and flourishing towns, all striving for a balanced and sustainable future. Blessed with diverse landscapes and a fertile coast, the WCD thrives on agriculture. Grapes and citrus flourish in river valleys, rooibos paints Cederberg red, while wheat and canola blanket the south. Fishing sustains coastal communities like Doringbaai and St Helena. This agricultural backbone fuels the economy, accounting for 21.5% of output and 44% of formal jobs.

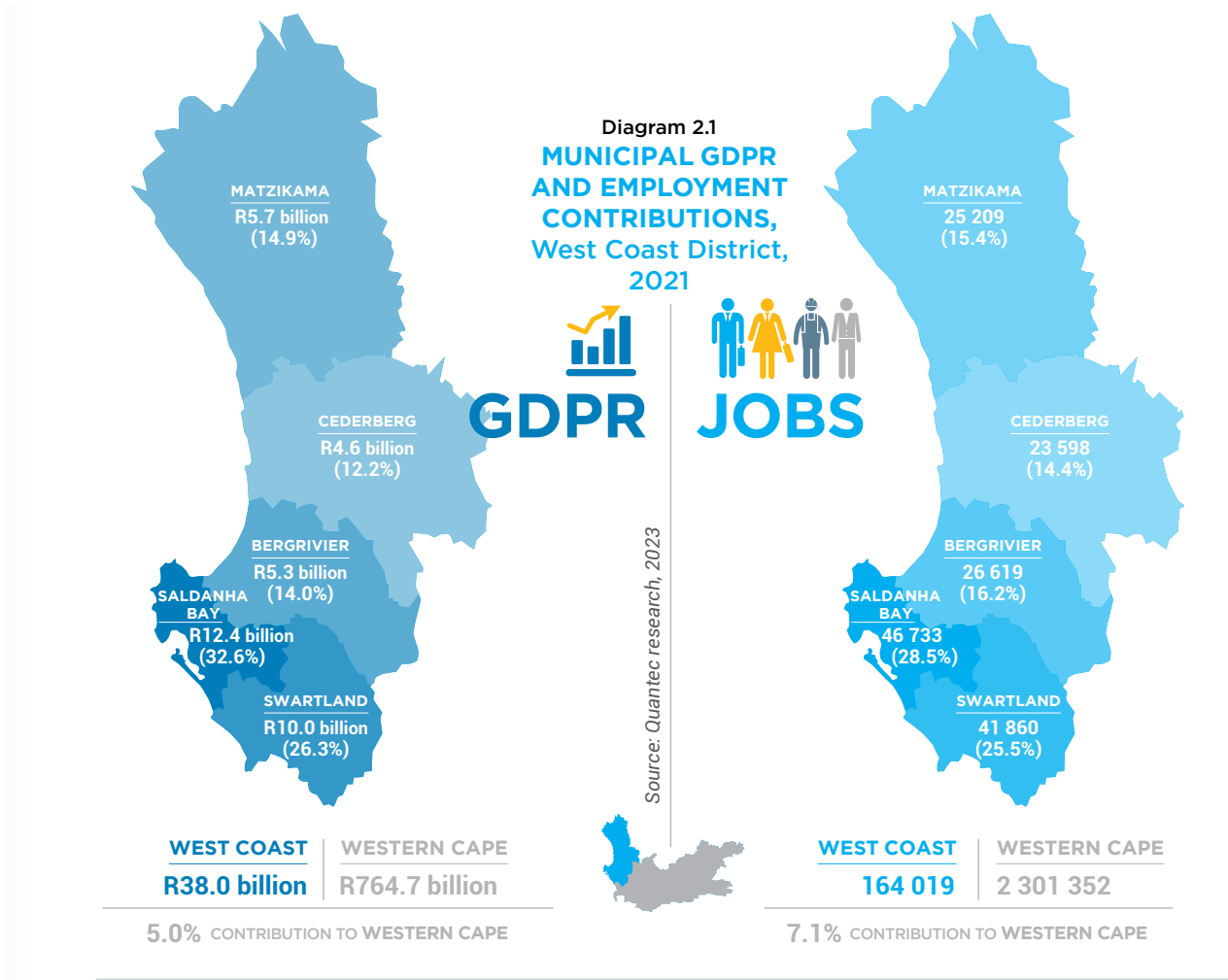
But change is afoot. Manufacturing is gaining traction, driven by food and beverage giants like wine and rooibos producers. Metals and minerals join the mix and the Saldanha Bay IDZ promises further growth. Infrastructure investment, especially in roads and stable electricity, will unlock this sector's true potential.

Industrial development and remote work trends draw people to WCD hubs like Vredenburg and Malmesbury. A vibrant retail sector, personal services and a thriving property market bloom in coastal towns like Yzerfontein and St Helena Bay. While increased revenue from high-value properties fuels local government, the pressure to maintain ageing infrastructure intensifies. External factors like steel market conditions challenge manufacturing, while skills development is crucial to attract investment. Green hydrogen projects offer exciting prospects for energy security and a 'Just Transition'.

The WCD boasts diverse agriculture (ocean, citrus, grapes, wheat) and emerging remote work appeal. Its R38 billion economy (5% of provincial GDP in 2021) centres around Malmesbury (Swartland), Vredenburg (Saldanha Bay), Vredendal (service centre for local grape farmers) and Langebaan (tourism hub with national park, lagoon, Club Mykonos timeshare resort and wildflowers).

⁵ MERO 2023

Figure 8: West Coast District: Municipal GDPR and Employment Contributions, 2021

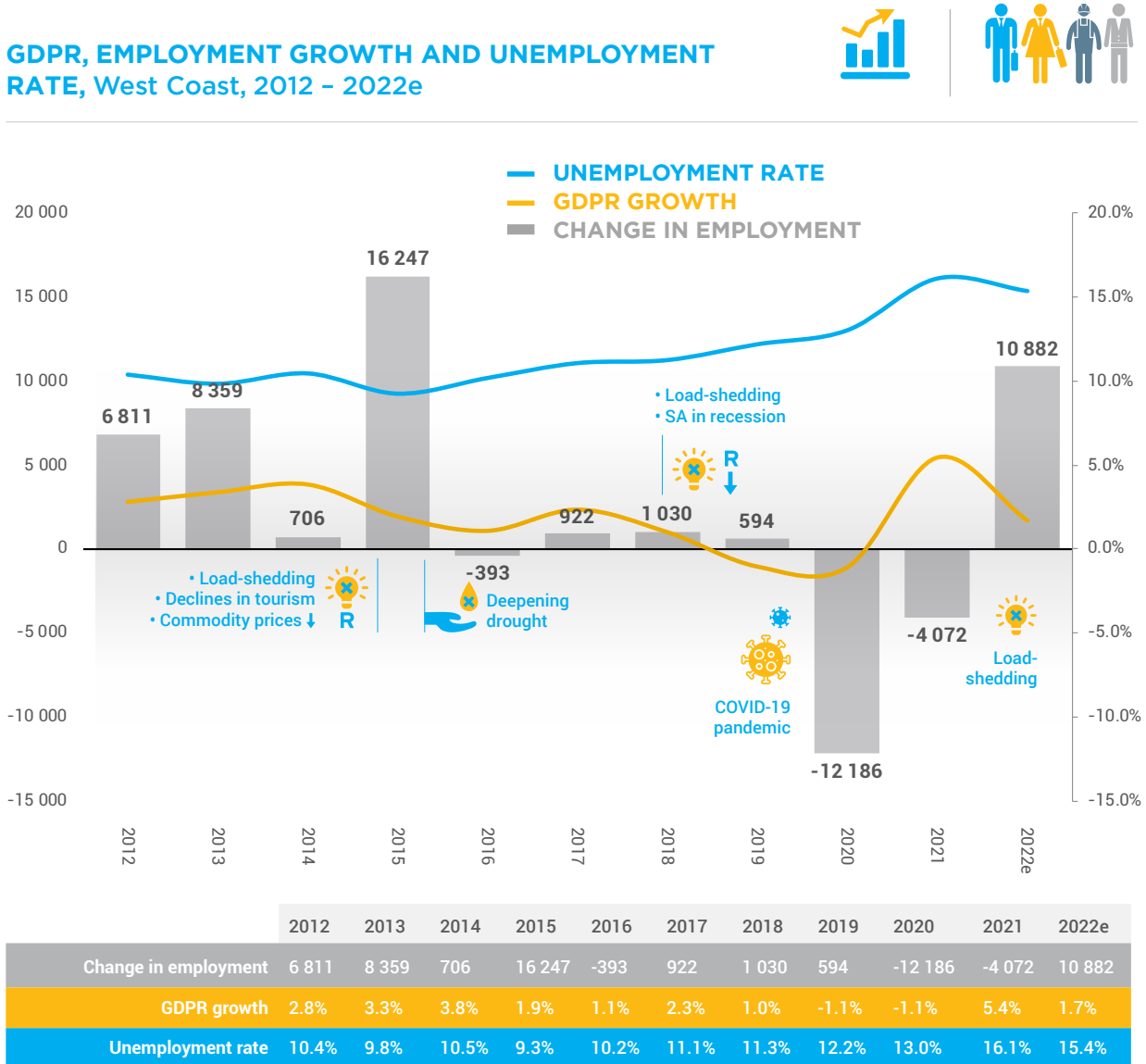


The WCD’s economy relies heavily on agriculture (R8.2 billion, 21.5% of GDP), driven by citrus (Cederberg), grapes (Bergrivier), fishing (Saldanha Bay) and mixed farming. Key employers are farming (20 516), fishing (5 700) and public administration (7 825). A strong agricultural base fuels a thriving agro-processing sector (R7.4 billion, 19.5% of GDP), specialising in meat/dairy (Swartland), fish (Saldanha Bay/ Bergrivier), rooibos tea (Cederberg) and wine (Matzikama).

Because of its labour-intensive agriculture sector, the WCD’s contribution to provincial employment, at 7.1% in 2021, generally exceeds its GDPR contribution. Thanks to the agri-

culture sector’s strong performance in 2020, the economy of the District only contracted by 1.1% during that year, while GDPR growth exceeded 5.4% in 2021. Although GDPR bounced back with ease post-COVID-19, the constrained national economy and reduced business confidence resulted in substantial job losses in 2020 and 2021. GDPR growth is estimated to have slowed to 1.7% in 2022, primarily because of load-shedding, high interest rates, rising input costs for farming and the normalisation of international commodity prices, all of which affected the local agriculture sector. Despite these challenges, informal and formal employment increased by 10 882 in 2022, as seen in Figure 9.

Figure 9: West Coast District: GDPR, Employment Growth and Unemployment Rate, 2012-2022e




Source: Quantec research, 2023 (e denotes estimate)

Source: MERO 2023.

The WCD economy took a major hit in 2023, with GDPR growth (as per figure 10) projected to slump to 0.7% due to high interest rates, rising fuel costs and crippling load-shedding. Flooding caused significant damage to agriculture and infrastructure, particularly in Bergrivier, Cederberg and Matzikama, and rising fuel costs squeezed transport-

dependent producers. However, a 1.7% rebound is forecast for 2024, driven by agriculture recovery and a public sector infrastructure investment boost in construction. This positive outlook offers a chance to reverse the District's pre-pandemic decline (average -1.1% between 2015 and 2019), finally steering towards a brighter future.

Figure 10: West Coast District: GDP Forecast per sector (%), 2015-2024f


SECTOR	Trend					
	2015 – 2019	2020	2021	2022e	2023f	2024f
PS Primary Sector	16.8%	16.8%	7.2%	-1.2%	-2.0%	-0.2%
Agriculture, forestry & fishing	18.0%	18.0%	7.2%	-1.0%	-2.1%	-0.1%
Mining & quarrying	-9.7%	-9.7%	6.6%	-7.4%	1.3%	-2.3%
SS Secondary Sector	-8.6%	-8.6%	5.8%	-0.3%	0.5%	0.3%
Manufacturing	-6.4%	-6.4%	8.3%	1.1%	0.8%	0.3%
Electricity, gas & water	-8.8%	-8.8%	1.1%	-4.8%	-1.2%	-1.6%
Construction	-18.2%	-18.2%	-5.1%	-6.6%	-0.7%	0.9%
TS Tertiary Sector	-4.3%	-4.3%	4.5%	3.8%	0.0%	1.8%
Wholesale & retail trade, catering & accommodation	1.0%	-12.6%	7.2%	3.4%	0.1%	1.2%
Transport, storage & communication	-0.6%	-13.8%	6.6%	9.5%	-4.9%	0.8%
Finance, insurance, real estate & business services	2.9%	1.8%	2.9%	4.0%	3.4%	2.9%
General government	2.0%	2.2%	-1.5%	0.5%	-2.0%	0.9%
Community, social & personal services	1.9%	-1.6%	8.8%	4.3%	-0.3%	2.3%
Total West Coast District	-1.1%	-1.1%	5.4%	1.7%	0.7%	1.7%

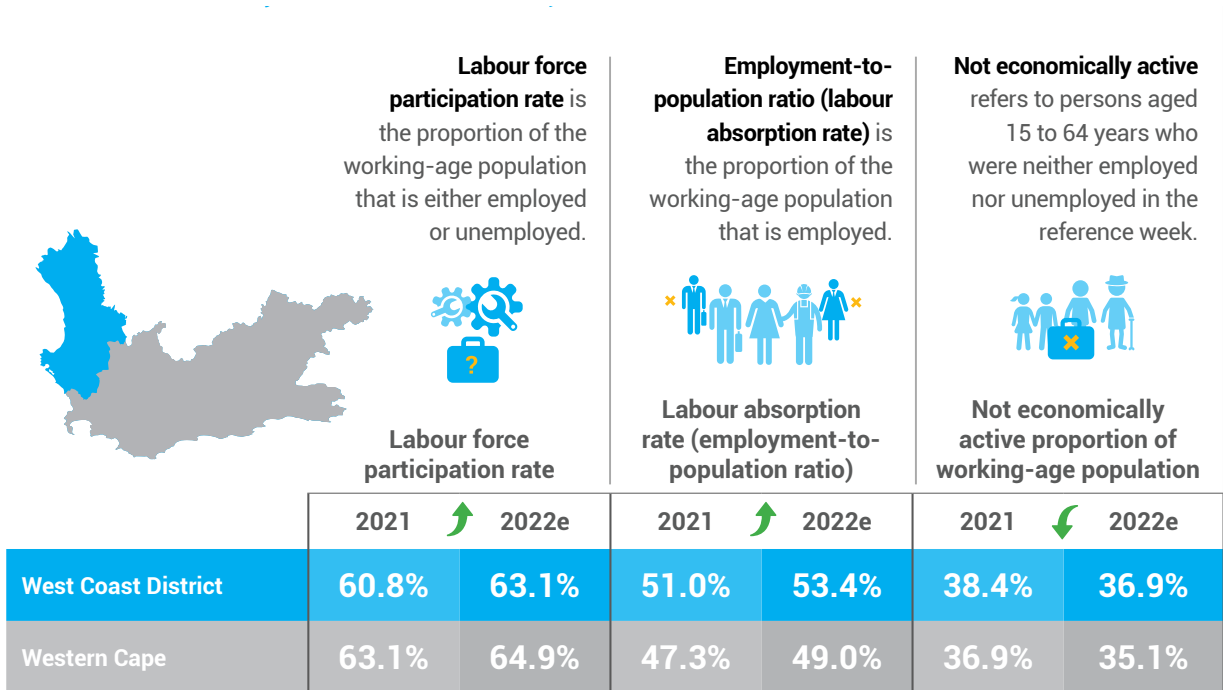
Source: Quantec research, 2023 (e denotes estimate; f denotes forecast)

Source: MERO 2023.

The WCD workforce saw a strong rebound in 2022, with participation jumping 2.3% as workers re-entered the market after 2020's exodus, as reflected in figure 11. Fortunately, the economy kept pace, absorbing 53.4% of the labour force, exceeding both the national (39.1%) and provincial (49.0%) rates. This translates

to significantly better job prospects in the WCD, reflected in a 15.4% unemployment rate compared to the province's 24.5%. While a slight improvement from 2021, the unemployment rate remains above pre-pandemic levels (12.2% in 2019), highlighting the need for continued economic growth to fully recover.

Figure 11: West Coast District: Labour Profile, 2021–2022e



Sources: Quantec research, 2023 (e denotes estimate)

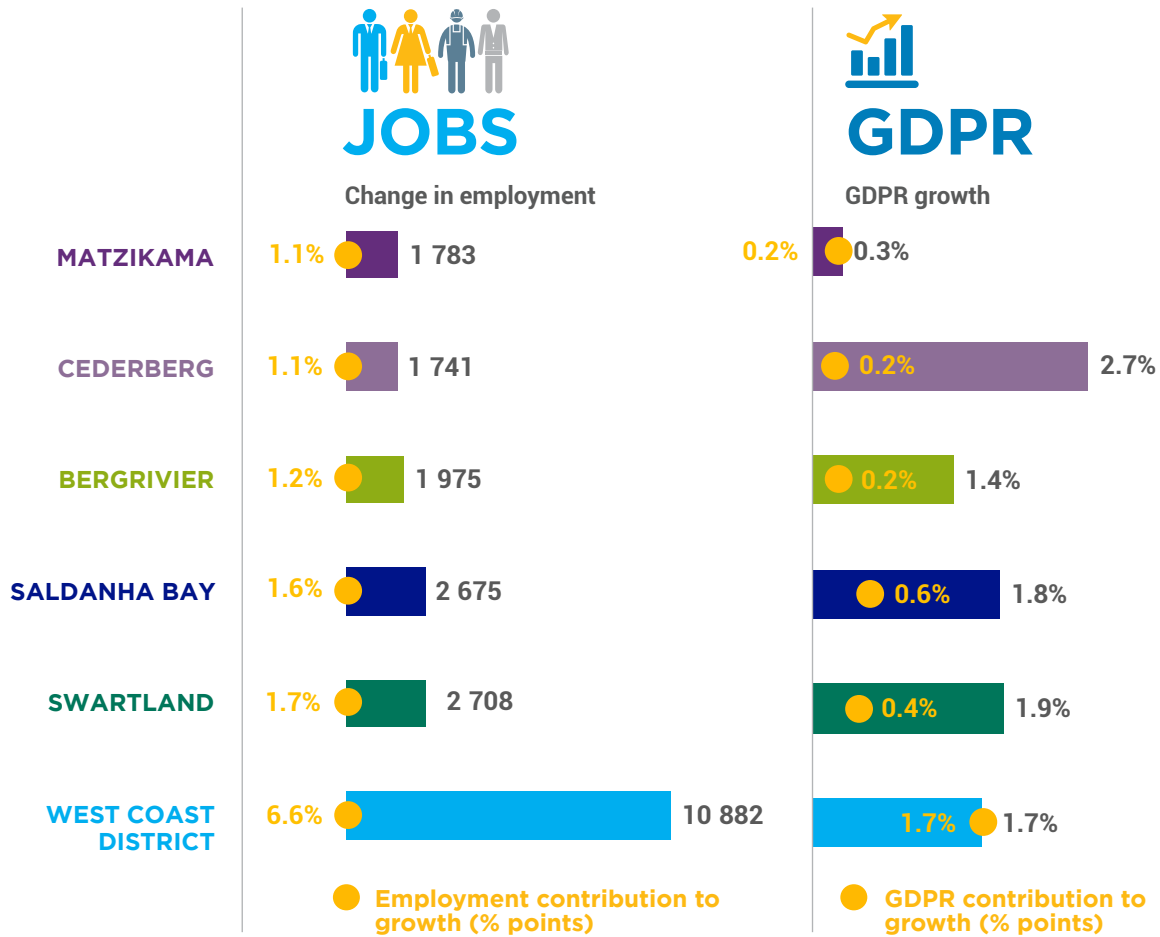
Source: MERO 2023.

Saldanha Bay, fuelled by its robust marine fishing industry, emerged as the WCD’s growth champion in 2022, contributing 0.6% of the District’s 1.7% GDP increase (figure 12). While land-based agriculture contracted, impacting more rural areas like Matzikama, Cederberg and Bergrivier (each contributing 0.2%), Saldanha Bay’s seafood focus shielded it from these headwinds, propelling it to the economic forefront. This highlights the diversification within the WCD, with different sectors driving growth across its municipal areas.

The Swartland municipal area emerged as the employment kingpin of the WCD in 2022,

contributing a whopping 1.7 percentage points of the District’s 6.6% growth. Boosted by agriculture, particularly perennial crops (905 jobs), non-perennial crops (543 jobs) and mixed farming (385 jobs), formal employment soared. The informal sector saw a similar boom, with new jobs in both agriculture and trade again concentrated in Swartland. This surge aligns with the area’s rapid population growth (2.1% annually), fuelling demand for consumer goods and driving robust retail activity. In short, the Swartland municipal area is currently both the job hub and the consumer engine of the WCD.

Figure 12: Municipal Contributions to GDP and Employment Growth, West Coast District, 2022e



Source: Quantec research, 2023 (e denotes estimate)

Source: MERO 2023.

While WCD's population aged in 2022, boosting care sector jobs (801), it was a surprising surge in film and TV production (1 237 formal jobs) that took centre stage. Aurora, a tiny Bergrivier town with a weak mixed-farming economy, saw this windfall concentrated, significantly lifting livelihoods in a place where median income barely grazed R4,135 in 2021. While the long-term sustainability of this boom is unclear, it offered a welcome shot in the arm for Aurora's residents.

4.1.1.5 Concluding Remarks⁶

The WCD boasts a vibrant tapestry of fertile

lands teeming with citrus groves and vineyards, bountiful seas humming with fishing activity and charming towns like Malmesbury, Vredenburg and Langebaan buzzing with commerce. This R38 billion economy (5% of the Province's GDP in 2021) draws strength from agriculture, forestry and fishing, providing jobs and livelihoods for thousands.

Despite load-shedding and rising costs, the WCD displayed remarkable resilience. After a modest contraction in 2020, it roared back in 2021, with both formal and informal employment on the rise. Areas like Saldanha Bay and Swartland, with their thriving marine fishing and meat/ dairy

⁶ MERO 2023

processing industries, were key contributors. The diverse trade profile, featuring exports like iron/ steel and citrus, further bolstered the WCD's ability to weather external shocks.

Nature lovers flock to the WCD, lured by the West Coast National Park, spring wildflowers and coastal towns like Langebaan and Paternoster. Tourism spending is increasing, injecting valuable resources into the local economy. While most visitors are day trippers, strategic efforts to extend their stays can further unlock this sector's potential.

Although energy supply, fuel costs and agricultural production hurdles remain, the WCD faces the future with optimism. Agriculture and construction, along with strategic infrastructure and industrial investments, are expected to drive a rebound in 2024. Diversifying agriculture, investing in workforce skills, improving energy and water infrastructure, promoting SMMEs and expanding trade are crucial steps towards a brighter future. By aligning growth with sustainability, building resilience and adapting to economic trends, the WCD can secure a prosperous and thriving tomorrow.

4.1.1.6 Saldanha Bay Municipal Economy⁷

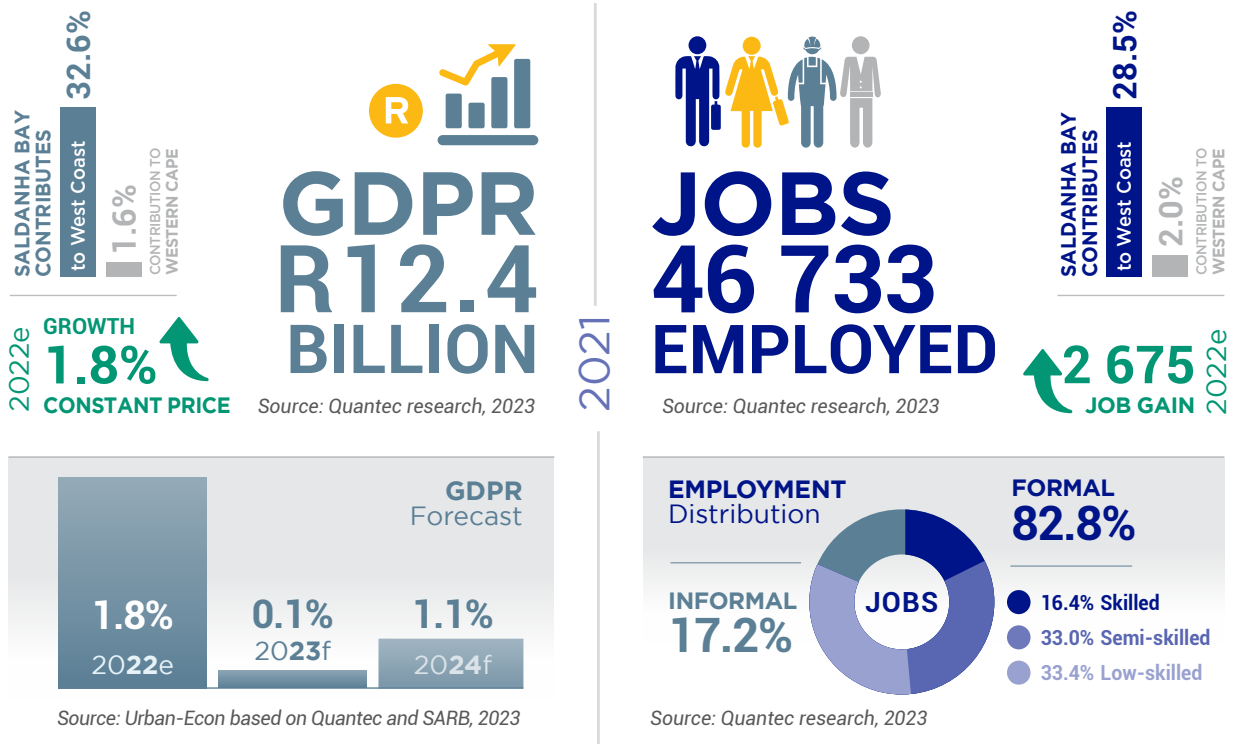
Saldanha Bay, the WCD's economic powerhouse, boasts a diverse tapestry woven from stunning nature, bustling industry and charming towns. Its crown jewel is the vast protected harbour, the deepest in southern Africa, attracting maritime enthusiasts, fisherfolk and birdwatchers. The industrial and logistical hub of Saldanha Bay itself, with its steel mill and IDZ, sits alongside Langebaan, a windsurfing paradise nestled around a tranquil lagoon.

Beyond Saldanha Bay's industrial hum, the West Coast National Park boasts unique fynbos ecosystems and vibrant birdlife. Vredenburg,

the region's commercial pulse, thrums with modern amenities and diverse shopping outlets. Quaint Paternoster, its whitewashed cottages lining the pristine shore, offers a serene seaside escape with delectable seafood treats. Inland, Hopefield serves as the beating heart, supporting nearby grain, dairy, meat and honey farmers. Meanwhile, Langebaanweg houses the South African Air Force base, adding a distinctive hum to the regional tapestry. With a 2021 GDP of R12.4 billion (figure 14) and leading the WCD's 2022 economic growth, the Saldanha Bay municipal area is a dynamic gem with something for everyone.

While known for its charming coast and water sports, Saldanha Bay boasts the Saldanha Bay IDZ, a special economic zone dedicated to boosting industries and socio-economic development. This, coupled with the Port of Saldanha (South Africa's deepest natural anchorage), fosters significant economic activity. The Port's main focus is exporting iron ore from Northern Cape mines via the OREX railway. It handles all South Africa's zinc and lead exports, and 89.1% of iron ore exports. Interestingly, most imports and exports flow through the Port of Cape Town, not Saldanha, limiting local businesses' advantage of the Freeport. Despite these limitations, the balance of trade remained positive (surplus of R2.8 billion in 2022), thanks to a recovering manufacturing sector (the area's trade backbone). Steel processing reigns supreme, with clad, plated and coated flat-rolled iron and steel leading exports in 2022, followed by cold-rolled steel. This category also tops imports (albeit uncoated/ unplated). This suggests prospects of processing raw materials for domestic or re-export purposes. Companies like Duferco Steel Processing exemplify this, while the potential reopening of Saldanha Steel by ArcelorMittal offers further promise.

Figure 13: Contribution of Saldanha Bay to the West Coast District economy, 2022



Source: MERO 2023.

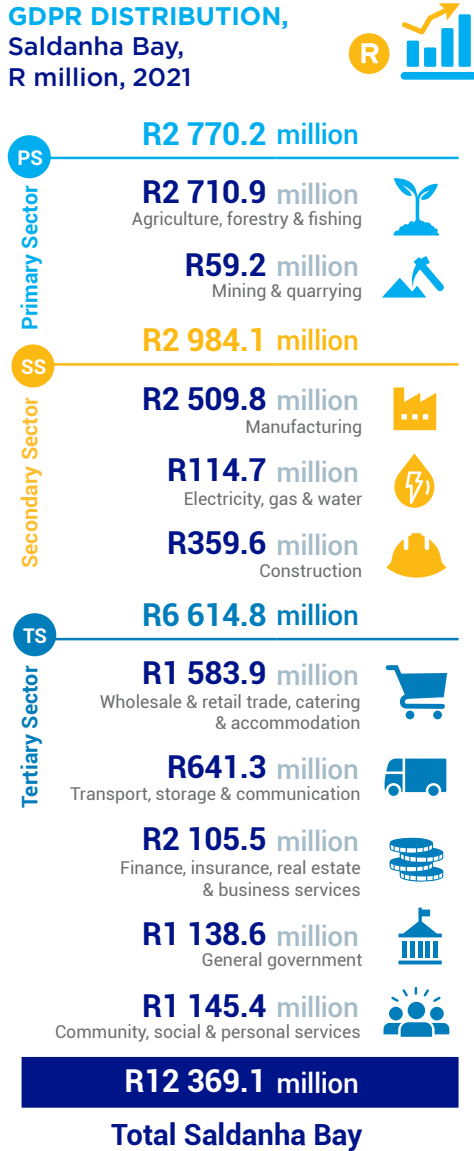
As reflected in figure 14, Saldanha Bay's economy hinges on agriculture (R2.7 billion, 21.9%) and manufacturing (R2.5 billion, 20.3%), while Vredenburg's bustling finance sector adds R2.1 billion (17%). Maritime activities, particularly fishing (4 647 jobs), dominate formal employment, with Oceana Group, Pioneer Fishing and others anchored in Saldanha, St Helena Bay and Laaipelek. However, these communities depend heavily on volatile quotas for rock lobster and small pelagic fish,

making them vulnerable to drastic changes in the industry.

Vredenburg, the administrative heart of Saldanha Bay, boasts 2 030 formal jobs in the public sector thanks to the local municipality, Department of Home Affairs, Department of Employment and Labour, Vredenburg Hospital, a prison and the South African Air Force base (figure 15). The public sector plays a significant role in the town's employment landscape.

⁷ MERO 2023

Figure 14: GDPR Distribution, SBM 2021



Source: Quantec research, 2023

Source: MERO 2023.

Pristine beaches and attractions like the West Coast National Park and Langebaan lagoon lured tourists, making short-term accommodation and restaurants top job creators in 2022. However, towns like Langebaan were hit hard by pandemic lockdowns, highlighting the risks of over-reliance on tourism. Thankfully, the WCD's strong agricultural sector remained steady, driving a 5.4% economic boom in 2021. But growth dipped to 1.8% in 2022 as crippling load-shedding hampered manufacturing and rising

costs stalled construction, both still lagging pre-pandemic levels.

WCD's economy rode a rollercoaster in 2021–2022. While tourism-dependent towns like Langebaan reeled during the pandemic's shockwaves, the robust agricultural sector held its ground, boosting growth to 5.4% in 2021. However, 2022 saw a slowdown to 1.8%, as crippling load-shedding hobbled manufacturing and rising costs choked construction, both lagging pre-pandemic levels. Tourism's vulnerability was laid bare, while the need to diversify beyond agriculture became starkly evident.

In addition, South African ports are in a chokehold currently, crippling imports and exports. Retail giants like Pepkor have stock worth millions trapped at sea. The Port of Durban saw a peak of 79 ships and 61 000 containers stranded by bad weather, equipment failures and operational woes. Cape Town and the Eastern Cape faced similar jams, with congestion expected to linger until mid-2025. Cargo is increasingly bypassing South Africa for competitors like Maputo and Walvis Bay, threatening South Africa's long-term trade competitiveness. While the South African Association of Freight Forwarders (SAAFF) argues that South African ports handle more vessels than its regional competitors, it acknowledges a worrying mismatch between designed capacity and actual performance. One of the key issues is South Africa's crumbling rail network. Insufficient rail infrastructure, especially for bulk cargo like coal and iron ore, forces overreliance on expensive road and air freight. SAAFF reports 8 000 to 9 400 trucks are clogging the N3 daily, carrying a mere fraction of what a healthy rail system could handle. The potential impact of this crisis on Freeport Saldanha's ability (and other SEZs) to attract investment cannot be overstated.

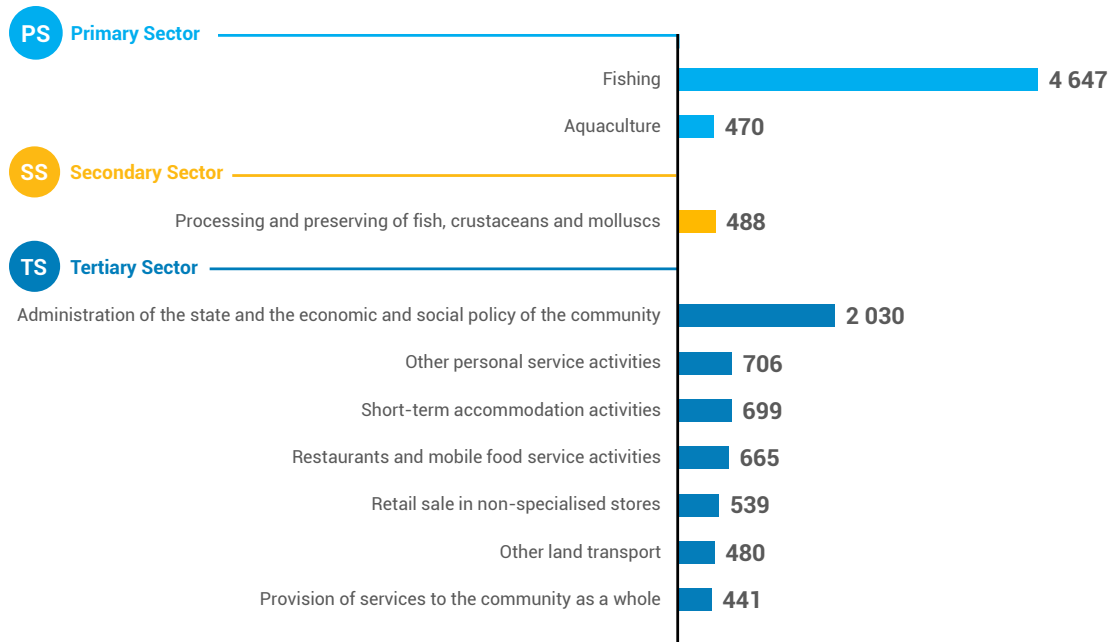
Despite past hurdles, Saldanha Bay saw an impressive workforce return (a 69% labour force participation rate, the highest in the WCD), boosted by rising job opportunities (53.6% labour absorption rate). While unemployment dipped slightly (0.8%), it remained significantly higher than the WCD average (22.3% vs. 15.4%), likely due to its economic magnetism attracting job-seekers.

Figure 15: Top 10 Sectors by Number of Full-Time Equivalent Jobs, SBM 2022



JOBS

Figure 3.17
TOP 10 SECTORS BY NUMBER OF FTE JOBS, Saldanha Bay, 2022

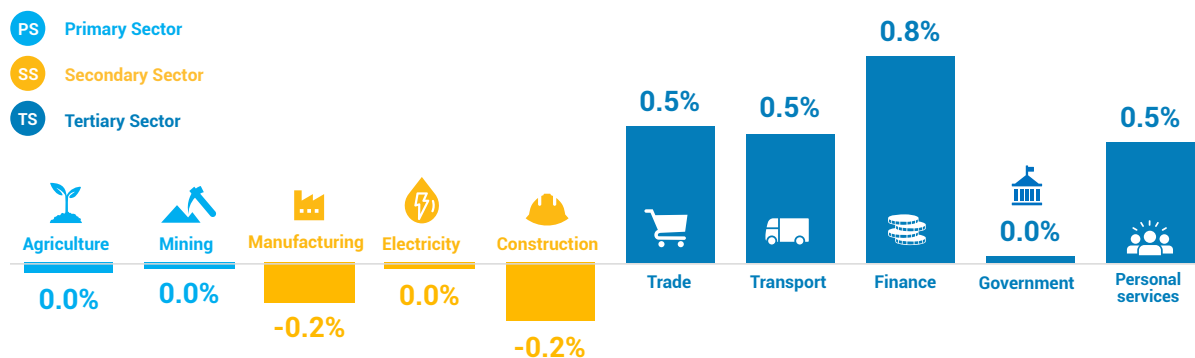


Source: Nell, A. & Visagie, J. Spatial Tax Panel 2014 – 2022 (dataset). Version 3. National Treasury Cities Support Programme and Human Sciences Research Council (producer and distributor), 2023

Source: MERO 2023.

Figure 16: Sectoral Contribution to GDP Growth (percentage points), SBM 2022e

SECTORAL CONTRIBUTION TO GDP GROWTH (PERCENTAGE POINTS), Saldanha Bay, 2022e



Saldanha Bay Total 1.8%

Source: Quantec research, 2023 (e denotes estimate)

Source: MERO 2023.

While finance, trade, transport and personal services showed promising growth in 2022, they remained below pre-pandemic levels due to inflation and fuel costs. Port activity boomed, however, driven by its role in exporting coal, iron ore and other materials. New projects like the green hydrogen hub and oil pipeline at the IDZ aim to further boost transport and manufacturing but require skills currently lacking in the largely fishing-based area. Public-private partnerships for skills development will be crucial for local communities to reap the benefits of these developments, as the workforce is currently dominated by low and semi-skilled workers.

4.1.1.7 Concluding remarks⁸

Despite promising ventures at the SBIDZ, economic clouds are gathering. Load-shedding, South Africa's ongoing logistics crises, inflation and interest rates are dampening business activities, with GDP growth expected to crawl to a mere 0.1% in 2023. While a slight rebound to 1.1% is projected for 2024, it barely nudges above the pre-pandemic average (0.9%).

Deeper shadows may loom, further threatening future growth and jobs. Shrinking fishing grounds for the pelagic industry, the mothballed ArcelorMittal steel mill and the unfulfilled potential of the IDZ could all cast their chill. To weather these headwinds, Saldanha Bay needs to navigate these challenges and unlock its full economic potential.

4.1.2 Market Environment Analysis

4.1.2.1 Good practice in SEZs in Africa

The Handbook on Special Economic Zones in Africa: Towards Economic Diversification across the Continent (UNCTAD, 2021) aims to provide an Africa-specific model of SEZs based on lessons from experience and best practices, to support the African Continental Free Trade Area and, in the process to accelerate the integration of Africa. The Handbook takes stock of the current state of play of African SEZs and identifies several good practices through the analyses of case

studies reflecting a variety of critical aspects and representing the specificities of diverse African regions. Relevant lessons are brought out, ranging from the importance of the strategic focus and locational advantages to heightened attention to enhanced environmental and social standards.

Highlighting the summarised recommendations of its analysis is relevant to Freeport Saldanha's Corporate Plan, to set the aligned global and continental environmental contexts of the SEZ programme, especially when considering the provincial and national medium to long-term policy environment of the Recovery Plan and Provincial Strategic Plan 2019–2024, with their economic and jobs objectives. The findings from the Handbook echo and align with the current provincial and national medium to long-term policy environment as described in section 3 and inform the context of the strategic priorities of the Freeport, as outlined in section 4.3 below.

The empirical evidence stemming from the case studies highlighted the following five points:

1. Most successful zones have adapted their policies and strategic focus to both the local context and international economic trends.

Copying the strategies of successful cases – generally, long-established and well-performing zones that had a significant transformative impact on their surrounding environment, such as the Shenzhen SEZ in China – rarely works, as it is always difficult to reproduce the conditions that led to the success of the strategy being copied. This implies that adaptation to the local context is a must for most zones in emerging and developing countries to succeed. A key feature of many successful SEZ policies is a clear strategic focus in terms of realistic target sectors and investors based on a country's value proposition and comparative advantage. This often means adapting policies to the country's endowments and responding to changing patterns in international production.

⁸ MERO 2023

2. Integrated SEZ policies and a coordinated institutional approach are of crucial importance for an SEZ programme to be effective.

Integrated policies, as opposed to stand-alone policies, are essential to ensure policy coherence across different policy areas (i.e. industry, education, transport, trade) that can contribute to the success of SEZ interventions. When policies are aligned, synergies are created and benefits maximised. Similarly, a coordinated, whole-of-government approach to investment promotion assumes an all-important role in signalling to investors that the country's institutions are open for business and fully committed to facilitating investors' activities. This sort of integrated, proactive approach can considerably boost the chances of attracting anchor investors, often outdoing international competitors.

3. International partnerships with foreign governments, private firms or international institutions can facilitate knowledge exchange, although caveats apply.

Evidence from SEZs in Mauritius and Nigeria and some recently established cross-border SEZs shows that developing zones in collaboration with international partners can help the host country gain access to good practices. That said, knowledge transfers between partners do not happen automatically. Hence, setting up formal transfer mechanisms is of crucial importance to bring about an effective exchange of knowledge. In addition, safeguards to mitigate the risks arising from conflicting interests, lack of trust and misalignment of objectives play important roles in determining the outcome of international partnerships.

4. Enhanced environmental, social and governance (ESG) standards can render SEZs more competitive and attractive to investors.

A focus on labour standards and environmentally friendly, gender-inclusive programmes can not only boost the societal contributions of SEZ policies but also support resource efficiency

within the Zone. Solid ESG standards can furnish substantive positive externalities in terms of the productivity of SEZ-based firms. Increasingly, specialisation in "green" sectors enables SEZs to leverage investment flows in areas related to the SDGs as initiatives aimed at providing support to vulnerable groups decrease staff turnover and enhance workers' productivity.

5. Proactive and targeted policy measures are pivotal to ensure that SEZs become policy tools for the diffusion of knowledge, innovation and economic dynamism, both inside and outside their gates.

SEZs are increasingly assessed on their ability to spur economic development beyond their boundaries. To enable innovation-stimulating mechanisms such as labour circulation, the imitation of SEZ firm technologies and, in particular, the establishment of sourcing linkages between SEZ firms and local suppliers, ad hoc policy interventions such as supplier development programmes and SME accelerators can go a long way towards creating fruitful linkages between economic players.

4.1.2.2 SEZs as catalysts for industrialisation in Africa

Reflecting on lessons learned over the past 50 years concerning the establishment of SEZs across Africa, the African CEO Forum's report on SEZs as "Catalysts for African Industrialisation" makes six recommendations for transforming SEZs into powerful catalysts for the continent's industrialisation. This report aligns and echoes in many ways the five points of good practice for SEZs in Africa (see 4.1.3.1). Each recommendation is explained below along with the related measures implemented by Freeport Saldanha.

Strategically Located

Ensuring that an SEZ is strategically located is a critical success factor for its growth and development, for example, ensuring that there is a locally available pool of qualified and cost-competitive labour given the labour-intensive requirements of industrial activities. In addition,

an SEZ must be connected and near reliable and world-class logistical (roads, rail and port, etc.) and bulk utility (electricity, water) infrastructure. Lastly, an SEZ must be located near the raw materials used for its processing activities and/or its targeted consumer markets, which effectively cuts transport costs and optimises returns on end products.

Freeport Saldanha is South Africa's only SEZ that is located in a commercial port. The SEZ's location in the largest and deepest (23m draught) natural port in the southern hemisphere means that the Zone can potentially accommodate and service a wide range of vessels and provide a linkage point for both African and international markets due to its proximity to a main global shipping route.

The company's Development Programmes unit, in partnership with various SETAs, has facilitated the training of over 2 650 locals since 2014 to ensure that a suitably skilled local labour market is created and maintained for zone investors and tenants to draw from. The company's Contractor and Enterprise Development programmes launched initiatives to ensure that local contractors and SMEs are equipped with the expertise and qualifications to participate in current and future Zone-related projects.

The company's SBIC will ensure that clusters are established and developed to drive research, development and innovation within the energy and maritime industries to ensure that Freeport Saldanha investors and tenants can access cutting-edge knowledge and technology that enable them to sustainably, inclusively and effectively create and seize opportunities so that they can rapidly respond to shifting global trends and remain globally competitive.

Aligned with Domestic Industrial Strategy

SEZs must be devised in line with national strategy to improve their competitiveness and the growth and development of the larger regional economy in which they operate. Contrary to past practices, SEZs tend to perform better if they concentrate their industrial activities on only a few sectors. Limiting the

number of sectors to fit in with the region's comparative advantages means that SEZs can respond to specific requirements, build up cooperative relations between the companies located there and benefit from support from local authorities.

Over the next 15 years, South Africa's industrial development will, to a large extent, be informed, enabled and driven by four key policy instruments. These are the ERRP, the NIP, the Country Investment Strategy (CIS) and the South African Just Energy Transition Investment Plan (JET IP). These policy instruments were drafted by the national government in response to changing circumstances at global and national levels, including the socio-economic impact of the COVID-19 pandemic, climate change and the relationship of humans with the environment, as well as the global energy transition seen within the context of South Africa's energy crises. As a SEZ and SOE, the Freeport Saldanha IDZ has also adapted to these changing circumstances and aligned its strategy, market proposition and plans to the national, provincial and local government policy instruments and enablers that inform the country's domestic industrial strategy to ensure that the company and South Africa identify and leverage the opportunities emerging from these changing circumstances.

Provide a High-Performing Ecosystem

SEZs that prosper are those which provide investors with fully operational facilities and support their value chains both up and downstream. This approach must be developed by drawing on the expertise of experienced players with a thorough understanding of each link in the chain. Such support allows investors to focus on their core business and reduce their initial outlays. Developing an efficient value chain involves procuring quality raw materials at competitive prices and all the requisite products and services for a sector to expand. Other critical factors include access to logistics and energy networks and a one-stop shop for administrative procedures (licences, customs, visas, etc.) to clarify each firm's legal rights and obligations and shorten delays.

Through the DTIC's various funding mechanisms available to SEZ investors, Freeport Saldanha has prepared the Zone for investment by appropriately rezoning land owned by the IDZ, putting in place the required basic infrastructure and building the required operational facilities for Freeport Saldanha IDZ investors and tenants. In addition, since the Zone is connected to the regional infrastructure network and will be contributing additional loads onto the systems, the company has implemented projects to upgrade the surrounding bulk infrastructure. Through stakeholder engagement and partnership with the WCG and the SBM, the company has also ensured that upgrades and the development of the local and regional road networks take the current and future transportation needs of SEZ investors into account.

Through the work driven by the Ease of Doing Business (EoDB) unit, the company has sought to provide proactive solutions for investors that are customer-centric. These solutions include the development of the EoDB Centre - a co-working space located within the Access and Security Complex of the Freeport Saldanha IDZ. This space has been designed to extend the services already offered by the EODB Unit into a physical location where investors can consult with government officials and private services. Going forward, the EoDB Centre will provide advisory services, co-located services and client-centric services that will ensure that Zone investors and tenants can seamlessly and effortlessly access the information and services required to do business in the Zone, Saldanha and South Africa. The building plan approval process for Zone investors has been streamlined significantly through the EoDB Service Level Agreement (SLA) which the company has concluded with the SBM.

The idea of creating an enabling business environment is also championed by the G4J Strategic Framework. The G4J Strategic Framework notes that *"an international (and regionally) competitive economy requires a business environment that is better enabled than competitor economies. This forms the basis for improvements in productivity, leads*

*to accelerated economic growth and improves the quality of citizens' lives".*⁹ In addition, the framework espouses the development of economic infrastructure that *"promotes economic activity and is a pre-condition for economic growth. It refers to facilities, activities and services that support economic production, operations and development and is inclusive of roads, airports, ecological and ports".*⁹

Invest Pragmatically and in Phases

Building in phases enables SEZs to grow progressively and determine the corresponding amounts to invest. Investing in a regional framework so that each nation's industries complement rather than compete against one another can prove an effective means to avert the dispersion of businesses and investments. Lastly, investments should always serve a particular purpose. The size of a SEZ is not everything. Concentrating on a limited area and operational efficiency is often more worthwhile than investing heavily in large-scale projects that will likely fall short of their projected impact.

Currently, Freeport Saldanha has a designated area of 356 ha of which 180 ha is commercially leasable. This is a significantly smaller SEZ footprint than that of other South African SEZs. Recent and evolving changes in the maritime and energy market require that the company, to meet its current and future strategic needs, expand the physical footprint of the Zone as well as the SEZ and Customs Control Area (CCA) boundaries. The company has carefully considered this next phase in the development of the Zone, which will allow the Freeport Saldanha IDZ to maximise the efficiency of import and export operations at the Zone.

Foster Public-Private Governance

Though several governance structures exist for SEZs, a hybrid public-private partnership (PPP) seems to perform best. PPPs can attract private capital while alleviating the strain on state budgets. It is crucial that all stakeholder interests in a PPP should be consistent with the common objectives of optimising both the project's profitability and its economic spill-over

⁹ MERO 2023

on a national scale. An advantage of this type of governance structure, which applies to over 30% of African SEZs, is that it helps mobilise patient capital held by states, sovereign funds and multilateral donors. The long-term vision of these players leaves SEZs sufficient time to develop pragmatically and in phases.

New port infrastructure is critical to Freeport Saldanha's realisation as a marine and energy services centre in Saldanha Bay. The existing port infrastructure is dedicated to iron ore and manganese exports with very little other port activity accommodated in the port. To accommodate a full marine manufacturing, repairs and servicing centre, bespoke infrastructure and dedicated facilities are required. Freeport Saldanha has initiated and concluded a Cost-Benefit Analysis (CBA) study to advance the development of this infrastructure at the Port of Saldanha.

Infrastructure South Africa (ISA) has formally confirmed that Freeport Saldanha's port infrastructure project has reached the early business case gateway. As the custodian of the ports, the TNPA is responsible for facilitating the building and management of port infrastructure. Accordingly, Freeport Saldanha must work closely with the TNPA in the process of securing private sector funding for the development and operation of marine infrastructure at the Port of Saldanha, as per Freeport Saldanha's CBA. Freeport Saldanha is awaiting formal approval from the TNPA to proceed with a Marine Environmental Impact Assessment (EIA) in relation to the port infrastructure envisaged in the CBA study. Through the above work, the company aims to clarify and de-risk the port infrastructure project. This will foster and enable private sector interest in the project. Identifying and on-boarding a suitable private sector partner will lower the cost of the project for the government and allow the company to leverage the expertise of the private sector to assist in efficiently and effectively building, operating and maintaining the required port infrastructure.

The G4J Strategic Framework recognises that the "private sector is better positioned to assess and identify investment opportunities with a positive net value than government and can more efficiently deploy capital and other scarce resources. Consequently, in addition to creating an enabling business environment, government needs to be supportive and responsive to the economic opportunities identified by businesses, ensuring a sustainable upward curve for growth".¹⁰

Design to Deliver Green and Sustainable Industrialisation

Projects in SEZs in Africa must not go ahead without addressing the environmental and social issues required for sustainable development. Mitigating the impact of industrial activities on the environment must be planned from the start by using clear monitoring indicators, rolling out more eco-friendly production processes and taking steps towards a greener supply chain. It is also possible for SEZs to steer businesses in the zone towards sectors grounded in sustainable development. Moving towards carbon-neutral SEZs can serve to attract greater investment by providing a competitive edge in the global market. Lastly, optimising social and economic spill-over for the host country must be the top priority for SEZ operators.

Global society is experiencing a dramatic shift in energy systems away from carbon-intensive sources such as coal and crude oil towards lower-carbon solutions, including gas, renewables and hydrogen. South Africa also has a role to play in this transition. While South Africa's carbon emissions represent only a small fraction of global carbon emissions (around 1.4%), we are also highly dependent on fossil fuels, with over 85% of our energy currently derived from coal. Yet, South Africa also has among the world's highest potentials for renewable energies, including solar, wind and tidal power, and derived products such as hydrogen. As part of the country's move towards decarbonisation, guided by South Africa's National Climate Change

⁹ Growth for Jobs Strategic Framework 2022.

Adaptation Strategy and various supporting policy documents, various completed and ongoing research studies (such as a recent study led by the CSIR) have identified Saldanha Bay as a critical location for renewables and particularly as an ideal location for a green hydrogen hub.

The global understanding of the profoundly negative impact of human activity on the environment, especially industrial activity, has increased, such that the sustainable development agenda increasingly drives the strategic investment decisions and operations of large investors such as multinational corporations. Designing and shifting operations to enable sustainable industrialisation is becoming a compelling part of the value propositions of SEZs. SEZs marketing their environmental performance (ecozones) are already emerging, and the enforcement and active promotion of high ESG standards will increasingly become a feature of SEZs.¹¹

The G4J Strategic Framework reiterates the WCG's commitment to sustainability in its breakout growth objective and, in doing so, to meet current needs without compromising the ability of future generations to meet their own needs. The principle of sustainability seeks to not only safeguard the province's natural and ecological assets and resources and shield its economy and society from the impacts of climate change, but also enhance the

competitiveness and resilience of Western Cape businesses, reducing the cost of doing business and generating long-term value for the private sector.

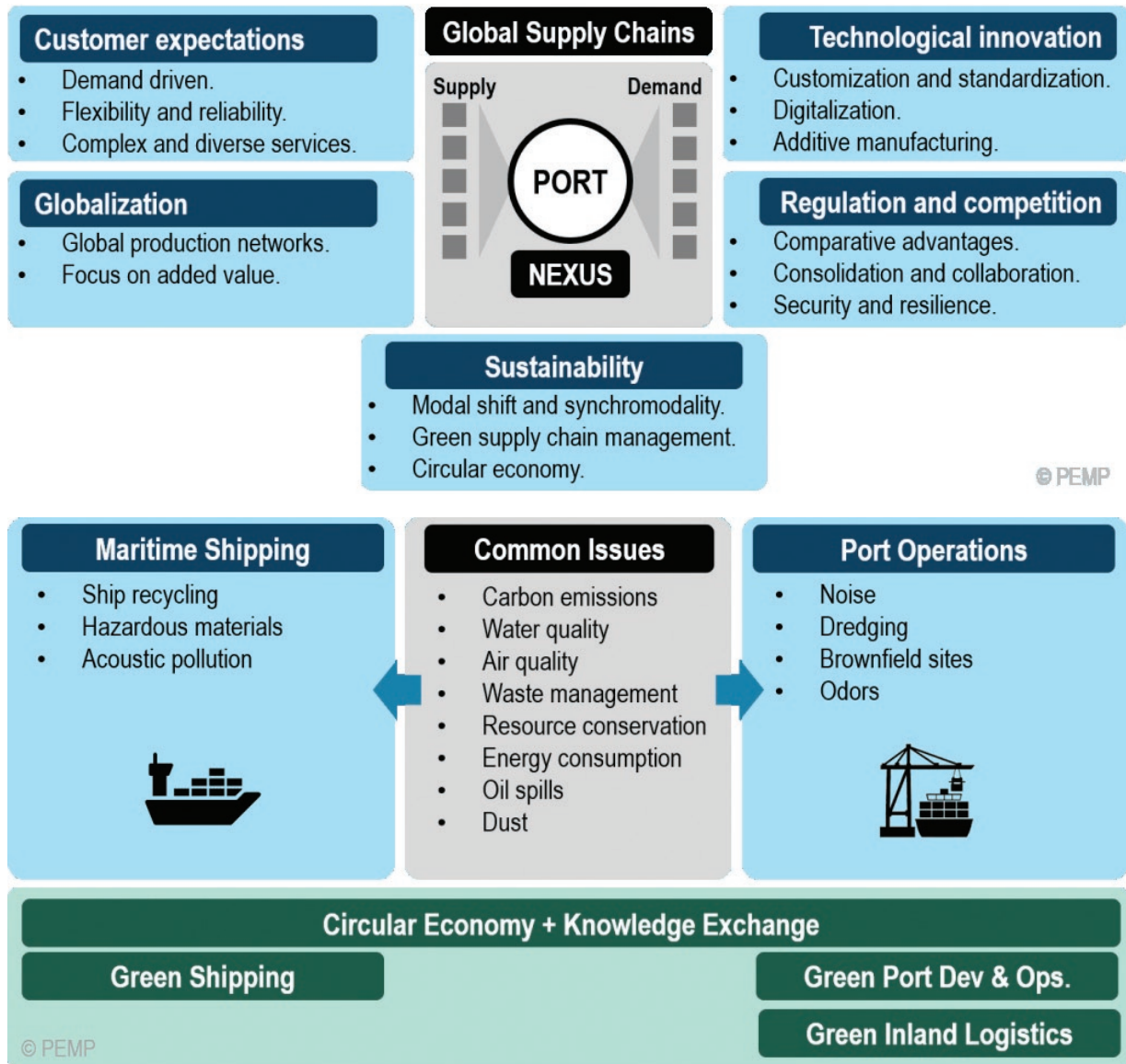
4.1.2.3 Freeport and SEZ Linkages

The zone has significant advantages and synergies to bring to market due to being designated as a Customs Control Area (CCA) in 2019, making it South Africa's first Freeport (an SEZ in a port with a CCA).

A Freeport is generally defined as a duty-free area within or adjacent to a port of entry where imported goods may be unloaded for value-adding activities, repackaging, storage and subsequent re-export, subject to special and advantageous customs procedures, and, with an SEZ, is generally defined as a geographically designated area of a country set aside for specifically targeted economic activities, supported through special arrangements and systems that are often different from those that apply to the rest of the country. In South Africa, Freeports support a broader-based industrialisation growth path, while helping the country achieve the objectives of the NDP and other policy initiatives. They provide additional demand at the port nexus, which will assist the SEZs and the ports to deliver their mandates. Freeport and SEZ linkages can thus be seen as zones and ports that are organised to serve the global economy and support regional and local development.

¹¹ <https://worldinvestmentreport.unctad.org/world-investment-report-2019/chapter-4-special-economic-zones/>

Figure 17: Themes and issues for a Freeport and port interface



Source: Notteboom, T., Pallis, T.N.A. & Rodrigue, J-P. 2022. Port Economics, Management and Policy.

Port hinterlands have seen an emerging landscape for port-related activities, leading to their regionalisation, the setting of corridors and logistical platforms such as rail links and dry ports.

Port collaboration between Freeport Saldanha and the TNPA will enhance the delivery of both operations’ core mandates, create seamless interfaces for improved efficiencies and allow global supply chains to be integrated into the economy to address all the current and emerging common issues for the future

sustainability of both companies. Some of the specific advantages and synergies include:

- Alignment of state entities such as the TNPA and Freeport Saldanha to leverage policy and resources.
- Improved EoDB and reduced administrative burdens.
- Economies of scale and cost savings through shared facilities and processes.
- Fiscal and trade-based advantages through incentives and policy initiatives.
- Improved efficiencies through mutually beneficial collaboration and projects.

- Addressing common issues such as energy and water security, carbon emissions, climate change and the circular economy.
- Pooled resources for innovation, knowledge exchange and 'Industry Four' initiatives.
- Opportunities for PPPs and innovative development models.

4.1.2.4 Energy Opportunity Analysis

The Freeport is extremely well positioned for commercially viable domestic, regional and export opportunities in energy markets, including oil and gas and green energy, and many associated manufacturing, assembly and services associated with economic activities in the energy sector in Southern Africa.

The context for energy has changed globally, opening up markets for the Freeport based on existing and budgeted infrastructure and commercial scale contracts for offtake. The shift to cleaner and green energy, concerns about storage linked to price and availability in the oil and gas supply chain, South Africa's international climate change commitments and the Freeport's location and already installed infrastructure and services provide a compelling business rationale relative to competitors in terms of its location and assets (many already existing) for which demand is growing almost exponentially and is likely to continue in the future. Three market drivers in the global and national energy landscape worth highlighting are:

- The global energy transition has been accelerated with the ongoing Russia-Ukraine war and consequent energy price volatility, leading global players to source immediate new energy supplies and seek mid to longer-term cleaner energy alternatives.
- South Africa continues to experience an energy shortage due to Eskom supply failures, affecting economic growth and jobs at a time when the country's cities still urgently need to recover their competitiveness and investor attractiveness after the COVID-19 crisis.¹²
- South Africa's JET IP was well received at COP27 in November 2022, highlighting South Africa's commitment to decarbonisation and

deployment of US\$ 8.5 billion in investment funds to three critical areas, namely electricity, new energy vehicles and green hydrogen. This funding offer comprises grants, concessional and commercial loans and guarantee instruments - contributing about 12% of South Africa's JET IP funding needs for an initial five-year period.

Resolving the energy shortfall, meeting decarbonisation goals and addressing the energy transition requires a collective effort across private and public sectors. Furthermore, Freeport Saldanha can play a significant role as a key energy node in the global and Southern African energy transition.

The Freeport appears to have significant comparative advantages in the new energy domain and some advantages in the traditional energy supply chain. Several commercially viable opportunities in the energy sector are open to the Freeport, which are supported by very meaningful comparative advantages relative to other locations – largely driven by significant changes in demand and technology.

Its current advantages include its location, status as a Freeport, access to a deep port, strategic location for maritime services linked to the shipping lanes it serves, weather, proximity to sources of renewable energy, availability of significant usable land surrounding the Freeport for the development and supply of essential renewable energy, the budgeted plans of Eskom, Transnet and the TNPA, and proximity to Cape Town, the agricultural hinterland of the Western Cape and the solar farms of Namibia, Botswana and the Northern Cape. It also has the core of the infrastructure needed to provide services and manufacturing capacity. These significant comparative advantages, which others do not enjoy or cannot offer comparable solutions, should enable the Freeport to attract investment in specific energy sectors and applications.

Cross-referencing focus areas and rationales, the following table summarises specific priorities to examine in fully exploring the realistic and sustainable opportunities of the Freeport as a comprehensive energy hub.

¹² <https://www.pwc.co.za/en/assets/pdf/economic-outlook/sa-economic-outlook-sustainable-options-to-plug-energy-deficit.pdf>

Table 1: High-level recommendations for a comprehensive energy hub in the Freeport, 2022

Focus areas	Rationale
<ul style="list-style-type: none"> • LNG imports in quantity – Immediate. • Significant storage capacity – Immediate for O&G. • Traditional upstream O&G Exploration and Production (E & P) activities. • Set up green hydrogen manufacturing inside the Freeport. Must link to renewable energy – Immediate feasibility needed. • Focus on green maritime fuels as the hub for the global South and access to Africa – To be linked to feasibility above. • Focus on green ammonia; existing markets, local and regional African, linked to above. <p>Services related to the above priorities i.e. E & P, wind turbine laydown, care, maintenance, decommissioning and recycling.</p> <p>Manufacturing – storage tanks, O&G piping, cabling, energy storage batteries, wind energy turbine manufacturing, solar panel manufacture, battery and fuel cell manufacture.</p>	<ul style="list-style-type: none"> • Oil to gas – local Eskom and industry. • No current LNG import facility in South Africa. • Significant increase in demand for LNG, need for trader's storage and strategic buffer. • E & P offshore may take time to recover; risk has changed and timing is uncertain. • Green hydrogen and ammonia demand will grow exponentially over the next five to 10 years, with green ammonia demand increasing due to continued food shortages as a result of climate change in the short term. • Green maritime fuels are set to be implemented in international regulations within five years. • Tank storage is needed for local needs and exporters and traders. • Battery and fuel cell storage is needed for power back-up and in stationary applications, as well as small vessels.

Immediate (1–3 years) opportunity-based activities using existing infrastructure and capacity include the construction of fuel storage terminals, movement of abnormal project renewables cargo, offshore supply base support for West SADC E & P campaigns and establishing local solar panel and battery manufacturing or assembly capacity.

- i. *Construction of Bulk Liquid Fuel Storage Terminals.* There is demand for additional coastal import, storage and distribution facilities within South Africa, mostly driven by ailing South African refinery capacity and the requirements for additional fuel imports for local consumption and strategic fuel reserves.
- ii. *Movement of abnormal project renewables cargo.* The Freeport already supports the implementation of the South African National Integrated Resource Plan (NIRP) and the Independent Power Producer Procurement (IPP) Programme. For example, the Freeport and the Port of Saldanha facilitate the logistics and laydown area for wind turbine components for Bid Windows 1–4, with the implementation of Bid Windows 4b to 6 anticipated in 2023. Delays in the recent bid windows were mostly attributed to

global supply chain conditions and local grid constraints. The Freeport keeps a positive outlook and foresees an increase in private power generation taking up the opportunity that the energy reforms announced in July 2022 by President Ramaphosa may bring to the market.

- iii. *Establishing local solar panels and battery manufacturing and or assembly capacity.* With the new national energy reforms, continued Eskom load-shedding and regional Southern African market demand driven by energy resilience and scarcity, there is an increased uptake in rooftop solar facilities and battery storage requirements, leading to an increased demand for solar panels and battery storage products.
- iv. *Offshore supply base support for offshore West SADC E & P campaigns.* 2022 brought announcements of major oil and gas deposits offshore in Namibia with more exploration activities anticipated in 2023 in South Africa waters (specific blocks along the coast of the Northern and Western Cape). Currently, supply services are run from Walvis Bay and intermittently from Cape Town. Saldanha and Saldehco (the consortium awarded the

contract to develop an offshore support base) are well-positioned to seize these market opportunities. Further activities are expected in Mozambique and beyond.

Mid-term (1–5 years) opportunities lie in gas-fired power generation, production of green hydrogen, municipal energy resilience and more renewable energy generation capacity.

- i. *Gas-fired power generation* will play a key role in balancing out the intermittency of renewable energy power generation and as an energy transition fuel. Until battery energy storage or green hydrogen can assume this role and is affordable, gas may be the most cost-effective technology available, and there may be a 10 to 15-year window to engage in an LNG-to-power project without sitting with stranded assets.¹³ Similar to the IPP programme, an RFP for gas-to-power was anticipated to be published as part of Bid Window 7 in March 2023, which is of interest when linked to Eskom's plans for gas-to-power for the region.¹⁴
- ii. *Production of green hydrogen derivatives, including chemicals such as hydrogen and ammonia.* Within the context of global pressures on energy, carbon emissions and market demand for green hydrogen, the Western Cape's potential has been explored in a range of international studies. Major financiers and agencies from Europe, the USA and other major energy markets have indicated support for green hydrogen developments in South Africa and have included the Western Cape as one of the priority locations for potential development. Investment interest in establishing green hydrogen projects (especially in Saldanha) has also seen a major spike since the beginning of 2022.¹⁵ Opportunities are focused on green hydrogen for local consumption and extensive export, and green maritime fuels, supported by interest from major

industrial entities such as ArcelorMittal and Sasol¹⁶ as well as national government entities, namely ISA and the DPWI.¹⁷ Freeport Saldanha will require additional land as well as spatial and environmental master plans to incorporate the production and handling of green hydrogen derivatives and further pre-feasibility and feasibility studies with the private sector in 2023–2024.

- iii. *Renewables generation capacity.* Considering the requirement for renewables as part of the green hydrogen value chain, local wind energy production and production of solar energy are advisable close to the Freeport on available land, based on predicted renewable energy demand from Eskom and industry at large.¹⁸ Renewable energy facilities can be set up in partnership with Eskom or with international investors (or both), as offtake agreements are set to increase.
- iv. *Municipal energy resilience.* Municipalities need to play a key role in resolving the energy supply gap and thereby contribute to local economic development, job creation and the rebuilding of social cohesion as highlighted in PWC's report, 'Municipal energy: The cities' role in managing the energy supply challenges', which outlines what can be done in the local municipal sphere to help fix the energy shortfall.¹⁹ This aligns with the WCG's Municipal Energy Resilience (MER) Initiative and works closely with the local municipalities on easy wins such as micro-grids, small-scale embedded grid generation (SSEG), biogas and wastewater plant projects but also with how municipalities can transact directly with independent power producers.²⁰

Longer term (1–10 years) opportunities lie in phasing the Freeport as a comprehensive energy hub in the South, focussing on green (low/no carbon), serving the maritime industry, exporting green energy and serving domestic markets along the renewable energy, oil and

¹³ Intellidex Western Cape Growth Diagnostic May 2022.

¹⁴ IRP 2019.

¹⁵ Western Cape Government Position Paper: Green Hydrogen, November 2022.

¹⁶ <https://www.sasol.com/media-centre/media-releases/sasol-arcelormittal-south-africa-partner-decarbonise-and-reindustrialise-vaal-saldanha-through>

¹⁷ https://www.gov.za/sites/default/files/gcis_document/202212/47658gon2835.pdf

¹⁸ Eskom plans and allocations – 2031 (2021)

¹⁹ <https://www.pwc.co.za/en/assets/pdf/cities-role-in-managing-the-energy-supply-challenges.pdf>

²⁰ <https://www.gov.za/speeches/premier-alan-winde-making-western-cape-more-energy-resilient-4-jan-2023-0000>

gas, green hydrogen and green chemicals value chains. This will include specific (and probably niche) goods and services related to the value chains as they unfold, such as a fully circular economy linked to energy. By that stage, much will have changed as the external economic environment is extremely dynamic. A review should be conducted periodically of key invested markets by engaging directly with investors and industrialists in the region.

4.1.2.5 Maritime Opportunity Analysis

Marine manufacturing and services sectors includeshipandboatbuilding,marinefabrication and component supply, ship and oil rig repairs and maintenance, ship recycling and 'green'

recycling, ship upgrades and refurbishment and the value chain of supporting services for the sector (including abnormal, project and bulk logistics). These are broadly defined as the maritime sector.

The market assessment investigated global and local trends, market drivers, size and locations of markets, growth rates and various segments, the impact of COVID-19 and the emerging drivers of future trends, including new maritime fuels and carbon abatement. This analysis drew the information to a South African and then Western Cape and Saldanha Bay level, and identified maritime opportunities and their applications, together with indications of the market demand potential, where available.

Table 2: High-level market potential for maritime manufacturing and services, 2022

#	Item and Timing	Market & Application	Market Demand Potential
1	Ship and Boat Building [Immediate & Port Infrastructure dependent]	Ship fabrication – Public & Private, Commercial boat fabrication – Public and Private Leisure boats & yachts, Import substitution, and Export competitiveness	Africa: UN, AU, AfCTA, AIM 2050. AEZO, SADC, Yachts for export, SOM of R 89.9 million
2	Vessel / Rig Repair & Scrapping (Green) [Immediate & Port Infrastructure dependent]	Green ship recycling, Vessel servicing, 'Wet' repairs (Floating Dock), and Planned & Emergency repairs.	Vessels past SA (9,011 in 2020), Shorter scrapping cycles, 'Green' scrapping trend, SOM of R 570 million.
3	Maritime Services [Phased SBIDZ]	Industry Four (4IR), ICT & 'Digital', IMO Certification / Registration, Ship fuel upgrades & 'Carbon' fitment.	TAM – Large in US \$.
	SA Leisure & Commercial Boats, Yachts & Kayaks	Boats, components, services, sales. 67 firms with 3,382 employees	SAM of R 4.2 billion SOM of R 2.8 billion
4	Export Maritime (HST ²¹) Competitive Advantage [Phased SBIDZ]	Yachts and other vessels, 'Other' vessels (HST), Light vessels, floating cranes, and Radar, radio & electric lamps.	TAM of R 6.1 billion (SA) TAM of R 2.8 billion (WC) Competitive advantage, Leverage of Cape Town.
5	Import Market (HST) Substitution [Phased SBIDZ]	Tankers & transport vessels, Yachts & 'Other' vessels (\$15 bn), Stranded wire & cables (steel), and Wiring, electric lamps.	TAM of R 3,808 billion (SA), SAM of R 2,816 billion (SA), Local imports growing, Capacity/Skills to replace (?)
6	Energy [Infrastructure Provision]	ICT & 'Digital', fabrication, upgrades.	TAM – Large in US \$.

²¹ Harmonised System Tariff.

Table 2: High-level market potential for maritime manufacturing and services, 2022 (Continued)

#	Item and Timing	Market & Application	Market Demand Potential
7	Steel Industry [Phased SBIDZ]	Synergy with ship building, scrapping.	TAM – Large in US \$.
8	Strategies, Cross Cutting Issues and Enablers: <ul style="list-style-type: none"> - Common User Facility (CUF) – Synergies and ‘Crowding In’ effects. - Timing: Establish Port Infrastructure.....Enabler of a range of related activities. - Africa & Cape Town Market Overflow – Ship Building / Repair / Scrapping. - Import Substitution (HST) – <i>Develop</i> competitive advantage. - Export Promotion (HST) – <i>Harness</i> competitive advantage. 		

TAM: Total Addressable Market; **SAM:** Serviceable Available Market; **SOM:** Serviceable Obtainable Market²².

This market demand assessment was undertaken in the context of the current South African socio-economic policy and political framework which necessitated an evaluation of the potential competition, strengths, weaknesses, opportunities and threats within the traditional PESTEL and SWOT analysis frameworks, including deliverables to date. Policy uncertainty and a lack of critical service delivery, particularly in electricity and state capacity, are highlighted as significant risks that could undermine the efforts of the Freeport to attract the international market participants and partners that may be required to approach the potential markets highlighted here.

In terms of the G4J Strategy, the maritime activities and initiatives are highly dependent on securing iron-clad agreements with the Port Authority on the port and Freeport's development and planning.

4.1.2.6 Internal Environment Analysis

Freeport Saldanha is a unique industrial property, infrastructure investment asset and programme aligned to the WCG's policy priority of private sector-led economic growth. As the Operator of the SEZ, the Freeport has

legislated functional responsibilities to invest in, operate and maintain its assets and properties, and provide various services to tenants and customers. As per SEZ policy and legislation, the Freeport must aim to promote national economic growth and exports of manufactured goods and tradable services by using support measures to attract targeted foreign and domestic investments and technology. In doing so, the Freeport initiates projects and requires various business processes to fulfil its functions and aims.

Developed and operated on the premise that the Government's role is not to create jobs but rather to deliver an enabling environment for entrepreneurs, businesspeople and citizens to succeed, the Freeport has established a trusted, credible and attractive conducive business environment since its start-up in 2014 by striving to overcome constraints to private sector investment within the bounds of its permissible remit.

The Freeport has ownership outright of 111 ha of gross lettable land²³, together with all the buildings and utilities installed on this portion. The zone has 131,6 ha of already fully serviced land, upgraded municipal bulk utilities, a

²² The concept of the 'Total Addressable Market' has been used for the full market potential, within the context that South Africa is only able to realistically consider the 'Serviceable Available Market' and that, when the geographic location, physical facilities and infrastructure, knowledge base and skills, policy, finance and incentives are considered objectively, the 'Serviceable Obtainable Market' is the market that the Freeport could realistically consider for its operations and strategic objectives.

²³ 170,8 ha of lettable land overall within the 356 ha designated in 2014.

commercial property called the Access Complex, three warehouses built, 10,5 ha of project leasing facilities available in the Port for short-term rentals, and two further warehouses being designed and built with secured funding for equipment manufacture and assembly firms.

Land within the Port of Saldanha and owned by the TNPA is also included in the total 356 ha SEZ footprint and 70% of the entire SEZ footprint (a mix of owned and TNPA port land) has an attractive CCA status, which is a first for South Africa in the SEZ programme. By March 2022, over R 900 million CAPEX had been spent to reach the current stage of development and establishment. The Freeport has well-

respected programmes in targeted human capital development, enterprise development and innovation and a cohort of stakeholder agreements in place to support the achievement of its business operations and objectives.

The Freeport's operations are divided into three key activities, with corporate services running across all. Corporate services have the overarching objective of implementing best practice governance and administration systems in support of the operations of the company. The operations and corporate services activities are based on the responsibilities and functions of the Freeport derived from legislation and the demands and needs of customers.

Table 3: Freeport Saldanha Operations into Key Activities

Activity 1: Enabler for Economic Development and Growth Opportunities for Private sector Investment	Activity 2: Infrastructure, Buildings and Logistics	Activity 3: Support Services and One-Stop-Shop
<p>We invest in and operate profitable and enabling processes. Such as:</p> <ul style="list-style-type: none"> • TNPA & Freeport Saldanha Operational Model • Freeport Area Designation • Standard Operating Protocols for Tenants and Users • SEZ Incentives • Business Development Market Research, Feasibility Studies and Investment Promotion 	<p>We invest in and operate infrastructure, facilities and properties. Such as:</p> <ul style="list-style-type: none"> • Marine Infrastructure Investments²⁴ • Serviced Land • Office & Industrial Buildings • Common-Use Infrastructure and Facilities • Research, Development & Innovation • Estate Management • Smart Skills Centre • SME Co-Lab 	<p>We invest in business relationships and people. Such as:</p> <ul style="list-style-type: none"> • TNPA & TRANSNET • SBM • WCDM • WCG (DEDAT, DEA&DP, DTPW, WCED, DSD) • National (ISA, DTIC, NT, DPE, DOT, DMRE, DFFE, SARS) • Institutional Investors (IDC, DBSA, Afrexim Bank, AfDB, NDB, World Bank, EIB) • Industry (SAMSA, SFF, SAOGA, Private Sector Institutions, Labour Unions, SETAs) • Civic Institutions • Saldanha Bay High School Programme • Saldanha Bay Innovation Campus (SBIC)

Cross-Cutting Activities: Corporate Services in support of Operations

Such as: Governance, Legal, Financial Management, Human Resource Management, Supply Chain Management, Information Technology and Corporate Communications.

²⁴ Interchangeable with "port infrastructure".

4.1.3 Accounting Authority

Policy formulation and oversight

The Board is committed to the highest standards of integrity and ethical behaviour. The code of conduct outlines the values and behaviours that govern their way of working across the business. The code fosters values-based decision-making and demonstrates how the policies and practices align with the values. The values define the ways the Board and employees think, work and act. The company is committed to shared growth, which means having a positive impact on society and delivering shareholder value. This is an indication of good corporate citizenship.

Strong ethical leadership and corporate governance are driven through the Board Charter, which is the foundation of the governance principles and related practices. The charter clearly articulates the matters reserved for the Board, Board members' roles and the mandates of all board members and committees. All company policies are discussed and approved by the Board.

Supervising management

The Board provides the necessary management supervision with the aid of its five committees, which provide the required focus on specific areas of the Company:

- Audit, IT and Risk Committee;
- Human Resources, Remuneration, Social and Ethics Committee;
- Investment Committee;
- Board Management Committee; and the
- Nominations Committee.

The internal governance framework has been defined to manage risks. The independent internal audit function provides internal assurance to the Board regarding the effectiveness of internal controls and governance. External auditors provide assurance of the company's capability. Financial reporting is provided to the Board and reviewed by the Audit,

IT and Risk Committee and the Investment Committee. The Audit, IT and Risk Committee is responsible for financial results and annual budgets.

Ensuring accountability

The Board and its committees aim to meet quarterly. The committees' mandates include internal controls, operational risk, compliance, internal and external audit, accounting and external reporting. External auditors also provide assurance to the users of the annual financial statements, owners, regulators and legislators. External auditors are appointed by and are accountable to the Board. The Chairperson and the Chief Executive Officer lead engagements with the regulators and the Shareholder.

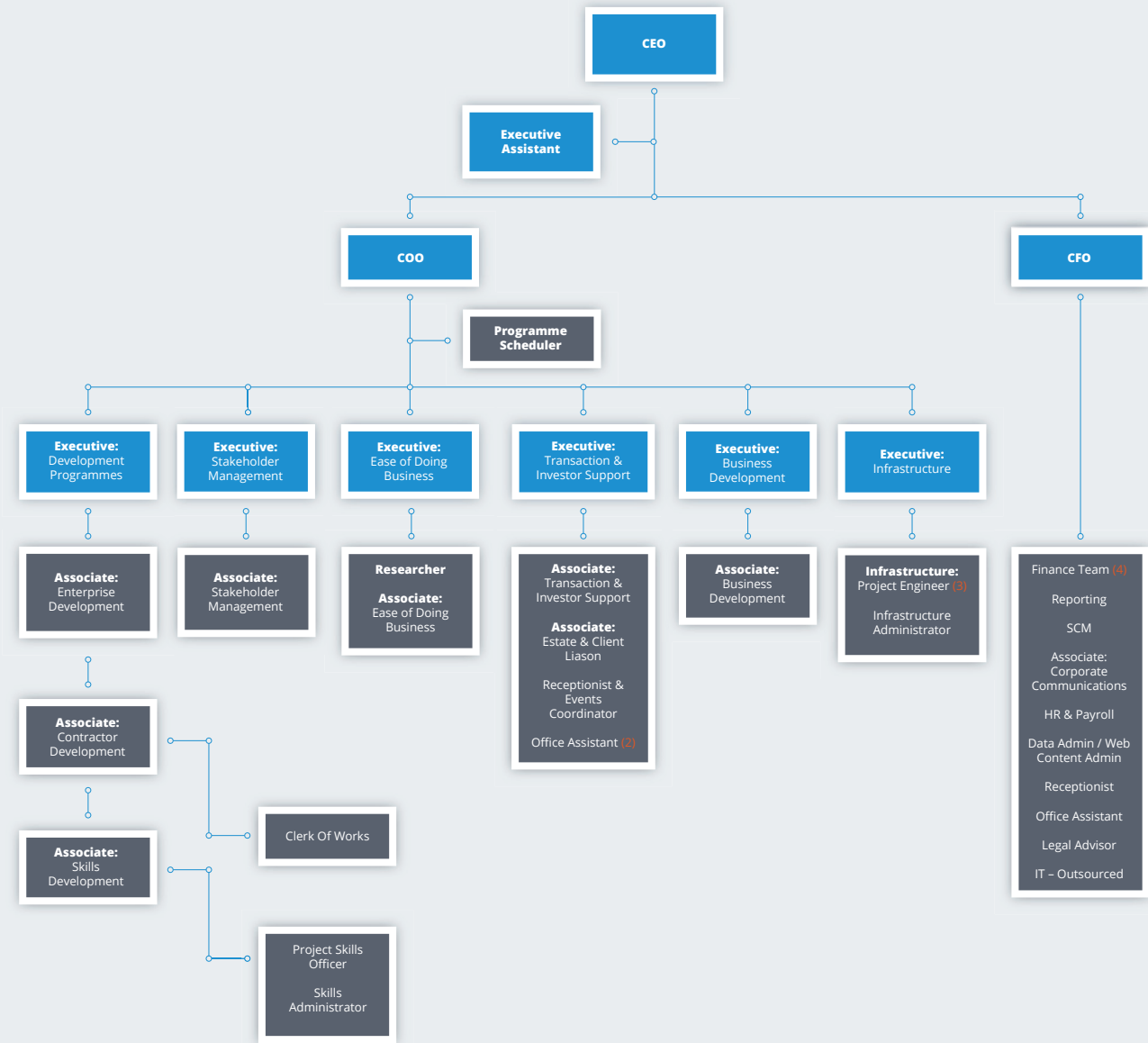
The Board is accountable to the Shareholder and is responsible for creating and delivering shareholder value. The right balance is ensured between promoting long-term growth and delivering short-term performance.

4.1.4 Human Resources

To ensure the effective and efficient operation of Freeport Saldanha, human resources are structured through two programmes in the company, namely, Administration and Operations. The goals and objectives of each programme are clearly documented and aligned with the strategic goals of the company.

Going forward, it is anticipated that the number of staff may marginally increase, particularly once the Zone becomes fully functioning and requires the necessary competence and capabilities to remain a world-class Freeport. The gradual delivery of this process from 2020/21 continues to 2024/25, with due responsiveness to the company's ability to deliver against its strategic priorities and its fiscal environment in a tough business environment and low investment climate. Figure 18 shows the current organogram.

Figure 18: Company Organogram



4.1.5 Information, Communication and Technology

The Audit, IT and Risk Committee governs technology and information in a way that supports the company setting and achieving its strategic objectives. The committee's responsibilities include overseeing the results of management's implementation. This includes integration, business resilience, monitoring for responsiveness to cyber security and

social media risks, third-party and outsourced service provider risks, value delivered from technology investments and projects, disposal of obsolete technology and information, ethical and responsible use and compliance with laws.

The Information Technology policy and frameworks are approved by the Board and reviewed every three years to ensure that they are in keeping with industry best practices.

4.1.6 Financial Resources

A fundamental financial objective for the foreseeable future is to achieve self-sustainability. A related, equally important objective is operating an efficient Zone to facilitate the attraction of domestic and international investors.

The Administration Programme has the overarching objective of implementing best practice management in support of the operations. The programme has a complex role due to having to balance the business needs and requirements of the operations while undertaking a crucial treasury function at Freeport Saldanha, as an SOC must ensure optimum spending and utilisation of financial resources.

Functions of the unit include budget maintenance, supplier maintenance, audit maintenance, tax management, annual financial statements, ensuring compliance with the SCM legal framework and other relevant legislation, fixed assets management, cash management, financial management, securing funding for operational needs and capital projects and reporting to stakeholders. The reports issued by the company enable stakeholders to make informed assessments of the company's performance and its short, medium and long-term prospects. The successful execution of these functions contributes to the drive to commercial self-sustainability. The budget for fiscal year 2023/24 is summarised below.

Table 4: Medium-term Company Budget Summary

Description	Audited 2021/22	Audited 2022/23	Estimated outcome 2023/24	2024/25	2025/26	2026/27
	R'000	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	74,721	68,673	50,483	43,563	43,883	44,619
Capital Expenditure	128,992	15,518	49,167	95,973	96,003	1,580
Total Expenditure	203,713	84,191	99,650	139,536	139,886	46,199
Staff complement	48	46	43	44	43	43

Table 5: Medium-term Programme 1: Administration Budget Summary

Description	Audited 2021/22	Audited 2022/23	Estimated outcome 2023/24	2024/25	2025/26	2026/27
	R'000	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	22,219	21,101	22,304	19,995	20,331	20,679
Capital Expenditure	394	1,456	1,347	1,480	1,510	1,580
Total Expenditure	22,613	22,557	23,651	21,475	21,841	22,259
Staff complement	20	20	20	20	20	20

Table 6: Medium-term Programme 2: Operations Budget Summary

Description	Audited	Audited	Estimated outcome			
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	R'000	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	70,909	47,572	28,179	23,568	23,552	23,940
Capital Expenditure	92,515	14,062	47,820	94,493	94,493	-
Total Expenditure	163,424	61,634	75,999	118,061	118,045	23,940
Staff complement	28	26	23	24	23	23

4.2 Strategic Priorities

Freeport Saldanha is a public entity, operating a unique industrial property and infrastructure investment asset as an SEZ. Though it does business with the private sector and is very agile in that regard, it is not in its foundational form, based on legislation, 'the private sector' or a 'private sector property developer'.

SEZs must develop and establish an investment-friendly operating environment to allow businesses to thrive and add value to the economy, whether in terms of achieving jobs, investments, exports, economic diversification or other policy objectives.

The success of investments made and to be made in the SEZ depends upon all aspects of

the company's corporate governance track record; the demands and needs of investors²⁵; the property; the port; the regional economy; and the national investment climate, from the policy alignment within government towards foreign and domestic direct investment, industrialisation, sustainability and climate change, and employment creation, among many other policy matters.

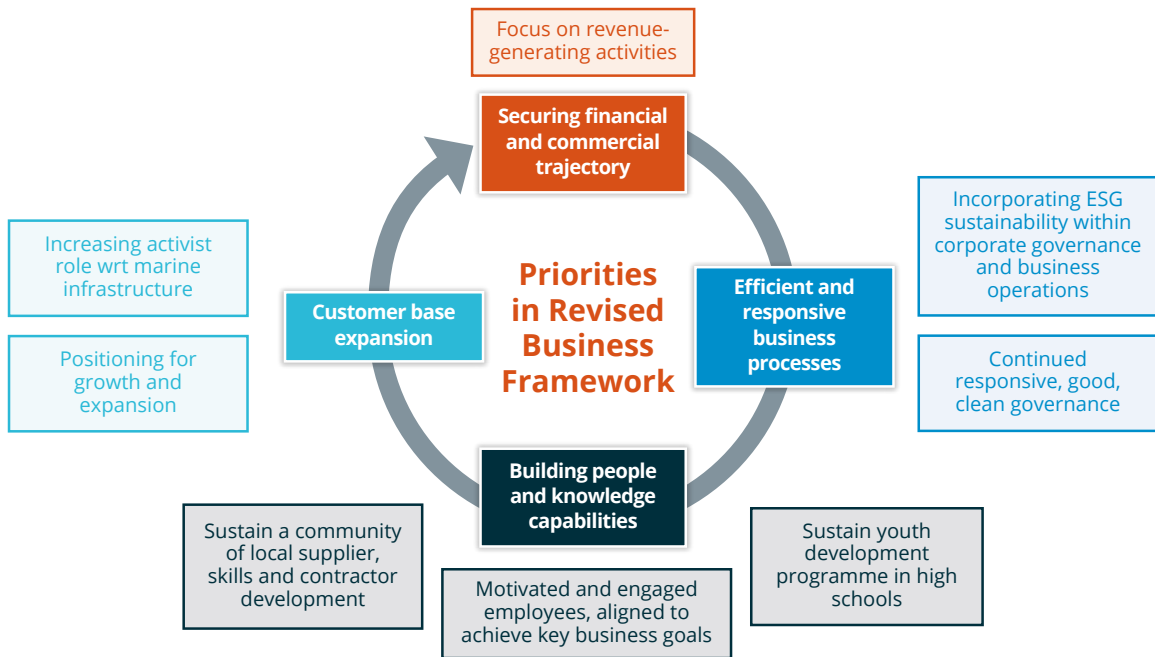
The Five-Year Strategic Plan's business framework translates the contexts of the local, internal and market environments into the strategic priorities of the entity and the strategic results it aims to achieve. These have been incorporated into Management's performance management system under eight business goals within a balanced scorecard approach.

²⁵ See 4.1.2.

Figure 19: 2021–2025 Business Framework

Mission	Fostering responsible investment in the Freeport, as an inclusive and sustainable economic catalyst			
Values	Pioneering	Partnership Focused	Accountable	Sustainability-Driven
Vision	Our vision is to be Africa’s premier maritime, energy and logistics Freeport, offering a world-class integrated shipyard, engineering, fabrication, logistics, services Freeport environment to zone users and tenants.			
Strategic Priority	Commercial Self-Sustainability	Catalytic Infrastructure & Facilities	Local & Industry Readiness	Business, Government & Society Partnerships
Strategic Result	Increasing value created for Shareholders & Stakeholders alike, for now and years to come.	Increasing contribution to local & regional productivity and employment.	Strong & competitive local & regional value chains for the maritime & energy industries.	Accountable professional business relationships, supported by a brand promise based on successes in inclusivity, transformation and sustainability.

Figure 20: Revised Business Goals in a Balanced Scorecard



4.2.1 Policy and Priority Alignment

South Africa’s JET IP (released in November 2022) for the initial period of five years (2023–2027) gives effect to the historic Just Energy Transition Partnership (JETP) forged at the UNFCCC’s (United Nations Framework Convention on Climate Change) 26th Conference of the Parties (aka ‘COP26’) between the government of South

Africa and the governments of France, Germany, the United Kingdom (UK), the United States (US) and the European Union (EU) (together forming the International Partners Group or IPG).

The JET IP identifies the initial priority investments to transition the electricity sector to a low-emissions trajectory. It also looks to develop green industrialisation opportunities in

this sector and the new energy vehicles (NEVs) and green hydrogen (GH2) sectors. The GH2 economy presents new opportunities for South Africa. It can enable the transition of key carbon-based and international trade-exposed sectors, protect the competitiveness of downstream industries, allow and enhance exports, boost GDP, support domestic decarbonisation and create jobs. Internationally, GH2 and its derivatives are increasingly seen as an important part of the solution to addressing GHG emissions in hard-to-abate sectors, including the transport industry, petrochemical industry, iron and steel industry, cement industry and, in the longer term, the power sectors. The JET IP also notes that for "South Africa to realise its competitive advantage and successfully capture a share of the global export market, a local GH2 ecosystem needs to be incubated. This requires significant investment into production and skills development, along with a complex and coordinated system of supporting infrastructure". To optimise this GH2 ecosystem, the country has to develop supply-demand hubs with the necessary supporting infrastructure, which includes ports, storage, pipelines, grid infrastructure and SEZs.²⁶

As the first SEZ to be located in a port, Freeport Saldanha is uniquely positioned to serve as a potential GH2 hub. Freeport Saldanha has signed a memorandum of understanding (MOU) with Sasol South Africa Limited (Sasol) to facilitate the development of a green hydrogen hub in Saldanha Bay. Under the terms of the MOU, the parties agreed to collaborate and provide support in establishing a green hydrogen hub that will unlock new economic opportunities in the region and the Western Cape and, in doing so, seek to collaborate on the project's identification, preparation, pre-feasibility and feasibility assessments to achieve a bankable and implementable project.

The need becomes increasingly clear when one considers South Africa's GH2 value proposition as set out in the JET IP:

- *High-quality, large-scale renewable energy potential:* As noted by Mr Thomas Roos, a

senior research engineer at the CSIR, the Saldanha Bay region has "excellent" solar and wind resources that have the potential for large renewable energy electricity generation at competitive costs, making it an ideal location to produce green hydrogen.²⁷

- *South Africa's central global geographical location, which enables exports to Europe in the west and Japan, South Korea and other markets in the east:* Located in the largest and deepest natural port in the southern hemisphere, Freeport Saldanha operates as a freeport with streamlined investor procedures supported by the company's Ease of Doing Business model. Due to its designation as an SEZ, the company can leverage the SEZ programme and legislation to realise additional benefits and support for investors. Saldanha Bay is also ideally situated to play a critical enabling role in developing the South African hydrogen economy due to the existing value chains, including the rail and port infrastructure that form the Saldanha-Northern Cape and Saldanha-Cape Town Logistics Corridors.
- *The production of GH2 also has synergies with water security, as desalination plants are only a fraction of the cost of the final product:* Between 2015 and 2017, the Western Cape experienced three consecutive years of below-average rainfall, leading to its worst drought in more than a century. While the situation has improved somewhat, the WCD and the SBM were and remain vulnerable to the impacts of a sustained drought. Developing additional desalination capacity in the West Coast area to secure freshwater provision while driving the production of GH2 makes sense.
- *South Africa has unique expertise in the beneficiation of GH2 into e-fuels:* The JET IP notes that Sasol has already created proprietary technology that is used to produce coal-to-liquid (CTL) fuel derivatives that can enable the local beneficiation of GH2 into derivatives like e-Ammonia, e-Methanol and sustainable aviation fuel. Freeport Saldanha's burgeoning partnership

²⁶ South Africa's Just Energy Transition Investment Plan.

²⁷ <https://www.engineeringnews.co.za/article/saldanha-bay-ideal-for-green-hydrogen-production-2022-04-19#:~:text=The%20Saldanha%20Bay%20region%20has,for%20Scientific%20and%20Industrial%20Research%20>

with Sasol will allow the company to leverage Sasol's technical expertise to unlock GH2 export markets for South Africa.

South Africa's inaugural Country Investment Strategy (CIS) aims to position South Africa as a key preferred African investment destination by attracting and facilitating quality foreign direct investment (FDI) and domestic direct investment (DDI) into the country in a well-coordinated manner, anchored by quality institutions and robust economic infrastructure networks. The CIS lists five Country Strategic Investment Programmes (CSIPs) known as 'Big Frontiers', which are strategic investment attraction initiatives that will drive the requisite levels of FDI and DDI that match the ambitions of the NDP. These Big Frontiers are:

- Green Hydrogen – South Africa at the forefront of green energy.
- Driving wide and deep digital coverage to position South Africa as Africa's hub for next-generation digital industries and infrastructure.
- Special Economic Zones (SEZs) that anchor advanced manufacturing and logistics networks.
- Industrial cannabis and other advanced agro-processing opportunities linked to the African Continental Free Trade Area (AfCFTA).
- Hyper-scaling ESG/Impact investing linked to social and green economy objectives.²⁸

While the logic behind the establishment of Freeport Saldanha as a GH2 hub as explained above clearly reflects alignment with the GH2 Big Frontier, the Zone is also uniquely positioned to serve as an anchor for advanced manufacturing and logistics networks.

Freeport Saldanha is specifically focused on developing the maritime, energy and logistics sectors and will offer a platform for global exports by attracting foreign and local investment to manufacturing industries.

The Zone is strategically located within the deep-water port of Saldanha Bay, which allows for easy access to worldwide shipping routes. In addition, the Zone is served with well-developed road linkages to other parts of the Western Cape and

South Africa and is also located in the Port with access to the Saldanha-Northern Cape Logistics Corridor. It is thus clear that Freeport Saldanha is a prime logistics location.

Since the Zone operates as a freeport and is designated as an SEZ, tenants and qualifying investors have access to various incentives, including CCA benefits as well as national, provincial, municipal and industry or sector-specific incentives. As noted in the CIS in relation to the "Big Frontier: Special Economic Zones (SEZs) anchoring Advanced Manufacturing and Logistics Networks", *"expanded, modernised port capabilities are critical"*. The company wholeheartedly agrees and has been working with critical stakeholders such as the TNPA to develop port infrastructure at the Port of Saldanha.

The NIP Phase 1 includes major long-term (2050) infrastructure projects called Strategic Integrated Projects (SIPs). SIP5 – the "Saldanha-Northern Cape development corridor, including integrated rail and port expansion and back-of-port industrial capacity" – is identified as a top priority SIP to implement. In addition, the NIP Phase 1 notes that the government will frame SEZ projects to leverage industrialisation opportunities and enable private sector-led implementation of intermodal hubs.²⁹

On 6 December 2022, the DPWI gazetted three sub-projects under SIP 20: Energy. These sub-projects are the Just Energy Transition Partnership (JETP), the Green Hydrogen National Programme (GHNP) and the Oil and Gas National Programme (OGNP). The registration of these projects with ISA under a SIP will do much to assist in driving and accelerating the work that Freeport Saldanha is doing in establishing an energy, marine repair, fabrication, logistics and related servicing hub at the Port of Saldanha.

The ERRP notes that the pursuit of green industrialisation and a green future is an important intervention not only to address the persistent challenges of inequality, poverty and unemployment but also to offer a sustainable solution to climate vulnerability and to drive

²⁸ South Africa Country Investment Strategy (2021).

²⁹ The National Infrastructure Plan: Phase 1.

economic competitiveness. According to the ERRP, SEZs will be used to maintain the South African investment pipeline momentum in the short term.

As noted earlier (see figure 1), the G4J Strategic Framework identifies the following three universal drivers or pillars of growth that underpin the WCG's efforts to achieve the G4J's vision: enabling the business environment,

supporting growth opportunities and stimulating market growth. In addition, the G4J strategy identifies seven Priority Focus Areas (PFAs) which are aimed at creating the required foundation on which the three pillars will rest (graphically depicted in figure 2). The PFAs aim to create an enabling environment to grow the economy and create jobs. Figure 21 illustrates the programmatic alignment between the PFAs and the company's strategic priorities.

Figure 21: Freeport Saldanha alignment to G4J PFAs



4.2.2 External Enablers

1. Integrated SEZ policies and frameworks support an enabling, effective environment

The SEZ programme requires coherence with regard to initial funding support from relevant departments and institutions, specifically with respect to SEZ operational funding, capital funding, investment incentives, developmental programme initiatives and project financing from development financing institutions, as applicable.

Strong relationships with the primary partners, specifically the WCG, the SBM, the West Coast District Municipality, Transnet/TNPA, the DTIC,

Treasury (both Provincial & National) and trade unions are in place, and these must be enhanced with clear shared commitments and responsibilities towards signalling to investors that the country and its institutions are open for business and are fully committed to facilitating investors' activities and affected and interested stakeholders' interests and needs.

This is a prime external enabler required to support the strategic priorities of the company, as the SEZ programme in South Africa does not have an all-encompassing mandate and must work with the public sector to secure the enabling, effective environment for the programme in a competitive international investment climate.

2. National infrastructure drive and institutional reforms within key state-owned companies

The ERRP is the culmination of work between government, business, labour and community at NEDLAC and includes key commitments from each stakeholder to achieve its objectives, and it has a key focus on accelerating the delivery of bankable infrastructure projects for private sector participation, such as those driven through the Infrastructure South Africa office within the Presidency. This supports the Freeport's strategic objective of facilitating and delivering catalytic infrastructure, namely, for the port infrastructure project for the maritime and energy sectors the Freeport has already committed resources towards an Early Business Case during 2020 and 2021.

Operation Vulindlela is a government-wide approach through which Ministers, departments and entities implement structural reforms and a Vulindlela unit in the Presidency and National Treasury monitors progress and actively supports implementation. It aims to fast-track the implementation of high-impact reforms, addressing obstacles or delays to ensure the execution of policy commitments.

Operation Vulindlela aims to modernise and transform network industries, including electricity, water, transport and digital communications. These network industries are the bedrock of economic growth and are essential to creating a globally competitive economy. In addition, reforms to the visa regime are being prioritised to attract skills and promote tourism growth.

Regarding the priority reforms in the transport sector, pertinent to the Freeport is the corporatisation of the TNPA, as required by the National Ports Act, and is intended to increase the competitiveness of South Africa's ports by separating its functions from other divisions within Transnet. In addition, reducing the costs and improving the efficiency of South Africa's ports is crucial to the competitiveness of the country's exports and the overall functioning of the economy. Operation Vulindlela is also working closely with the Department of Public Enterprises, the TNPA and other agencies to

enhance port operations, including through concessions where appropriate, and to ensure better coordination between agencies involved in facilitating trade.

A key risk to this external enabler is that though the reforms are institutionalised, there are no definitive timelines on when the reforms will be completed, which causes concern and uncertainty during the process and may affect the progress on matters within Transnet, TNPA and network utilities overall.

4.2.3 Internal Enablers

1. The Freeport's strategic, targeted focus on maritime and energy sectors is aligned with the natural and manmade endowments of the Port of Saldanha, the Saldanha Bay municipal area and the Western Cape and responds to changes in international production and demand

The Port of Saldanha is a greenfield port, the deepest and one of the largest ports in the Southern Hemisphere, with existing demand and networks to global shipping and maritime markets, goods and services.

With the initial focus on the upstream offshore oil and gas base, and with the competitive advantages above in an increasingly changing pattern of consumption and production to lower carbon intensity, the Freeport and the Port can potentially serve a comprehensive value chain within the energy sector, not just to oil and gas but energy provision and energy services. The Freeport and Port have significant advantages to create a hub not only for bunkering and servicing zero-carbon vessels but also for exporting zero-carbon fuels as commodities while finding offtake opportunities to decarbonise local industry production.

Within the context of a global energy supply shortage and intensified calls for concrete climate change actions by governments, GH2 has been identified as holding significant promise to help meet global energy demands. Freeport Saldanha is uniquely positioned to serve as a potential GH2 hub. As discussed under point

4.2.1, the company made significant strides during the 2022/23 financial year towards the development of a green hydrogen hub in Saldanha Bay.

This strategic, targeted focus supports the existing macroeconomic and socio-economic attributes of the WCD and SBM, with its large fishing and manufacturing base already in place. In addition, the Freeport designation (in place since 2019) over the designated CCA within areas of the Port, with standard operating protocols with SARS, Department of Home Affairs, Department of Labour and TNPA Port Security, establishes a competitive advantage to qualifying manufacturers and logistics firms importing and exporting raw materials and goods.

Lastly, the assets, facilities and services already established and provided within the Freeport support the Freeport's business attractiveness to these targeted sectors and investment promotion.

2. An integrated, strategic and coherent corporate governance universe within the Freeport enables the company's effective allocation of resources to prioritised and mandated systems, strategies and functions

Freeport Saldanha has invested in establishing a corporate governance universe that retains its SOC corporate governance accountabilities and responsibilities alongside its business enterprise nature as the operator of the Zone. Freeport Saldanha's institutional structure supports its commercial and economic development needs and the monitoring of performance against agreed performance metrics.

3. The programmes within the Freeport and the SBIC encourage knowledge, innovation and technological capacity spill-overs

The Development Programmes unit of Freeport Saldanha aims to maximise local economic development and empowerment through increased participation and beneficiation of

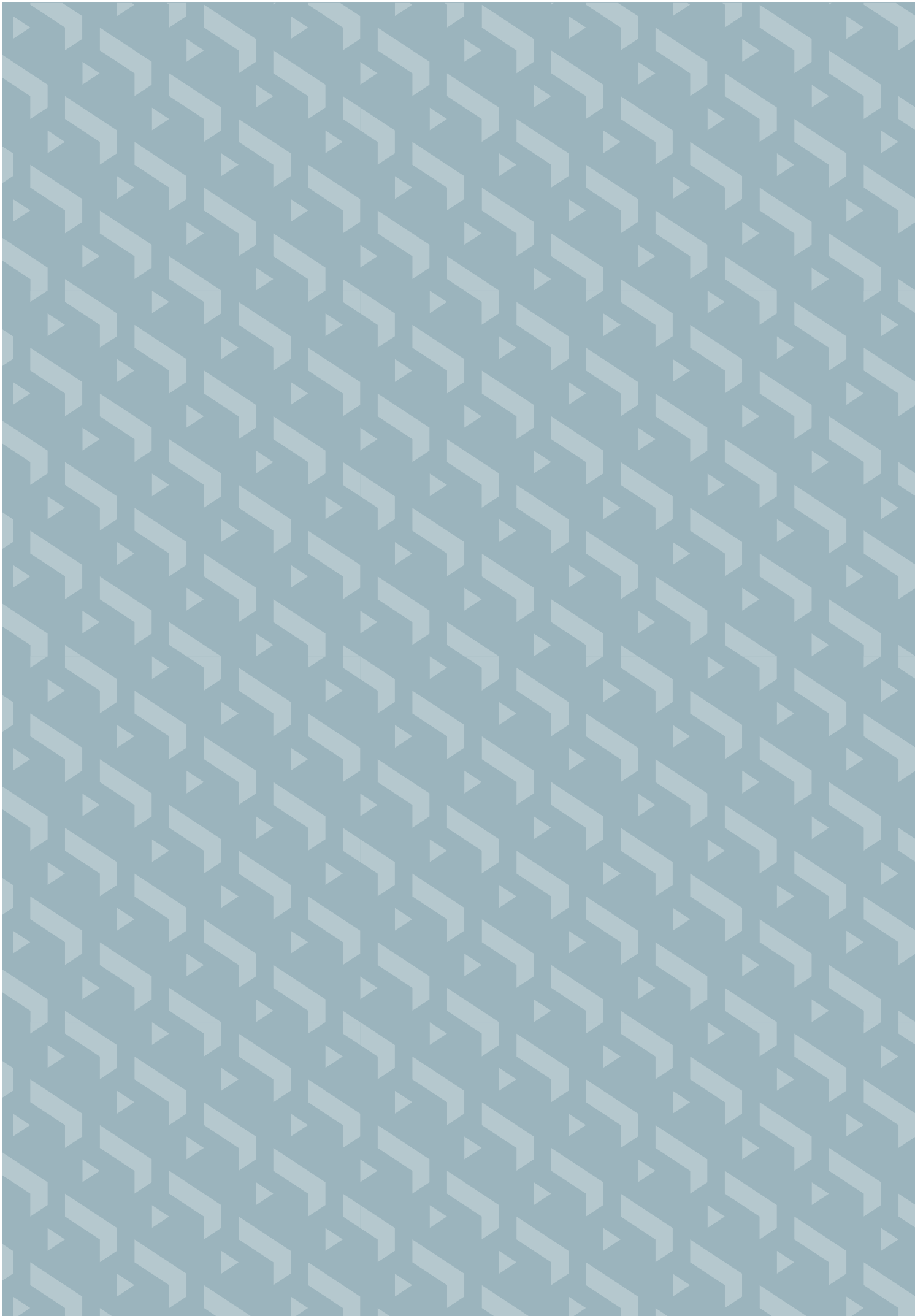
citizens and businesses in Freeport programmes and activities. The three central pillars of its focus are skills development, enterprise development and contractor development, in a demand-driven context and informed by the opportunities that emerge from the value chains and changing trends within the global maritime and energy sectors. Thus, it facilitates the knowledge and technological capacity of participants in its programmes, in partnerships with diverse institutions in the public and private spheres.

The SBIC will contribute to the just transition to lower-carbon economies, enabled by attracting leading investments in research, design and innovation programmes focused on lower carbon-needing and carbon-producing technologies in the production systems of the maritime and energy sectors, with constant collaboration in principle between local and international businesses, institutions and communities.

4.2.4 Assumptions and Dependencies

Key assumptions of the Strategic Plan are as follows:

- Continuity of government funding for the medium and long-term, as applicable. The SEZ Fund is pivotal to achieving our priorities over the next five years.
- Continued support of the strategic government partners to Freeport Saldanha and the establishing and operating of a world-class, integrated, industrial Freeport and shipyard.
- Future investment in port infrastructure is enabled through diligent project packaging and preparation for financing and implementation.
- Appropriate interpretation and continued access to the Freeport model and its incentives (inclusive of industry-aligned and SEZ programme incentives) via the CCA legislative and regulatory framework, to Freeport Saldanha, its investors and users.
- Continued support of organised labour through the Zone Labour Charter framework, to give effect to sound labour relations within the Zone.





C

MEASURING
OUR
PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1 Institutional Performance Information

1.1 Impact

Inclusive and sustainable economic growth and job creation in an enabling business environment

through the pioneering development and implementation of the Freeport Saldanha special economic zone.

1.2 Overall for the Company

1.2.1 Outcomes, Outputs, Performance Indicators and Targets

Table 7: Company Medium-term Outcome and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
To promote sustainable economic growth and job creation	GDP	A cumulative contribution to the National GDP by investment within the zone by the end of the financial year 2024/25.	R1,202bn	R0,756bn	R0,604bn	R1,221bn	R1,986bn	R2,089bn	R2,089bn
	GGP	A cumulative contribution to the Western Cape GGP by investment within the zone by the end of the financial year 2024/25.	R0,833bn	R0,611bn	R0,491bn	R0,979bn	R1,603bn	R1,712bn	R1,712bn
	Jobs	The creation of direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25.	1 788	1 288	944	1 850	1 840	2 730	2 730
	Investment	Rand Value of Infrastructure and direct investment.				R0,675bn	R1,259bn	R1,212bn	R1,212bn

Table 8: Company Medium-term Indicators, Annual and Quarterly Targets, 2024/25

No.	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1	A cumulative contribution to the National GDP by investment within the zone by the end of the financial year 2024/25.	R1,986bn	-	-	-	R1,221bn
1.2	A cumulative contribution to the Western Cape GGP by investment within the zone by the end of the financial year 2024/25.	R1,603bn	-	-	-	R0,979bn
1.3	The creation of direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25.	1 840	-	-	-	1 850
1.4	Rand value of infrastructure and direct investment.	R1,259bn	-	-	-	R1,259bn

1.3 Programme 1: Administration

1.3.1 Purpose

Administration has the overarching objective of implementing best practice governance in support of the operations. The programme has a complex role due to its need to balance the business needs and requirements of the operations while undertaking a crucial treasury function to ensure optimum spending and utilisation of financial resources.

Further, the Administration programme is required to be agile and support a world-class approach to doing business while balancing the legislated requirements of a public entity. Achieving this balance is vital to the optimal performance of the overall programme.

1.3.2 Programme Structure

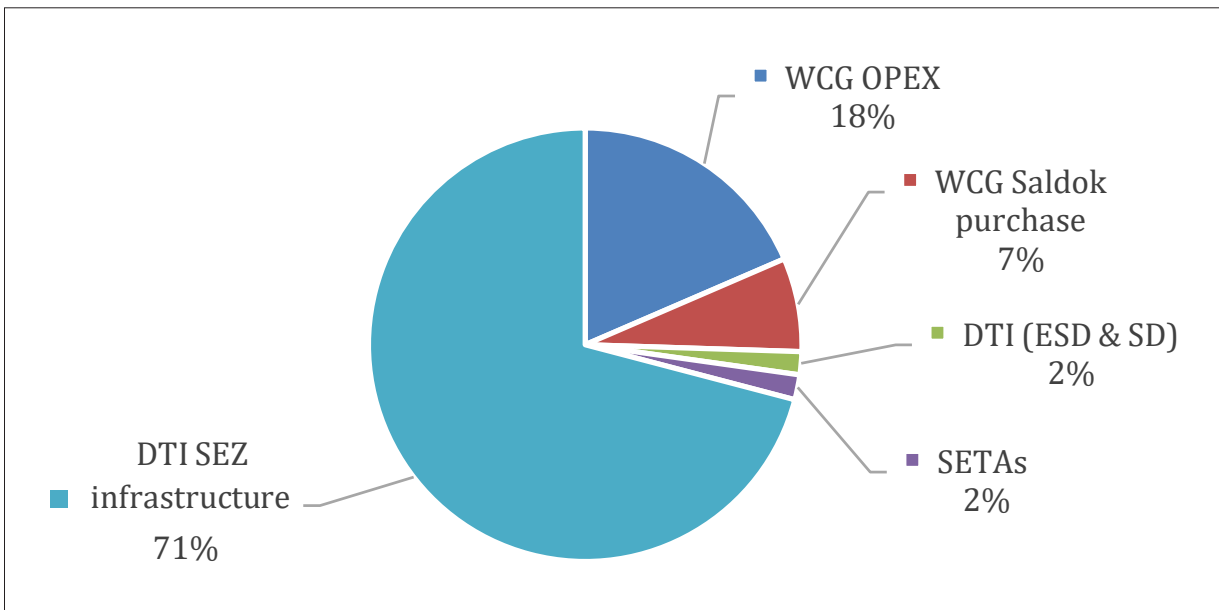
The programme is structured to include the following functions:

- Governance
- Legal
- Financial Management
- Human Resource
- Supply Chain Management
- Information Technology
- Corporate Communications

1.3.3 Funding

Operations are funded by the WCG, while infrastructure is funded by the national government by way of the SEZ Fund. The WCG also funded the purchase of the Saldok land from the IDC. Development programmes are funded from various sources and do not form part of the formal funding programme.

Figure 22: Company Funding Model



1.3.4 Governance

The operations and management of the company are governed primarily by the provisions of the Companies Act and the accompanying regulations, the Saldanha Bay Industrial Development Zone Licencing Companies Act (provincial legislation), the company's Memorandum of Incorporation (MOI) and the Shareholders' Compact. Freeport Saldanha is also subject to and regulated by the PFMA and the Special Economic Zones Act.

Freeport Saldanha has a Board of Directors which is responsible for the governance, management and control of the company's business affairs. The Board is the Accounting Authority and fulfils the fiduciary responsibilities provided for in the PFMA and the Companies Act. The Board also gives effect to the company's Strategic Plan and annual Corporate Plan. To ensure that it complies with its duties, the Board has delegated the necessary authority to management to handle the day-to-day operations while the Board monitors overall performance.

1.3.4.1 Composition of the Board of Directors

In response to the Board's new focus, a decision

was taken by the Shareholder to reconstitute the Board as follows:

- Five institutional representatives (officials) as the core members of the Board, representing the public sector interest: one each from the DTIC, IDC, TNPA, SBM and WCG, of adequate calibre and also non-conflicted.
- One person from the Saldanha social community, adequately representative and of due calibre.
- One person from the Saldanha economic community, adequately representative of the broader business sector and of due calibre.
- One representative from the SAOGA Board of Directors with the requisite sector-specific expertise.
- Two proven accomplished broader business practitioners with relevant expertise.
- Two executive directors, the CEO and the CFO, in line with King IV, to improve collective accountability.

The reconstituted Board still accords with what was agreed between the national government and the WCG, namely, that the structure of the Board should represent the three spheres of government.

1.3.4.2 Board Remuneration

In terms of the Saldanha Bay IDZ Act, the Provincial Minister responsible for Economic Development, in consultation with the Provincial Minister for Finance, must determine the remuneration, allowances and reimbursements payable to the Directors who are not in government service, which will be reviewed on an annual basis. Provincial Treasury rates are used to compensate the Board and its committee members who are not in government service.

1.3.4.3 Board Committees

The Board is authorised to form committees as and when necessary to facilitate efficient decision-making and to assist the Board in the execution of its duties. The committees do not perform any management functions or assume any management responsibilities.

Currently, the Board has five committees: namely the the Human Resources, Remuneration and Social and Ethics committee, the Investment committee, the Nominations committee, the Board Management committee and the Audit, IT and Risk committee.

1.3.4.3.1 Human Resources, Remuneration and Social and Ethics Committee

The Human Resource and Remuneration and Social and Ethics (HRRS&E) Committee consists of three non-executive directors, two executive directors and two independent committee members. The HRRS&E committee has clearly defined terms of reference for both sub-components.

The purpose of the Human Resources & Remuneration (HR&R) sub-committee is to provide support and make recommendations to the Board regarding any human resources and remuneration matter impacting the company. The aims of the HR&R Sub-committee include providing oversight of the policies and practices relating to employee relations, human resources and remuneration activities. The sub-committee is an available resource to provide input into strategy and policy matters relating to human resources that affect the company.

The Social and Ethics (S&E) sub-committee monitors the company's activities regarding any relevant legislation, other legal requirements or prevailing codes of best practice, concerning matters relating to social and economic development, including the company's standing in terms of the:

- 10 principles set out in the United Nations Global Compact Principles;
- OECD recommendations regarding corruption;
- Employment Equity Act;
- Broad-Based Black Economic Empowerment Act.

The Social & Ethics (S&E) Sub-committee also ensures that the ethics of the company are managed to support establishing and maintaining an ethical culture within the company.

1.3.4.3.2 Investment Committee

The Investment Committee consists of four non-executive directors and two executive directors and has clearly defined terms of reference. The committee considers investments proposed by management in accordance with the board's approved delegation of authority policy and makes such recommendations as it considers appropriate to the Board. The committee also ensures that investments and the disposal and acquisition of assets are in line with the company's overall strategy and make business sense. The committee also monitors current markets and policy developments and makes such recommendations as are appropriate to the Board.

The committee reports to the Board any matter it identified while carrying out its duties that it considers significant.

1.3.4.3.3 Nominations Committee

The Nominations Committee consists of two non-executive directors and one executive director and has clearly defined terms of reference. The committee assists the Board with overseeing the appropriate composition of the Board so that the Board can execute its duties effectively; succession planning of Board members, as well as for senior management; the process for nominating, electing and appointing

members to the Board; the evaluation of the performance of the Board; and, the induction and ongoing training and development of Board members.

The committee reports to the Board on its activities and advises the Board on the execution of its mandate and related matters placed before it or arising from its responsibilities.

1.3.4.3.4 Board Management Committee

The Board Management Committee consists of two non-executive directors and two executive directors with the Chairperson of the Audit, IT and Risk committee as a co-opted member. The purpose of the committee is to ensure the profitability of the company, to operationalise the company's investor pipeline and to address the intergovernmental challenges facing the Zone.

1.3.4.3.5 Audit, IT & Risk Committee

The Audit, IT and Risk Committee consists of three non-executive directors and one independent committee member and has clearly defined terms of reference. The purpose of the committee is to assist the Board in discharging its duties relating to financial reporting, asset management, risk management, supply chain management, information technology issues, internal control systems, processes and procedures, and to measure the quality of both the external and internal audit functions. In advising the Board, the committee provides structured, systematic oversight of the company's governance, risk management and internal control practices. The committee examines and reviews the annual financial statements of the company and other relevant financial reports. The Internal Auditors and External Auditors, as well as certain members of the Executive Management, are invited to attend meetings.

a) Internal Audit

The Board is responsible for the appointment of the Internal Auditor. The Internal Auditor operates under the direction of the Audit, IT and Risk committee which approves the scope of work to be performed. Significant findings are reported to the Executive Management and the

Audit, IT and Risk committee. Corrective action is taken to address internal control deficiencies identified in the execution of the work.

b) External Audit

The Auditor-General of South Africa (AGSA) is responsible for performing the annual audit of the company.

c) Internal Control

The company maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of the Annual Financial Statements and to safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented with appropriate segregation of duties.

The Board acknowledges its responsibility for ensuring that the company implements and monitors the effectiveness of internal, financial and operating controls to guard against material misstatements and losses.

The internal and external auditors independently appraise the adequacy and effectiveness of the internal controls.

1.3.4.4 Risk Management Plan

The Accounting Authority has overall accountability for ensuring effective risk management, sets the strategic direction and determines the risk appetite. It maintains oversight of the top risks facing the company through periodic review, to satisfy itself that the risks are being adequately mitigated. This oversight is managed by the Audit, IT and Risk committee as appropriate to the subject area.

The overall strategic direction on risk management is set centrally, with the Accounting Authority responsible for guiding management through the risks facing the organisation. The Accounting Authority revises the risks register at least once a year. The Audit, IT and Risk committee coordinates a once-yearly assessment process on all Strategic Business Units according to their top identified risks.

This bottom-up and top-down approach enables the organisation to consider the potential impact

of different types of risks on processes, activities and stakeholders. Successful enterprise risk management can positively affect the likelihood and consequences of risks materialising, as well as deliver benefits related to better-informed decision-making. The company will continue the initiative to embed risk management in standard processes and strategies. In addition, a structured risk data collection and analysis process as well as improved alignment of assurance activities will be implemented.

Risk management is incorporated into the management of each section within the company. The following policies and documentation are in place to assist risk management:

- Shareholders' Compact
- Board Charter and Committee Terms of Reference
- Code of Conduct and Ethics
- Materiality Framework
- Risk Assessment
- Financial Regulations
- Delegation of Authority
- Personnel
- Procurement
- IT Policy
- Budget
- Memoranda of Agreement and Service Level Agreements
- Fraud Prevention Plan
- Financial Plan (as per income and expenditure estimates)
- Integrated Business Plan.

1.3.4.5 Fraud Prevention Plan

The objectives of the Fraud Risk Management Strategy are to:

- reduce the risk of fraud and corruption occurring;
- provide mechanisms to detect fraud and misconduct when it occurs;
- outline corrective actions and remedy the harm caused by fraud and misconduct;
- raise awareness of the principles and benefits of effective fraud risk management processes and obtain staff commitment to the principles of fraud risk management; and,
- outline actions to be taken to address fraud and corruption at structural and operational levels.

As instances of fraud remain a constant threat to public trust and confidence, it is essential to recognise fraud risk management as an integral part of strategic management, and the company is, therefore, adopting a comprehensive approach to the management of fraud risks. The Management's agenda is to focus on efforts to:

- understand the fraud risks that can undermine the institution's business objectives;
- determine whether fraud prevention programmes and controls are effective in reducing instances of fraud; and,
- gain insight into better ways of designing and evaluating controls to prevent, detect and respond appropriately to fraud.

1.3.4.6 Company Secretary

In terms of the Companies Act, all companies must appoint a person to serve as Company Secretary. The Company appointed a Company Secretary on 24 August 2016.

The Company Secretary's duties include:

- a) providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers;
- b) making the directors aware of any law relevant to or affecting the company;
- c) reporting to the Board any failure on the part of the company or a director to comply with the Memorandum of Incorporation or rules of the company according to the Companies Act;
- d) ensuring that minutes of all shareholders' meetings, Board meetings and any committee meetings of the directors are properly recorded in accordance with the Companies Act;
- e) certifying in the company's annual financial statements whether the company has filed required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date;
- f) ensuring that a copy of the company's annual financial statements is sent, in accordance with the Companies Act, to every person who is entitled to it; and
- g) carrying out the functions of a person designated in terms of section 33(3) of the Companies Act.

The Board Secretariat acts as the primary point of contact between the Board of Directors and the company. In addition to various statutory functions, the Board Secretariat, with the assistance of the Company Secretary, ensures that the Board is provided with induction training as well as guidance on duties and responsibilities.

In consultation with the Board Chairperson, the Board Secretariat ensures that the contents of the agenda are relevant to the Board’s decision-making. The information required for each Board meeting is sent to the directors on time to enable them to acquaint themselves with the information and to consider company information in terms of their statutory and fiduciary responsibility.

1.3.4.7 Materiality Framework

This framework establishes standards and provides guidance on the concepts of materiality and significance with regard to Sections 50(1) (c), 55(2) and 54(2) of the PFMA, and Treasury Regulation 28.3.

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments that users make based on the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1.5% of total income recognised. This materiality is from the Management’s perspective and does not correlate with the auditor’s materiality.

1.3.5 Outcomes, Outputs, Performance Indicators and Targets

Table 9: Programme 1: Administration Medium-term Outcome and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
To promote inclusive and sustainable economic growth and job creation	Unqualified Audit Opinion	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report
	Institutional agreements monitored	Number of institutional agreements reviewed	3	3	3	2	2	2	2
	Number of frameworks created and/or reviewed to monitor and manage tenant lease agreements	Number of frameworks reviewed to monitor and manage tenant lease agreements	5	4	5	3	3	3	3
	Communication performance	Number of communication plans implemented/influenced				4	4	4	4

Table 10: Programme 1: Administration Medium-term Indicators, Annual and Quarterly Targets, 2024/25

No.	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2	Unqualified Audit Report	Unqualified Audit Report		Unqualified Audit Report		
3	Number of institutional agreements reviewed	2				2
4	Number of frameworks reviewed	3				3
5	Number of communication plans implemented/influenced	4	1	1	1	1

Table 11: Summary of provincial payments and estimates by economic classification: Freeport Saldanha

Summary of provincial payments and estimates by economic classification: Freeport Saldanha					
Economic classification R'000	Outcome	Estimate	Medium-term estimate		
	Audited 2022/23	Outcome 2023/24	2024/25	2025/26	2026/27
Revenue					
Revenue and interest	3,830	4,333	3,069	8,588	46,509
Rental revenue	1,850	1,883	2,945	8,588	46,509
Interest	1,980	2,450	124	-	-
Transfer income	80,361	95,317	124,168	106,777	-
Department of Economic Development and Tourism*	36,502	11,043	17,391	-	-
Earmarked conditional grants and working capital	43,859	84,274	106,777	106,777	-
Total revenue	84,191	99,650	127,237	115,365	46,509
Expenditure					
Current expenditure	68,673	50,483	43,563	43,883	44,619
Compensation of employees	33,478	30,198	25,823	25,433	25,433
Salary & Wages	33,478	30,198	25,823	25,433	25,433
Goods and services	35,195	20,285	17,740	18,450	19,186
Administrative fees	1,620	1,757	1,624	1,689	1,756
Advertising	1,494	1,536	1,035	1,076	1,120
Minor Assets	20	-	-	-	-
Audit cost: External	1,555	1,900	1,900	1,976	2,055
Catering: Departmental activities	64	108	63	66	68
Communication (G&S)	221	180	180	187	195
Computer services	2,563	2,904	3,005	3,125	3,250
Consultants and professional services	2,516	2,063	50	52	54
Legal services	-	450	-	-	-
Entertainment	5	2	-	-	-
Fleet services	259	297	96	100	104
Consumable supplies	73	30	30	31	32
Consumable: Stationery, printing and office supplies	380	251	303	315	328
Operating leases	17,145	1,573	1,573	1,636	1,701
Property payments	6,205	6,342	6,728	6,997	7,277
Transport provided: Departmental activity	-	-	-	-	-
Travel and subsistence	929	776	1,064	1,106	1,151
Training and development	81	66	39	41	42
Operating payments	-	-	-	-	-
Venues and facilities	65	50	50	53	53
Capital Expenditure	15,518	49,167	95,973	96,003	1,580
Machinery and equipment	1,456	1,347	1,480	1,510	1,580
Infrastructure	14,062	47,820	94,493	94,493	-
Total expenditure	84,191	99,650	139,536	139,886	46,199
Profit/Deficit*	-	-	(12,299)	(24,521)	310

*Freeport Saldanha is a Provincial Business Enterprise listed in Schedule 3 of the PFMA and, accordingly, is authorised to incorporate a deficit into its budget. The entity is presently investigating mechanisms to alleviate and decrease the deficit.

** Transfers received disclosed excluding VAT

Table 12: Summary of provincial payments and estimates by economic classification: Administration

Summary of provincial payments and estimates by economic classification: Freeport Saldanha - Administration					
Economic classification R'000	Outcome	Estimate	Medium-term estimate		
	Audited 2022/23	Outcome 2023/24	2024/25	2025/26	2026/27
Revenue					
Revenue and interest	1,980	2,450	124	-	-
Interest	1,980	2,450	124	-	-
Transfer income	36,502	11,043	17,391	-	-
Department of Economic Development and Tourism*	36,502	11,043	17,391	-	-
Total revenue	38,482	13,493	17,515	-	-
Expenditure					
Current expenditure	21,101	22,304	19,995	20,331	20,679
Compensation of employees	12,056	11,620	11,599	11,599	11,599
Salary & Wages	12,056	11,620	11,599	11,599	11,599
Goods and services	9,045	10,684	8,396	8,732	9,080
Administrative fees	1,238	1,717	974	1,013	1,053
Advertising	-	35	35	36	38
Minor Assets	19	-	-	-	-
Audit cost: External	1,555	1,900	1,900	1,976	2,055
Bursaries: Employees	-	-	-	-	-
Catering: Departmental activities	3	22	18	19	19
Communication (G&S)	187	180	180	187	195
Computer services	2,453	2,789	2,945	3,063	3,185
Consultants and professional services	692	1,173	-	-	-
Legal services	-	450	-	-	-
Entertainment	2	-	-	-	-
Fleet services	-	296	96	100	104
Consumable supplies	5	30	30	31	32
Consumable: Stationery, printing and office supplies	210	251	303	315	328
Operating leases	2,279	1,573	1,573	1,636	1,701
Property payments	317	134	148	154	160
Travel and subsistence	85	95	155	161	168
Training and development	-	39	39	41	42
Capital Expenditure	1,456	1,347	1,480	1,510	1,580
Machinery and equipment	1,456	1,347	1,480	1,510	1,580
Total expenditure	22,557	23,651	21,475	21,841	22,259

* Transfers received disclosed excluding VAT

1.4 Programme 2: Operations

1.4.1 Purpose

The Operations Programme delivers on the implementation of the company, thus enabling the overarching business imperative of developing and operating the Freeport to achieve its strategic priorities of commercial self-sustainability; catalytic infrastructure and facilities; local and industry readiness; and business, government and society partnerships.

Specifically, the Operations Programme focuses on the key deliverables and business units that drive the activities within the company to attract and retain key investors in the upstream oil and gas (energy) and marine repair, fabrication, engineering, logistics and related servicing industries.

1.4.2 Programme Structure

The programme is structured within the following business units:

- Ease of Doing Business
- Business Development
- Transaction and Investor Support
 - o Access Complex
 - o Project Leasing Facility
- Infrastructure Development
- Stakeholder Management
- Development Programmes
 - o Skills Development
 - o Enterprise Development
 - o Contractor Development
 - o Innovation Campus

The main focus areas of each business unit are described below.

1.4.2.1 Ease of Doing Business

The Ease of Doing Business (EoDB) philosophy is to provide proactive solutions that are customer-centric for investors and service providers in the Zone. The function has to continually adapt to the changes in the marketplace and address the pain points for the investors to keep the service offering relevant.

Voice of the Customer

The Ease of Doing Business Model (figure 23) was developed after an intensive study concluded in 2016 garnered the market sentiment regarding what would make Saldanha Bay the port of call for all service requirements of the upstream oil & gas and related maritime service, engineering and logistics.

With the broadening of the sector focus to the energy and maritime industries and the call to action by the global markets to service the green hydrogen developments, the voice of the customer has become an imperative against which to evaluate the current offerings against what is expected for companies and projects to flourish in this new sector. The EoDB unit will therefore embark on a 'voice of the customer' series of intelligence reports to update the current model and seek bespoke solutions and red tape reduction in response to the current post-pandemic and energy crisis environment.

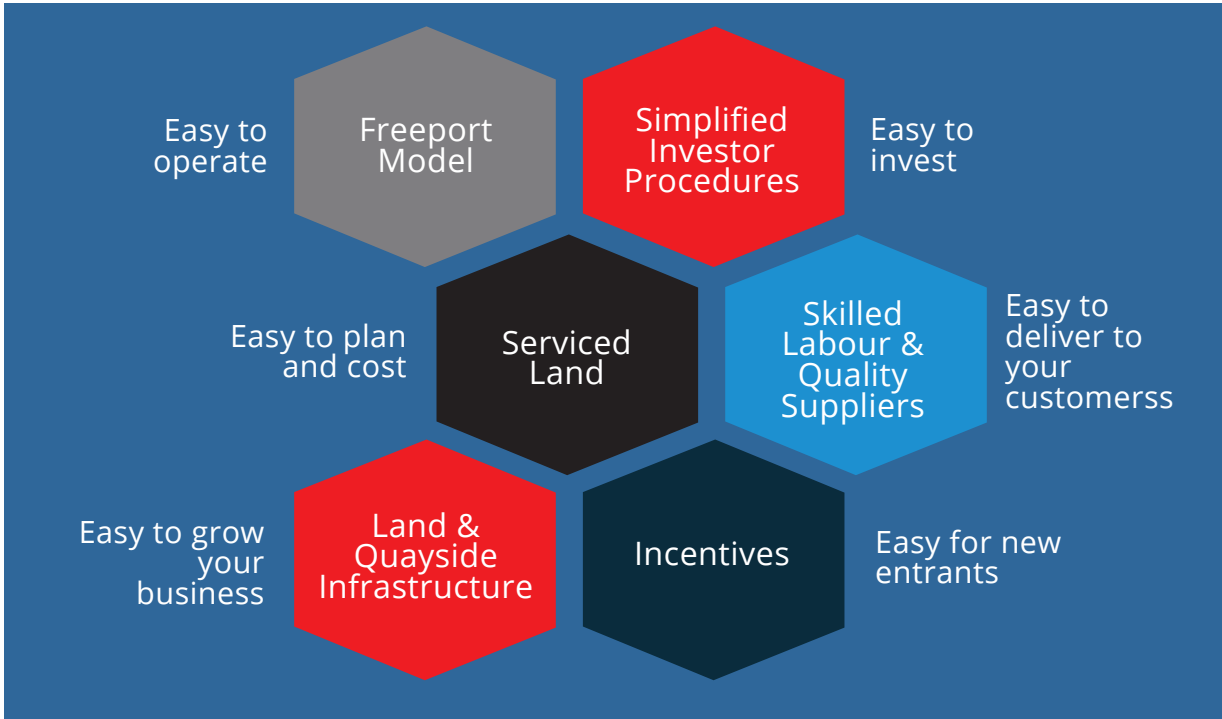
Ease of Doing Business 'One-Stop-Shop' Centre

Work is well under way to establish the EoDB OSS Centre that will be launched during the FY 2023/24. The Centre is a co-working space located within the Access and Security Complex. This space has been designed to extend the services already offered by the EODB unit into a physical location where investors can consult with government officials and private service providers located in the building and available by appointment.

The EoDB OSS Centre offers the following services:

- Advisory services that supply detailed, in-depth knowledge across several requirements (e.g. registration, licences, permits, inspections) that businesses need to start and maintain their operations.
- Co-located services that provide a single location to access government assistance. These services are not integrated – they are delivered by different people working for different government departments, agencies or ministries and using different systems.

Figure 23: Ease of Doing Business Model



- Client-centric services that offer a personalised service based on your business life cycle events (business setup and continued operations). These services address all formalities required to operate in the sectors we service.

The EoDB Centre has enlisted independent private consultants who offer services that are complementary to the legislated requirements and advisory services from the public sector officials who provide additional personalised assistance with licensing, permits and application processes.

Figure 24: EODB OSS Services

<p>Speed of Approval of Building Plans</p>	<p>TAX, Customs, VAT benefits & Incentives</p>	<p>Advisory Services on Port / Marine Procedures</p>	<p>For organisations to reach economic growth, business development, profitability, and prosperity.</p>
<p>Visa and Work Permit Applications</p>	<p>Advisory Services on Labour and Employment</p>	<p>Advisory services on Abnormal Loads Gaining Access to Rail/ Road/ Aviation</p>	

1.4.2.2 Business Development

The Business Development business unit focuses on investment promotion activities in the Zone, as well as on concluding key memoranda of agreement with a specific focus on increasing the value proposition and future investment into the Zone.

The company has established a robust and growing tenant pipeline and will continue to drive its diversification for the resilience of the pipeline and the market positioning of the Zone. With a targeted investor engagement strategy, based on market developments and market demand analysis, and the value within the Western Cape ports and the SEZ, the Business Development team focuses on the maritime and energy sectors. A shared investor pipeline portal within the investment ecosystem has been developed in partnership with Wesgro, the Atlantis SEZ and the DEDAT.

Business Development remains relevant to market trends and developments, with a deeper focus on scenario planning beyond the current maritime, energy, logistics and engineering sectors to visualise and customise products and services to meet new market, environmental and geopolitical demands, as informed by the market demand analysis and monitoring of the broader trend analysis.

An emerging trend is the development of a green hydrogen sector, underpinned by national, regional and provincial strategies. The Business Development unit will prioritise the facilitation of green hydrogen private sector investment and work closely with public sector stakeholders to accelerate and ease investment into the region. The green hydrogen sector is complementary to Freeport Saldanha's position as an energy hub – Saldanha Bay and Saldanha Port have strategic advantages that are attractive to green hydrogen catalytic and pilot projects.

A range of international studies has already identified Saldanha as a high-potential location for the future of GH2. Some of the main locational advantages of Saldanha include:

- Being located close to **large areas with high potential renewable energy**

generation (including onshore, offshore wind and solar).

- A well-established and potentially highly suitable **port infrastructure** able to serve as an export channel and a green bunker fuel location for the shipping industry.
- **Local hydrogen demand** – specifically the nearby steel plant. ArcelorMittal has declared intentions in the media to produce green steel.
- **Robust engineering value chains** and an already operational SEZ that are integrated into the Port of Saldanha offer major opportunities for manufacturing components for GH2 production (and a range of related manufacturing and services markets).
- Proximity to the Saldanha-Northern Cape and Saldanha-Cape Town **Logistical Corridors**.

Figure 25: Research supporting Saldanha as the first Western Cape Green Hydrogen Cluster

Location:

- Western Cape, 150km north of Cape Town

Existing Infrastructure:

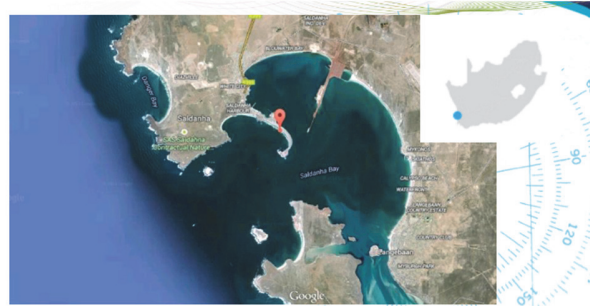
- One of the largest ore exporting (deep water) ports in Africa, supported by a dedicated rail link which connects to the Sishen & Kolomela Mines in the Northern Cape.
- No pipeline delivered bunkers are available

Notable Characteristics:

- Special Economic Zone (SEZ)
- Bulk carriers account for ~77% of ships

Green Hydrogen Potential:

- High renewable energy potential from solar and off-shore wind.
- CSIR study concluded hydrogen exports could be cost competitive at US\$ 3/kg before 2030.
- Potential off-takers include AMSA, MyCiti Bus, port equipment & ground vehicles.



Activity/Entity	Saldanha Bay
Transnet: bunker fuel	504 kt/y
Transnet: port equipment	unknown
ACSA ground vehicles	0.0558 kt/y
PRASA MetroRail	6.6-11.0 kt/y
AMSA Saldanha Works	104 kt/y
MyCiti BRT	1.2 kt/y

Source: EU-SA Partner for Growth, Jan 2022. Powerfuels 2: Stimulating domestic hydrogen consumption opportunities in South Africa



The following proposed solutions are presented to capture and capitalise on the Green Hydrogen opportunity:

Freeport Saldanha and WCG to prioritise the role of the GH2 sector in decarbonisation and socio-economic objectives

GH2 presents an opportunity for global carbon reduction efforts, a pathway for energy resilience, a just energy transition and commercial opportunities for South African industries, supported by local and international market interest, particularly in Saldanha as a first mover.

Saldanha will be prioritised as the first-mover green hydrogen region in the Western Cape

This will allow Saldanha and the province to capitalise on the advantages of a green hydrogen hub. This is a strategic fit with the objectives of the Freeport Saldanha. Freeport Saldanha is South Africa's only SEZ located within a port and is a new, open 356 ha space catering specifically to the energy sector, maritime fabrication, marine repair, logistics and related support services. Freeport Saldanha aims, over the next 25 years, to create a vibrant hub of opportunity, job creation and sustainable growth utilising the SEZ legislation as a catalyst. Hence, Freeport Saldanha is ideally positioned to play a significant role in enabling the GH2 economy

in the Saldanha Bay, Western Cape and broader Northern/ Eastern Cape regions.

Establishment of the Saldanha Bay GH2 Cluster in the national GH2 and ISA programme

The Saldanha Bay green hydrogen cluster will recognise the commercial interests of industry, the current complementary assets and the need to create a further enabling environment for industries in the area. The support of ISA and the national GH2 programme will assist both projects in bringing much-needed socio-economic opportunities to the region.

Establishment of the Atlantic GH2 Corridor in the national GH2 and ISA programme

The Atlantic GH2 corridor will join the Saldanha Bay GH2 and Boegoebaai GH2 clusters, recognising that the two clusters can support a synergistic phased development of the national GH2 economy. The support of ISA and the national GH2 programme will assist both projects to bring socio-economic opportunities to their respective regions.

Establishment of the GH2 Project Steering Committee (PSC), led by Freeport Saldanha

Given the large interest in Saldanha Bay and the opportunity detailed above, it is recommended that a PSC be established to undertake the project development required to realise the

green hydrogen opportunity and accelerate the development of the Green Hydrogen sector. The PSC will consist of members across industry, the public sector, academia and the community.

1.4.2.3 Transaction and Investor Support

Transaction and Investor Support (T&IS) fulfils a vital role in realising the commercial, operational and innovation interests of the business investor and the company.

Commercial activities include targeted lead generation; leasing of commercial property assets such as the Access Complex, Project Leasing Facility, SME Co-lab Project Facility and Manufacturing facilities; identifying new potential streams of revenue; as well as investor project facilitation, account management, investor retention and aftercare.

Operational activities include estate, facilities and office management and entail fit-out, repair and maintenance activities as well as the procurement of vital services such as ICT, security, cleaning and grubbing. The estate endeavours to provide a world-class experience while remaining cost-effective and efficient in its operations.

1.4.2.4 Infrastructure Development

A key part of Freeport Saldanha's mandate is to provide enabling infrastructure to attract investors who will increase exports and create jobs. To do this, the company has a business unit dedicated to implementing the macro infrastructure plan for the Freeport, in line with the Freeport's strategy and mandate, inclusive of investor requirements. The unit has developed critical competences and systems to oversee the planning, alignment, contracting, construction and handover of all manner of buildings, utilities and enabling provisions (e.g. EAs, EMPs, guidelines, permits, licences).

Among its resources are the panels of contractors and professional panels put in place through the company's supply chain management policies. This reduces procurement time and gives an assurance of capacity in a range of forecasted construction and professional needs.

The unit works with many public sector role players in executing its responsibilities, such as the SBM, the district municipality, WCG, Eskom, Transnet and the TNPA, as well as private sector developers and landowners. It also has a close operational interface with the T&IS and Business Development units to support the planning, scoping and delivery of tenant facilities as quickly and reliably as possible.

A priority for the year ahead will be the bankable feasibility and Marine EIA of the new port infrastructure in support of the establishment of marine manufacturing industries, due to the consistent demand for additional quaysides and floating dry docks for ship repair, ship dismantling and marine manufacturing, and associated activities. The niche value of Freeport Saldanha in partnership with the Transnet Ports Authority offers a unique value proposition. The project is registered with ISA and has passed the early business case gateway with the Transport Technical Working Group. The project is also registered with the IDC.

This project highly depends on continued access to the SEZ Fund for the capital programme in the near term, while alternative funding avenues are sourced, including raising financing for the port infrastructure to conclude the bankable feasibility study, the marine EIA and possible future capital financing.

Table 13: Forecasted Infrastructure Projects

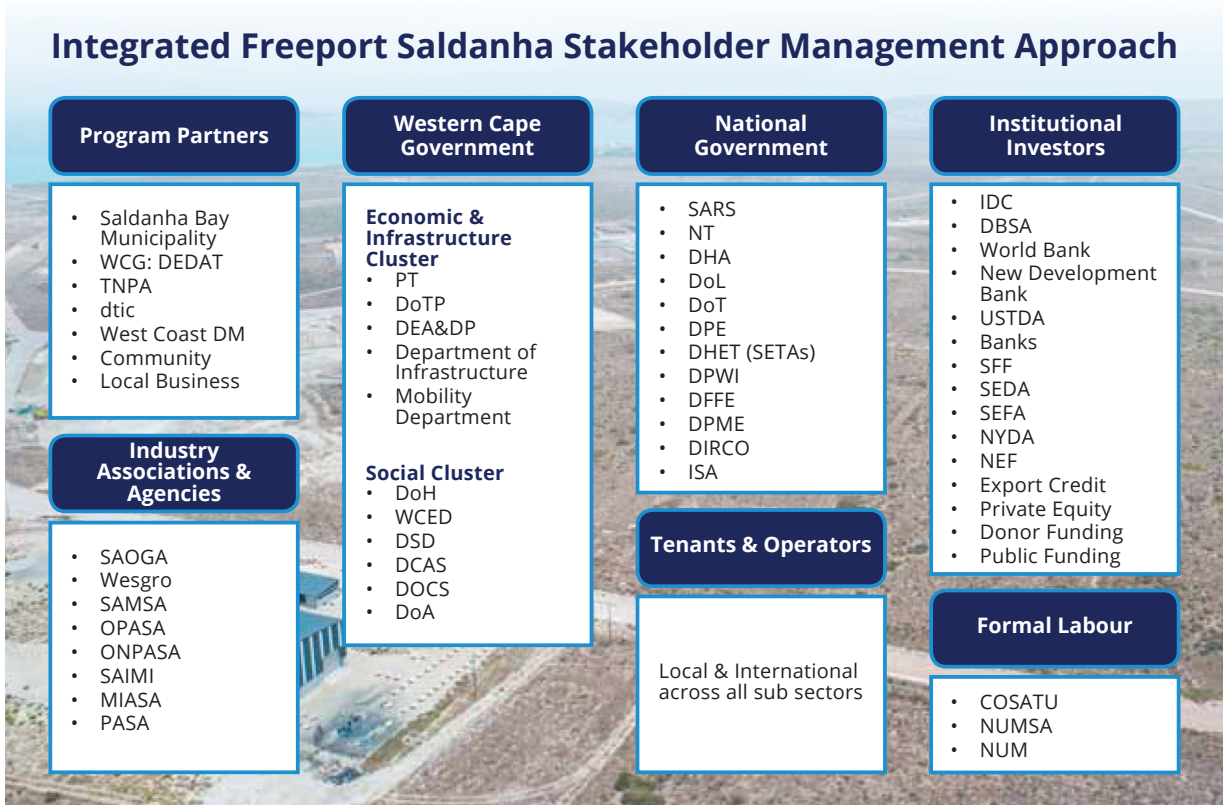
#	Project name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Estimate outcome 2023/24
1	Tenant facility	Infrastructure	4 500 m ² factory building and crane facility	Industrial building	Jan 2023	Jan 2024	R83 million	R0
2	Port Infrastructure	Infrastructure	Feasibility	Feasibility	Nov 2023	Nov 2025	R23 million	R0
3	Port Infrastructure	Infrastructure	Marine EIA	Environmental authorisation	Nov 2023	Nov 2025	R6 million	R500 000
4	Tenant facility (SEZ 4)	Infrastructure	1 150m ²	Industrial building	Jun 2022	Jan 2024	R32 million	R32 million
5	Tenant facility (SEZ 5)	Infrastructure	1 150m ²	Industrial building	Oct 2022	Apr 2024	R28 million	R22 million
6	Tenant facility (SEZ 6)	Infrastructure	2 500m ²	Industrial building	Oct 2023	Dec 2024	R70 million	R20 million
7	Bulk Infrastructure (Quay link road)	Infrastructure	500-1 000m road	Quay link road	Nov 2023	Aug 2024	R21.5 million	R8 million
8	COT foundation works	Infrastructure	Foundation and ground improvement works for a fuel storage yard	Tank farm construction	Oct 2023	Oct 2025	R150 million	R3 million

1.4.2.5 Stakeholder Management

The Stakeholder Management Business Unit is responsible for engaging with and facilitating relationships with key stakeholders, as well as for strategically supporting the various business units in managing stakeholder approaches.

Freeport Saldanha strategic aim of creating a thriving and inclusive economic hub for the energy and maritime industries and related support services means that the company must navigate and manage strategic and operational relationships with a diverse cohort of stakeholders, as illustrated in figure 26.

Figure 26: Freeport Saldanha Integrated Stakeholder Management Approach



The nature of the SEZ programme and the company, coupled with the magnitude of investment in the Zone, means that the company must ensure that the Zone is ready for development. This requires the company and its investors to, among other things:

- do the necessary feasibility studies;
- conclude the required market offtakes;
- apply for and receive the necessary permits and approvals;
- build the new infrastructure required; and,
- develop and maintain good corporate resource structures, processes and systems.

This preparatory work takes time and throughout the development process, the company's Stakeholder Management unit must lead the company's efforts to develop, hold and maintain relationships with stakeholders that:

- serve as custodians of the various legislative requirements that need to be navigated to unlock development;

- are tasked with driving economic development through the implementation of contemporary national policies and strategies;
- have a vested interest in the holistic socio-economic development of the people living in the Greater Saldanha Bay area; and,
- want to ensure that economic development and prosperity are balanced adequately with the environment.

Following a well-considered approach to stakeholder management is a critical component of Freeport Saldanha's day-to-day operations as well as its future development ambitions, as it helps the company to address a wide range of economic, social, environmental and regulatory considerations. Lastly, successfully managing the interests and concerns of various stakeholders contributes to the overall success and sustainability of SEZs in the country.

1.4.2.6 Development Programmes

Figure 27: Skills, Enterprise and Contractor Development



The Development Programmes business unit aims to maximise local economic development and empowerment through increased participation and beneficiation of citizens and businesses in Saldanha Bay. The three central pillars of its focus are skills development, enterprise development and contractor development, in a demand-driven context informed by the opportunities that emerge from the global maritime and energy sectors and value chains. The business unit aims to prepare the workforce and business community appropriately to deliver world-class services to these global markets.

The business unit is highly partnership-focused, particularly concerning fundraising, recruitment and the selection of persons and businesses to ultimately implement any development programme initiative. Partnerships developed across the local community, such as with the Community Skills and Training Committee and the various business associations, will continue to be a key focus of the business unit, in addition to continued partnerships with various SETAs, private and public training and development service providers and many other practitioners and regulators in this field.

The Smart Skills Centre, an initiative of Freeport Saldanha and the CHIETA, was launched on 25 October 2022 by the Minister of Higher Education, Science and Innovation in Saldanha Bay. The Centre, which will focus on basic digital skills, is aimed at addressing the digital skills divide in the district and helping surrounding businesses and rural community members to learn technology-related skills. This project is part of a bigger plan to revolutionise digital skills development in South Africa. The Centre's services are free and include access to data plus training courses aimed at job-seekers, business start-ups and SMMEs that wish to grow their operations.

1.4.2.7 Saldanha Bay Innovation Campus

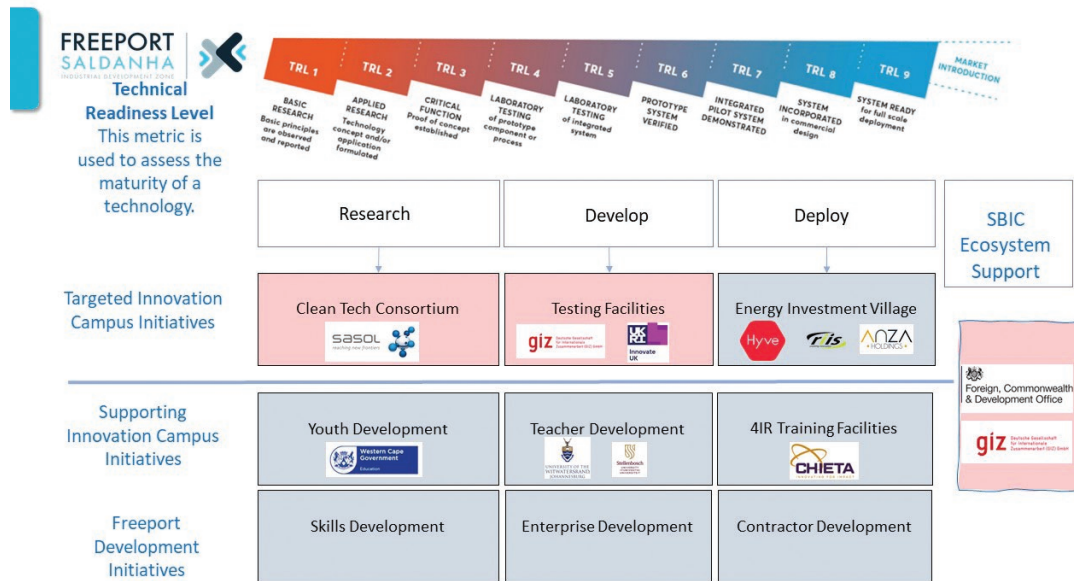
The SBIC was established to address an important market failure in the research, development and innovation part of the maritime and energy value chain. Closely associated with the Freeport, it acts as a complement and multiplier to the broader strategic mission of the Freeport as part of the SEZ Programme to establish a world-class maritime and energy hub to help support industrial investment and development

of the local sector, but also drive socio-economic development in the region.

The purpose of the SBIC is to prepare Saldanha to be a world-class maritime and energy industrial centre at the forefront of substantive, different,

thought-leading research, development and innovation that enables Saldanha to respond to the global, future-focused pressing concerns and needs of the manufacturing and engineering industry.

Figure 28: Saldanha Bay Innovation Campus



1.4.3 Outcomes, Outputs, Performance Indicators and Targets

Table 14: Programme 2: Operations Medium-term Outcome & Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
To promote inclusive and sustainable economic growth and job creation	Support the development of growth opportunities in identified markets	Number of growth opportunities supported				2	2	2	2
	Develop strategic partnerships for development programmes initiatives and SBIC	Number of partnership agreements established	5	10	8	6	6	6	6
	Operationalisation of the Zone Labour Charter with trade unions, tenants and operators	Number of partnerships realised and maintained with trade unions in support of the Saldanha economic ecosystem	1	1	3	3	3	3	3
	Support local economic development	Number of businesses supported through economic interventions				700	700	700	700
	Support access to economic opportunities and/or employability opportunities	Number of people with improved access to economic opportunities and/or employability				100	100	100	100
Promote sustainable commercial business	Operationalisation of the Access Complex, Project Leasing Facility	Percentage available space tenanted	35%	26%	35%	30%	40%	50%	50%
	Tenant and operator leases signed	Number of signed tenant and operator lease agreements	8	15	12	8	8	8	8
	Maintain and improve the outcomes of the EODB SLA with SBM	Turnaround time on building plans	22 days	No demand for the service	No demand for the service	21 Days	21 Days	21 Days	21 Days

Table 14 (Continued)

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Voice of the Customer enhanced	Number of economic and market intelligence reports produced				1	1	1	1
	Operationalisation of the Customs Control Area regime with key partners, such as the TNPA, SARS, DOL & DHA	Number of standard operating protocols in place	2	2	3	2	2	2	2
	Maintain contractor and professional panels	Number of contractor & professional panels maintained	2	2	2	3	3	3	3

Table 15: Programme 2: Operations Medium-term Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
6	Number of growth opportunities supported	2				2
7	Number of partnership agreements established	6	1	2	2	1
8	Number of partnerships realised and maintained with trade unions in support of the Saldanha economic ecosystem	3				3
9	Number of businesses supported through economic interventions	700	175	175	175	175
10	Number of people with improved access to economic opportunities and / or employability	100	25	25	25	25
11	Percentage available space tenanted	40%				40%
12	Number of signed tenant and operator lease agreements	8	2	2	2	2
13	Turnaround time on building plans	21 Days				21 Days
14	Number of economic and market intelligence reports produced	1				1
15	Number of standard operating protocols in place	2				2
16	Number of contractor and professional panels maintained	3				3

Table 16: Summary of provincial payments and estimates by economic classification: Operations

Summary of provincial payments and estimates by economic classification: Freeport Saldanha - Operations					
Economic classification R'000	Outcome	Estimate	Medium-term estimate		
	Audited 2022/23	Outcome 2023/24	2024/25	2025/26	2026/27
Revenue					
Revenue and interest	1,850	1,883	2,945	8,588	46,509
Rental revenue	1,850	1,883	2,945	8,588	46,509
Transfer income	43,859	84,274	106,777	106,777	-
Earmarked conditional grants and working capital	43,859	84,274	106,777	106,777	-
Total revenue	45,709	86,157	109,722	115,365	46,509
Expenditure					
Current expenditure	47,572	28,179	23,568	23,552	23,940
Compensation of employees	21,422	18,578	14,224	13,834	13,834
Salary & Wages	21,422	18,578	14,224	13,834	13,834
Goods and services	26,150	9,601	9,344	9,718	10,106
Administrative fees	382	40	650	676	703
Advertising	1,494	1,501	1,000	1,040	1,082
Minor Assets	1	-	-	-	-
Catering: Departmental activities	61	86	45	47	49
Communication (G&S)	34	-	-	-	-
Computer services	110	115	60	62	65
Consultants and professional services	1,824	890	50	52	54
Entertainment	3	2	-	-	-
Fleet services	259	1	-	-	-
Consumable supplies	68	-	-	-	-
Consumable: Stationery, printing and office supplies	170	-	-	-	-
Operating leases	14,866	-	-	-	-
Property payments	5,888	6,208	6,580	6,843	7,117
Transport provided: Departmental activity	-	-	-	-	-
Travel and subsistence	844	681	909	945	983
Training and development	81	27	-	-	-
Venues and facilities	65	50	50	53	53
Capital Expenditure	14,062	47,820	94,493	94,493	-
Infrastructure	14,062	47,820	94,493	94,493	-
Total expenditure	61,634	75,999	118,061	118,045	23,940

2. Risk Management

2.1 Top Strategic Risks

Strategic risk is defined as risks that affect or are created by an organisation's business strategy and strategic objectives, or lack thereof (Deloitte, 2013).

Table 17: Top Strategic Risks

Risk	Cause	Effect	Impact	Mitigation Measure
Lack of investment from the entire quad-helix model (i.e. government, academia, industry, community).	<p>Lack of communication, cooperation and financial support between each party – in particular the WCG, TNPA, DTIC and SBM.</p> <p>Ongoing structural reforms within state-owned companies do not have definitive timelines.</p>	<p>Misunderstanding and misalignment regarding the needs and requirements of each party.</p> <p>The pioneering model needed with TNPA is new and different and requires broad political and administrative buy-in.</p>	<p>Freeport cannot reach its full potential and achieve the commercial self-sustainability and catalytic infrastructure & facilities strategic priorities above all others due to:</p> <ul style="list-style-type: none"> • The missed investment in new port infrastructure. • Misaligned port and zone planning. • Delays outside the company's control on investors' financing arrangements. <p>Increasing costs of doing business and lower business trust and confidence in the SOCs and the government's ability to undertake needed structural reforms.</p>	<p>Effective secretariats to manage relationships with key government partners, with regular meaningful engagement set on clear objectives and purposes.</p> <p>Freeport has invested in the port infrastructure pre-feasibility study and now requires funding to continue with the bankable feasibility study and marine EIA. The project is registered with ISA, which will go some way to mitigate the risk and facilitate investment.</p> <p>Managing funding and revenue risk through the utilisation of its asset base with continuous engagement with WCG, as applicable.</p> <p>Alternative funding sources and/or strategic equity partnerships.</p>
Global and national decline in investment confidence and ability – both from the private and public sectors.	Geopolitical instability, low credit rating of South Africa.	Decreased FDI and DDI in South Africa.	Decreased financial capital to invest in OG&M industries results in the Freeport not being able to reach its commercial self-sustainability and catalytic infrastructure & facilities strategic priorities.	<p>Benchmark to world-class standards and operations.</p> <p>Diversify market positioning to maritime and energy, inclusive of logistics, advanced manufacturing and engineering, and green hydrogen/lower-carbon fuels hub projects, as well as full lifecycle sector/ stages.</p> <p>Monitor the investment environment, and utilise a balanced approach between strategic and practical investment facilitation.</p>

Risk	Cause	Effect	Impact	Mitigation Measure
<p>A heightened energy crisis in South Africa.</p>	<p>The inability of Eskom to supply the energy needs of the economy.</p>	<p>Inconsistent energy supply results in industry not being able to operate at maximum efficiency.</p>	<p>Increasing costs of doing business and lower business trust and confidence in the SOCs and government's ability to undertake needed structural reforms results in the Freeport not being able to achieve commercial self-sustainability and catalytic infrastructure & facilities strategic priorities.</p> <p>Downstream and upstream demand for suppliers from tenants and investors shrinks or seeks more cost-effective solutions elsewhere (continentally and internationally) and local & industry readiness is hampered as a result.</p>	<p>Estate management policy that allows investors redundancy within the zone.</p> <p>Investigate energy resilience through alternative electricity supply options available given the expected electricity demand growth from 8MVA to 45MVA by 2027. In addition, increase demand growth to accommodate production of low-carbon/zero-carbon fuels/products within the zone.</p>
<p>A heightened acceleration towards lower-carbon-based economies, which are beset with uncertainty about which transition will work/will be applied.</p>	<p>Growing environmental consciousness of global society.</p> <p>Increased demand for basic energy needs for equitable human development.</p> <p>Different opinions and mismatched interests on a just transition roadmap.</p>	<p>Uncertainty in O&G markets about expected returns for fossil fuels and fossil-based exploration and production.</p> <p>More volatile engagement on just transition, economic policy and infrastructure development.</p>	<p>Decreased investment into O&G operations results in the Freeport not being able to achieve commercial self-sustainability and catalytic infrastructure & facilities and local & industry readiness strategic priorities.</p> <p>Breakdown in social compacts between government, business and society results in hampered or weak business, government & society partnerships' strategic priority.</p>	<p>Diversify market positioning to maritime and energy, inclusive of logistics, advanced manufacturing and engineering and green hydrogen/lower-carbon fuel hub projects, as well as full lifecycle sector/ stages.</p> <p>Strengthen ESG relevance in stakeholder management governance and systems.</p> <p>Maintain compliance with existing environmental legislative and regulatory frameworks as the SEZ Operator and port tenant.</p>

Risk	Cause	Effect	Impact	Mitigation Measure
<p>Lack of OG&M policy, regulation and practice.</p>	<p>Formal OG&M regulations are difficult to initiate in South Africa because of the infancy of the OG&M sector.</p> <p>Different opinions and mismatched interests on a just transition roadmap.</p>	<p>Bureaucracy and ambiguity result in increased red tape, time and costs of doing business.</p> <p>Limited influencing role in competitive, sustainable value chain creation in South Africa.</p>	<p>OG&M industry loses market opportunities and entities cannibalise each other, resulting in weak or unscalable outcomes for the local & industry readiness strategic priority.</p> <p>Growth and transformation of OG&M does not materialise, resulting in weak or unscalable outcomes for the local & industry readiness strategic priority, and misaligned business, government & society partnerships.</p>	<p>Effective secretariats to manage relationships with key stakeholders and partners, with regular meaningful engagement around key legislative issues and regulatory interpretation.</p> <p>Diversify market positioning to maritime and energy, inclusive of logistics, advanced manufacturing and engineering, and green hydrogen/lower carbon fuels hub projects, as well as full lifecycle sector/ stages.</p> <p>Leverage position within the maritime ecosystem in the Western Cape to attract and grow investments.</p> <p>The Freeport has an effective Development Programmes business unit. However, more needs to be done to address key constraints to local value chain creation and this should be done with others, in an ecosystem of support and development. The LED cluster work led between WCDM and SBM is mitigating this risk to a degree.</p>

Risk	Cause	Effect	Impact	Mitigation Measure
Lack of political will and alignment to lead and position the SEZ Programme as a key socio-economic development initiative for South Africa.	Entrenched and deepening misalignment at a political level between national, provincial and local governments.	<p>Creates and deepens a lack of shared understanding (between the three spheres of government) of the importance, value and potential of Spatial Industrial initiatives such as SEZs.</p> <p>Lack of active leadership and collaboration between national, provincial and local governments towards ensuring the successful implementation of SEZs.</p> <p>Misalignment between key governmental policies and strategies.</p> <p>Entrenching a silo approach within government towards planning, budgeting and implementation.</p>	Lack of political support and alignment to drive interventions that unlock strategic bottlenecks that hinder the successful and rapid implementation of spatial industrial-related projects.	<p>The signing of intergovernmental agreements by the three spheres of government regarding the development and implementation of SEZs.</p> <p>Establishment of Project Steering Committees that drive the implementation of intergovernmental agreements signed to advance the development of SEZs.</p> <p>Utilisation of the SEZ PMU within IDC, established to support the successful implementation of the SEZ Programme.</p>
Increasingly polarised society	<p>Deepening mistrust in government by citizens.</p> <p>Mass class divides are driven by increased income inequality.</p> <p>Proliferation and mainstreaming of misinformation.</p>	<p>A lack of trust and confidence in the state to adequately address societal concerns and improve people's lives.</p> <p>Difficult to foster agreement among society in terms of what are believed to be the root causes of and best solutions to overarching perennial issues.</p>	<p>Increased social unrest.</p> <p>Political instability further impacts the efficacy of key government institutions.</p> <p>Negatively impacts investor confidence and private sector investments.</p>	Increased collaboration between the public, private sector, organised labour and civil society at large. (which is seen as being more trustworthy).

2.2 Top Tactical Risks

Tactical risk is the probability of loss due to changes in business conditions in real time, or over the short term (less than a year) (Spacey, 2015).

Table 18: Top Tactical Risks

Risk	Cause	Effect	Impact	Mitigation Measure
The slow pace of investment into the Freeport.	<p>Institutional delays on investors reaching financial close.</p> <p>Ongoing structural reforms within SOCs do not have definitive timelines.</p>	Loss of interest in Saldanha Bay.	<p>The Freeport cannot reach full potential and achieve the commercial self-sustainability and catalytic infrastructure & facilities' strategic priorities above all others due to:</p> <ul style="list-style-type: none"> • The missed investment in new port infrastructure. • Misaligned port and zone planning. • Delays outside of the company's control in investors' financing arrangements. 	<p>Increase targeted marketing and investment promotion activities for mature lead generation.</p> <p>Ratchet up investment facilitation services to quicken investor journey, e.g. InvestSA OSS and the Western Cape investment ecosystem.</p> <p>Take up joint planning and implementation with Transnet and TNPA, as applicable, to enhance synergies between entities.</p>
Lack of interest in innovation development within maritime and energy industries at Saldanha Bay.	The innovative capabilities of international clusters outclass the capabilities of the SBIC.	Loss of interest in Saldanha Bay.	Decreased investment in SBIC initiatives, resulting in not achieving the business, government & society partnerships and local & industry readiness strategic priorities.	<p>Implement an appropriate business model which leverages communities, international and national governments and the private sector in the operation of the innovation space, inclusive of technology start-up programmes.</p> <p>Maintain the High School Programme and initiate and maintain the Smart Skills Centre to embed 4IR initiatives in youth and school-goers.</p>
In-migration of foreign workers and companies.	Foreign, or outsider skilled workers and companies are preferred for OG&M service industry jobs.	Community instability and mistrust.	Community disapproval of OG&M operations and the Freeport result in not achieving the business, government & society partnerships and local & industry readiness strategic priorities.	<p>Continue partnerships to promote local recruitment and local participation, and link development programmes (e.g. apprenticeships) and partnerships to technology.</p> <p>Strengthen ESG factors in stakeholder management, with a focus on education and awareness.</p> <p>Operationalise the Zone Labour Charters with trade unions and tenants.</p>

2.3 Top Implementation Risks

Implementation risk is the potential for a development or deployment failure (Spacey, 2017).

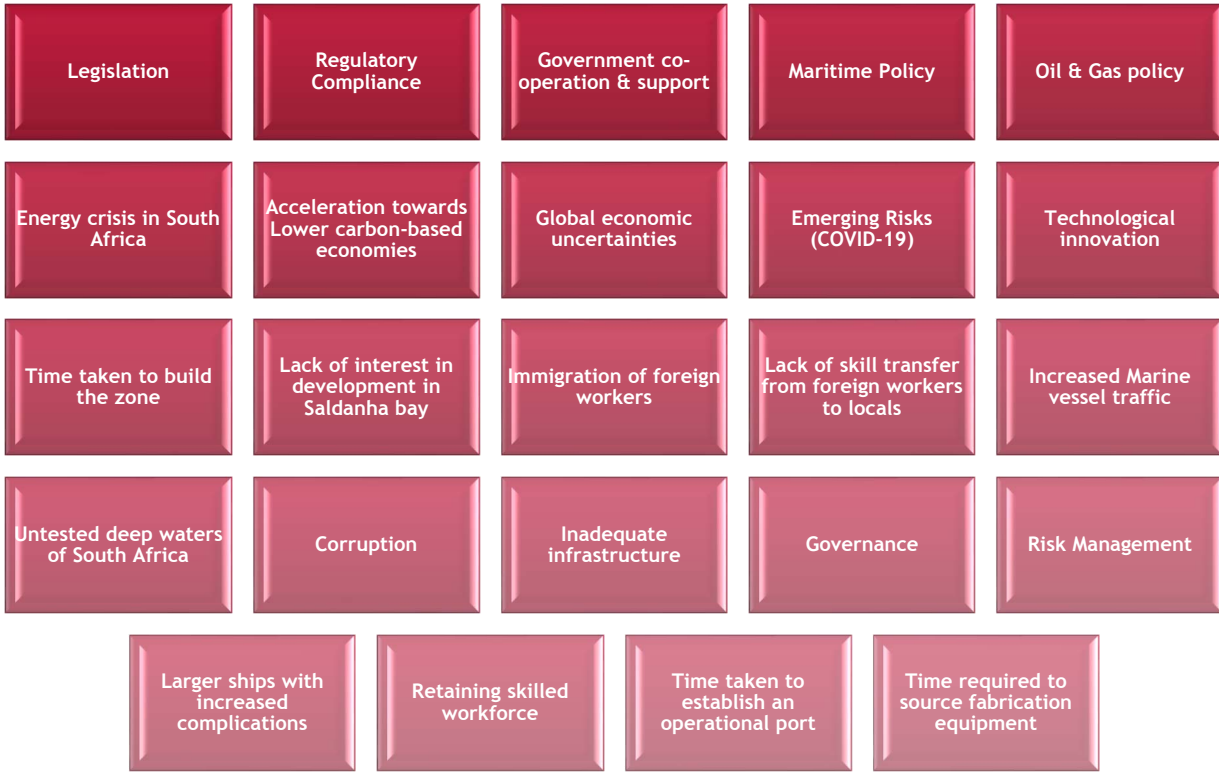
Table 19: Top Implementation Risks

Risk	Cause	Effect	Impact	Mitigation Measure
A long time is needed to establish an operational port infrastructure model (e.g. minimum of 5–9 years).	<p>Bureaucracy and acquiring of resources required to establish port infrastructure.</p> <p>Ongoing structural reforms within SOCs do not have definitive timelines.</p>	<p>Increased time before the accumulation of revenue.</p> <p>The pioneering model needed with TNPA is new and different and requires broad political and administrative buy-in.</p>	<p>Freeport cannot reach its full potential and achieve the commercial self-sustainability and catalytic infrastructure & facilities' strategic priorities above all others due to:</p> <ul style="list-style-type: none"> • The missed investment in new port infrastructure. • Misaligned port and zone planning. • Delays outside the company's control in investors' financing arrangements. <p>Increasing costs of doing business and lower business trust and confidence in the SOCs and the government's ability to undertake needed structural reforms.</p>	<p>Proactively partner with TNPA and the national government to deliver the correct infrastructure faster and smarter with appropriate business models.</p> <p>Explore opportunities for alternative funding and financing.</p>
Time taken to build the Freeport and its services.	Slow service delivery by contractors.	Delayed investments into the Freeport.	Freeport suffers financial loss for each working day/month its facilities and services are not operational, and the Freeport cannot reach its full potential and achieve the commercial self-sustainability and catalytic infrastructure & facilities strategic priorities above all others.	<p>Contractor panels for faster delivery.</p> <p>Professional panels for faster delivery.</p> <p>Smart, integrated systems to track and manage critical paths.</p>

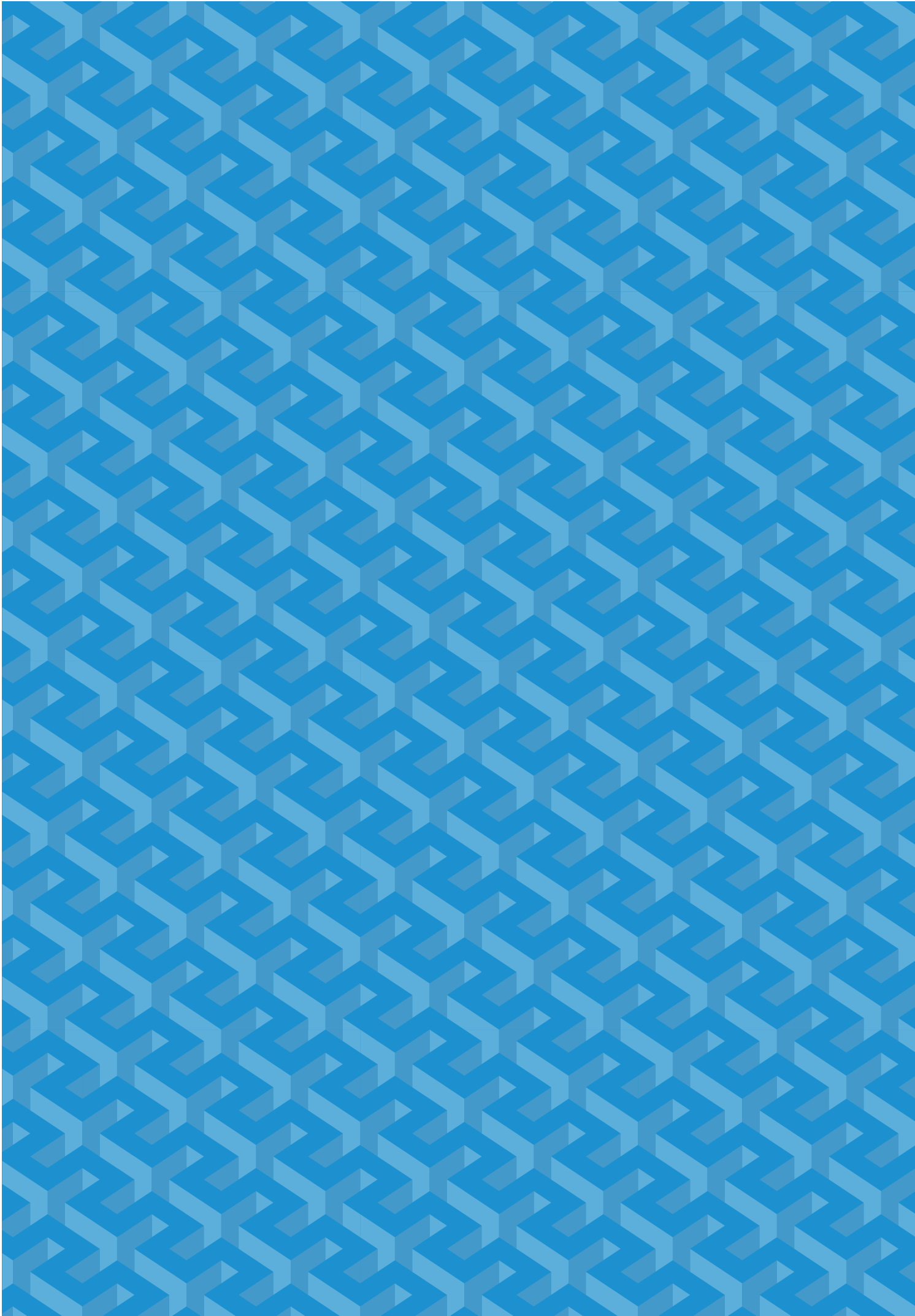
Risk	Cause	Effect	Impact	Mitigation Measure
Retaining a skilled workforce (long enough for skills transfer to happen), while battling inadequate infrastructure resources and available skills.	<p>The infancy of the maritime and energy sector within South Africa.</p> <p>Generational (i.e. millennial) influence of younger workforce.</p>	<p>Lack of fabrication skills and resources in South Africa to meet the requirements of the maritime and energy industry.</p> <p>Skills and knowledge are lost rather than transferred.</p> <p>Lengthy time required to source fabrication equipment/ fabricated parts and skilled personnel.</p>	<p>Outsourcing of employees to meet maritime and energy service industry needs, and the outsourcing of OG&M industry needs to international sources hampers local & industry readiness as a result.</p> <p>Decreased investment into the Freeport results in not achieving local & industry readiness and building business, government & society partnerships.</p>	<p>Support the knowledge transition through facilitated development programmes.</p> <p>Maintain the High School Programme and initiate and maintain the Smart Skills Centre to embed 4IR initiatives in youth and school-goers.</p> <p>Operationalise the Zone Labour Charters with trade unions and tenants.</p>
The pandemic's effect on staff welfare and productivity.	Accelerated move to new ways of work arrangements required where possible.	Demotivated employees, anxiety and low employee morale.	Poor performance and losing good employees due to mental health issues, and younger employees having limited growth opportunities, which inhibits productivity within the company.	Proactive employee support and enabling access to mental health programmes and dynamic human resources performance management approaches.
Breach of personal or company information.	Cyber-attack on ICT infrastructure.	Company data compromised.	Reputational and financial damage to the company.	Maintaining ICT governance and assurance processes and systems, including the implementation of the POPI Act.

2.4 Key Overall Risk Areas

Figure 29: Key Overall Risk Areas









D

TECHNICAL
INDICATOR
DESCRIPTIONS

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Overall for the Company

Indicator number	1
Indicator title	Promote sustainable economic growth and job creation
Short definition	Freeport Saldanha would create an enabling environment to promote sustainable economic growth and job creation by: <ul style="list-style-type: none"> • Facilitating a cumulative contribution to the National GDP by investment within the IDZ by the end of the financial year 2024/25; • Facilitating a cumulative contribution to the Western Cape GGP by investment within the IDZ by the end of the financial year 2024/5; • Facilitating the creation of direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25 • Facilitating the rand value of infrastructure and direct investment into and in support of the Freeport by the end of the financial year 2024/25
Purpose	Measure the contribution made to the South African economy overall through Freeport Saldanha's programme and the prioritisation of the Saldanha Bay region.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Statistical data from the Freeport Saldanha SAM Economic Model, and for investment, a signed contract which demonstrates the commitment, a verified investor declaration, investor confirmation via written correspondence, official published documents (e.g. annual reports) or public announcements by the company and/or internet articles.
Data limitations	Information required from consultants and investors.
Assumptions	Capital and operating expenditure over the five-year financial period by Freeport Saldanha, the Western Cape Government, Transnet and tenants and customers of the Zone represent flows of the economic transactions that take place within the economy. There are times when investors do not want to disclose details of their investments or commit to a signed document to specify their investment.
Means of verification	Report from consultants for economic data. Signed database of projects reflecting the total value of investments that have been supported directly or indirectly or agreements with external organisations; and signed MOAs; confirmation letters/declaration letters from funders; or investors/funding leveraged/financial statements; or a newspaper article or press release in which the investment is announced; or correspondence/emails from companies confirming the investment; or final feasibility study/business plan in which the value of the investment project is indicated; or a signed lease agreement.
Method of calculation	Jobs created that can be directly attributed to the economic impact of the Freeport Saldanha initiative. A simple count of the investment, and each investment will count as one.
Calculation type	<input type="checkbox"/> Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator:	Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input checked="" type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity
	Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Indicator number	1 (Continued)
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/>Single Location <input type="checkbox"/>Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/>Provincial <input type="checkbox"/>District <input checked="" type="checkbox"/>Saldanha Bay Local Municipality <input type="checkbox"/>Ward <input type="checkbox"/>Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
Indicator responsibility	Chief Executive Officer.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/>Target for women:</p> <p><input type="checkbox"/>Target for youth:</p> <p><input type="checkbox"/>Target for people with disabilities:</p> <p><input type="checkbox"/>Target for older persons:</p> <p><input checked="" type="checkbox"/>None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/>G4J <input type="checkbox"/>Safety <input type="checkbox"/>Well-being <input type="checkbox"/>Innovation, Culture and Governance</p> <p><input type="checkbox"/>None of the above</p>
Implementation Data (Key deliverables measured)	

Programme 1: Administration

Indicator number	2
Indicator title	Unqualified Audit Report
Short definition	An opinion expressed by the AGSA on their annual audit of the various transactions, systems and policies of the company that determines that all governance arrangements are in place and sufficient.
Purpose	To ensure that the entity delivers on its mandate effectively and efficiently. Strengthens governance structures.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed-off audit report from the AGSA.
Data limitations	None.
Assumptions	An unqualified audit opinion conveys credibility in the entity's corporate governance, financial management and arrangements and sustainable operations.
Means of verification	Signed Audit Report by the AGSA.
Method of calculation	Signed-off audit report from the AGSA.
Calculation type	<input type="checkbox"/> Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input type="checkbox"/>Access <input type="checkbox"/>Reliability <input type="checkbox"/>Responsiveness <input checked="" type="checkbox"/>Integrity</p> <p>Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Is this a Standardised Indicator? <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/>Single Location <input type="checkbox"/>Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/>Provincial <input type="checkbox"/>District <input checked="" type="checkbox"/>Saldanha Bay Local Municipality <input type="checkbox"/>Ward <input type="checkbox"/>Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
Indicator responsibility	Chief Financial Officer.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/>Target for women: <input type="checkbox"/>Target for youth: <input type="checkbox"/>Target for people with disabilities:</p> <p><input type="checkbox"/>Target for older persons:</p> <p><input checked="" type="checkbox"/>None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/>G4J <input type="checkbox"/>Safety <input type="checkbox"/>Well-being <input type="checkbox"/>Innovation, Culture and Governance</p> <p><input type="checkbox"/>None of the above</p>
Implementation Data (Key deliverables measured)	

Indicator number	3
Indicator title	Number of institutional agreements reviewed
Short definition	To ensure that the required conditions relating to the agreements signed with institutional partners are effectively monitored.
Purpose	To ensure the entity delivers on its mandate.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Agreements and subsequent reports.
Data limitations	None.
Assumptions	Legal compliance of agreements is a critical factor of good corporate governance.
Means of verification	Reviewed agreements and subsequent reports.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input type="checkbox"/> Access <input checked="" type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity</p> <p>Is this a Demand-Driven Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Indicator responsibility	Chief Financial Officer.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities:</p> <p><input type="checkbox"/> Target for older persons:</p> <p><input checked="" type="checkbox"/> None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/> G4j <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance</p> <p><input type="checkbox"/> None of the above</p>
Implementation Data (Key deliverables measured)	

Indicator number	4
Indicator title	Number of frameworks reviewed
Short definition	To ensure that frameworks are not out-dated and irrelevant to the changing dynamics of the industry and SEZ environment.
Purpose	To ensure the entity delivers on its mandate effectively and efficiently. Strengthens good corporate governance.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Frameworks.
Data limitations	None.
Assumptions	Regular assessments support competitive positioning in the cases of changing dynamics of legislation, e.g., Upstream petroleum industry and the African Continental Free Trade Agreement.
Means of verification	Approved Frameworks.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is this a Demand-Driven Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input type="checkbox"/> Access <input checked="" type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity</p> <p>Is this a Standardised Indicator?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Indicator responsibility	Chief Financial Officer.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities:</p> <p><input type="checkbox"/> Target for older persons:</p> <p><input checked="" type="checkbox"/> None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance</p> <p><input type="checkbox"/> None of the above</p>
Implementation Data (Key deliverables measured)	

Indicator number	5
Indicator title	Number of communication plans implemented/influenced
Short definition	Steps or a proposal that effectively delivers information or strategic messages to appropriate stakeholders.
Purpose	A way to drive a particular policy approach.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed and verified database.
Data limitations	None.
Assumptions	Overall communication plans of programmes/projects.
Means of verification	Signed and verified database, listing the communication plans.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input type="checkbox"/> Access <input type="checkbox"/> Reliability <input checked="" type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity
	Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indicator responsibility	Chief Executive Officer.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Programme 2: Operations

Indicator number	6
Indicator title	Number of growth opportunities supported
Short definition	Support the development of growth opportunities in identified markets. Growth opportunities are defined as any opportunity that will contribute to an increase in regional GDP and economic growth. A growth opportunity can include a specific industry, cross-cutting theme and sector. Growth opportunities may be government-driven, private sector driven or jointly driven by the government and private sector. "Supported" is defined as any assistance provided by the Freeport in facilitating the progress of the project and support can include coordination among relevant stakeholders, funding of projects, project management and/or undertaking/directing project preparation studies and guiding or overseeing the operations of the project.
Purpose	Local and foreign investment is a critical contributor towards economic growth. It increases domestic expenditure by contributing towards capital goods demand. It expands production capacity and improves cost-effectiveness and competitiveness. Additionally, it enhances productivity (including labour productivity). It also provides scope for higher-value addition in production and services, and it potentially introduces innovation and international quality standards thus facilitating competitiveness and exports. For the Growth for Jobs Strategy, investment by the private sector will be a fundamental indicator of success.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed and verified database listing the growth opportunities supported.
Data limitations	None.
Assumptions	None.
Means of verification	Signed and verified database listing the growth opportunities supported including the following fields: a. Description of each of the growth opportunities supported b. Type of growth opportunities supported c. The applicable sector d. The applicable government department e. Target audience f. Responsible person g. Indicator Target h. Budget per growth opportunity
Method of calculation	A simple count of the number of growth opportunities supported. Each growth opportunity supported will count as one.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input type="checkbox"/> Annually <input type="checkbox"/> Biennially
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input type="checkbox"/> Access <input type="checkbox"/> Reliability <input checked="" type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity
	Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Indicator number	6 (continued)
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indicator responsibility	Chief Operations Officer and Executive: Business Development.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Indicator number	7
Indicator title	Number of partnership agreements established
Short definition	Strategic partnerships with various stakeholders to enable initiatives to take place.
Purpose	To ensure citizens and businesses have the know-how to compete effectively and meet the targeted sector's needs.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed agreements.
Data limitations	None.
Assumptions	Partnerships will produce initiatives that meet the needs of industry and local communities and businesses alike.
Means of verification	Signed agreements.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input type="checkbox"/> Annually
Desired performance	<input checked="" type="checkbox"/> Higher than target <input type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input checked="" type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity</p> <p>Is this a Demand-Driven Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations</p> <p>Extent: <input type="checkbox"/> Provincial <input checked="" type="checkbox"/> District x Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Indicator responsibility	Chief Operations Officer and Executive: Development Programmes.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Indicator number	8
Indicator title	Number of partnerships realised and maintained with trade unions in support of the Saldanha economic ecosystem.
Short definition	Freeport Saldanha is creating a conducive economic ecosystem for customers and the workforce in the zone.
Purpose	Phased implementation of the Charter to support the ease of doing business value proposition.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed-off discussion documents and/or standard operating protocols per partner.
Data limitations	None.
Assumptions	Operationalisation of the Charter will facilitate a sustainable and fair labour relations environment.
Means of verification	Standard operating protocols per partner.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input checked="" type="checkbox"/>Access <input type="checkbox"/>Reliability <input type="checkbox"/>Responsiveness <input checked="" type="checkbox"/>Integrity</p> <p>Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Is this a Standardised Indicator? <input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/>Single Location <input type="checkbox"/>Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/>Provincial <input type="checkbox"/>District <input checked="" type="checkbox"/>Saldanha Bay Local Municipality <input type="checkbox"/>Ward <input type="checkbox"/>Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
Indicator responsibility	Chief Operations Officer and Executive: Stakeholder Management.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/>Target for women: <input type="checkbox"/>Target for youth: <input type="checkbox"/>Target for people with disabilities:</p> <p><input type="checkbox"/>Target for older persons:</p> <p><input checked="" type="checkbox"/>None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/>G4J <input type="checkbox"/>Safety <input type="checkbox"/>Well-being <input type="checkbox"/>Innovation, Culture and Governance</p> <p><input type="checkbox"/>None of the above</p>
Implementation Data (Key deliverables measured)	

Indicator number	9
Indicator title	Number of businesses supported through economic interventions
Short definition	'Business' is understood as the activity of making one's living or making money by producing or buying and selling products. In this context, businesses can be formal or informal and can cover support at any stage of the business's life cycle. It can be a start-up or operational. "Supported" is defined as any intervention (individual or group) aimed at helping the business, such as information, business advice, counselling, mentorship, infrastructure, funding, training, business development support, etc., that has been provided to the business (business owner(s)/management/ staff) to address and/or improve managing, sustaining or growing the business. The support can be provided by the Freeport, government, NGOs, partnering parties and/or its implementing agents with issues related to supporting businesses.
Purpose	The provision of support to businesses is aimed at improving their competitiveness, productivity and sustainability and/or reducing their cost of doing business, which is particularly important within the current economic climate and increasing competition within the global environment. Through the support provided to businesses, it is expected that they will (1) establish operations; (2) continue to be operational or (3) expand their operations, all of which therefore sustain or increase employment.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Databases and lists derived from various interventions and projects being implemented.
Data limitations	None.
Assumptions	Partnerships will produce initiatives that meet the needs of industry and local communities and businesses alike. Positive uptake of economic interventions by businesses. Sufficient human and capital resources are available.
Means of verification	Signed project reports that detail the businesses assisted.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input type="checkbox"/> Annually
Desired performance	<input checked="" type="checkbox"/> Higher than target <input type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input checked="" type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity Is this a Demand-Driven Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indicator responsibility	Chief Operations Officer and Executive: Development Programmes.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Indicator number	10
Indicator title	Number of people with improved access to economic opportunities and/or employability
Short definition	<p>“Economic opportunities” are understood as jobs, self-employment or establishing and running a business (informal or formal). “Employability” is defined as citizens having the required (a) knowledge, skills, competencies, experience and/or attitudes, (b) workplace-ready capabilities and skills, (c) the way these assets are presented to employers (career management skills), and (d) the enabling context (personal circumstances, location and labour market environment) within which individuals seek work (adapted from Hillage and Pollard, 1998). Each of these four elements, with the addition of entrepreneurship, is considered a pathway towards improved access to economic opportunities or employability. “Improved access” means support to citizens – directly or indirectly - to more easily access one or more of the pathways identified – employability assets, career management skills, workplace-ready capabilities or skills as well as bringing economic opportunities closer to the communities (reducing the cost barriers for example of mobility, data costs or distance) or providing support and guidance to those individuals considering entrepreneurship and running a business as a livelihood option. “Number of people with improved access” means the quantum of citizens that have made use of the pathway interventions.</p>
Purpose	<p>To measure and track the number of people who have access to economic opportunities and/or employability opportunities.</p> <p>South Africa is one of the most unequal societies in the world, a legacy of apartheid that is continuously reinforced by inherited settlement patterns that ensure that communities do not live near their place of work, imposing time, distance and cost burdens on low-income households. These burdens reduce access to economic opportunities and lower growth, which is a consequence of reduced human capital accumulation and greater macroeconomic instability.</p> <p>It is therefore important to develop and implement initiatives that can improve access to economic opportunities and contribute to employability. Building the productivity of individuals through opportunities for upskilling and education will increase labour market participation and reduce unemployment.</p>
Key Beneficiaries	Businesses, citizens and government.
Source of data	Project records on programme level / electronic records management system.
Data limitations	None.
Assumptions	Partnerships will produce initiatives that meet the needs of industry and local communities and businesses alike.
Means of verification	Database of interventions.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input type="checkbox"/> Annually
Desired performance	<input checked="" type="checkbox"/> Higher than target <input type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input checked="" type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity</p> <p>Is this a Demand-Driven Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

Indicator number	10 (Continued)
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/>Single Location <input type="checkbox"/>Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/>Provincial <input type="checkbox"/>District <input checked="" type="checkbox"/>Saldanha Bay Local Municipality <input type="checkbox"/>Ward <input type="checkbox"/>Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>
Indicator responsibility	Chief Operations Officer and Executive: Development Programmes.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/>Target for women: <input type="checkbox"/>Target for youth: <input type="checkbox"/>Target for people with disabilities:</p> <p><input type="checkbox"/>Target for older persons:</p> <p><input checked="" type="checkbox"/>None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/>G4J <input type="checkbox"/>Safety <input type="checkbox"/>Well-being <input type="checkbox"/>Innovation, Culture and Governance</p> <p><input type="checkbox"/>None of the above</p>
Implementation Data (Key deliverables measured)	

Indicator number	11
Indicator title	Percentage available space tenanted
Short definition	Freeport Saldanha is creating a conducive business environment for customers and stakeholders.
Purpose	Freeport Saldanha is creating a conducive business environment for customers and stakeholders.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed agreements with identified stakeholders and partners in the PLF and Access Complex.
Data limitations	None.
Assumptions	Operationalisation of the facilities will promote the intended impact.
Means of verification	Signed agreements.
Method of calculation	Weighted average – PLF 20% and Access Complex 80%.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input checked="" type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indicator responsibility	Chief Operations Officer and Executive: Transaction & Investor Support.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4] <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above"
Implementation Data (Key deliverables measured)	

Indicator number	12
Indicator title	Number of signed tenant and operator lease agreements
Short definition	The number of tenants and operators with signed lease agreements with Freeport Saldanha.
Purpose	Formalising agreements with tenants and operators will result in revenue generation and economic activity.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed leases.
Data limitations	None.
Assumptions	Signed leases enable Freeport Saldanha to forecast, manage and enable revenue generation, economic activity and infrastructure and land requirements.
Means of verification	Signed leases.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input checked="" type="checkbox"/> Integrity Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations , will this be shared in the Annual Operational Plan (AOP) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indicator responsibility	Chief Operations Officer and Executive: Business Development.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Indicator number	13
Indicator title	Turn-around time on building plans
Short definition	Freeport Saldanha and the SBM have established an EoDB service level agreement to allow for the joint development of solutions to reduce red tape, unnecessary bureaucracy and slow timelines related to various permits and registrations in the SBM's responsibility.
Purpose	Maintain and improve the various SOPs and processes developed jointly by SBM and Freeport Saldanha.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Building plan submissions.
Data limitations	Dependent on SBM resources
Assumptions	Industry views the responsibilities of the SBM and their respective interfaces with industry as critical to their goal of setting up business and operating in the zone in Saldanha Bay.
Means of verification	Building plan submissions.
Method of calculation	Weighted average.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input type="checkbox"/> Access <input type="checkbox"/> Reliability <input checked="" type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity
	Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Indicator responsibility	Chief Operations Officer and Executive: Ease of Doing Business.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Indicator number	14
Indicator title	Number of economic and market intelligence reports produced
Short definition	Documents, research or studies which are aimed at providing evidence-based information.
Purpose	To enable informed decision-making and guide economic strategies.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Data from official and reliable sources.
Data limitations	None.
Assumptions	Voice of the Customer Series intelligence Reports.
Means of verification	Signed database of economic and market intelligence reports produced.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made): <input type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input checked="" type="checkbox"/> Integrity Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Spatial location of indicator	Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations Extent: <input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380 For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP) <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Indicator responsibility	Chief Operations Officer and Executive: Ease of Doing Business.
Spatial Transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A
Disaggregation of beneficiaries - Human Rights groups	<input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities: <input type="checkbox"/> Target for older persons: <input checked="" type="checkbox"/> None of the above
Provincial Strategic Implementation Plan (PSIP)	<input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance <input type="checkbox"/> None of the above
Implementation Data (Key deliverables measured)	

Indicator number	15
Indicator title	Number of standard operating protocols in place
Short definition	Freeport Saldanha is creating a conducive business environment for customers and the workforce in the zone.
Purpose	Phased implementation of the CCA regime to support the ease of doing business value proposition.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Issued standard operating protocols per partner.
Data limitations	None.
Assumptions	Industry views the responsibilities of TNPA, SARS, DoL, DHA and their respective interfaces as critical to their goal of setting up business and operating in the zone of Saldanha Bay.
Means of verification	Issued standard operating protocols.
Method of calculation	Simple count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input type="checkbox"/> Access <input type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input checked="" type="checkbox"/> Integrity</p> <p>Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>
Indicator responsibility	Chief Operations Officer and Executive: Ease of Doing Business.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities:</p> <p><input type="checkbox"/> Target for older persons:</p> <p><input checked="" type="checkbox"/> None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance</p> <p><input type="checkbox"/> None of the above</p>
Implementation Data (Key deliverables measured)	

Indicator number	16
Indicator title	Number of contractor and professional panels maintained
Short definition	Contractor and professional panels of service providers to Freeport Saldanha.
Purpose	The panels provide Freeport Saldanha with professional and construction services, which the entity offers to its tenants in turn, should they require them, to enable the conclusion of material technical aspects and financing on the investments.
Key Beneficiaries	Businesses, citizens and government.
Source of data	Signed contracts.
Data limitations	None.
Assumptions	The panels provide Freeport Saldanha with quicker turnaround and cost stability on the design and construction of tenant and operator structures and utilities.
Means of verification	Signed contracts.
Method of calculation	Simple Count.
Calculation type	Cumulative <input type="checkbox"/> Year-end <input type="checkbox"/> Year-to-date <input checked="" type="checkbox"/> Non-cumulative
Reporting cycle	<input type="checkbox"/> Quarterly <input type="checkbox"/> Bi-annually <input checked="" type="checkbox"/> Annually
Desired performance	<input type="checkbox"/> Higher than target <input checked="" type="checkbox"/> On target <input type="checkbox"/> Lower than target
Type of indicator	<p>Is this a Service Delivery Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, confirm the priority area(s) that the deliverable(s) measured through this indicator will improve (multiple selections can also be made):</p> <p><input type="checkbox"/> Access <input checked="" type="checkbox"/> Reliability <input type="checkbox"/> Responsiveness <input type="checkbox"/> Integrity</p> <p>Is this a Demand-Driven Indicator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is this a Standardised Indicator? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Spatial location of indicator	<p>Number of locations: <input checked="" type="checkbox"/> Single Location <input type="checkbox"/> Multiple Locations</p> <p>Extent:</p> <p><input type="checkbox"/> Provincial <input type="checkbox"/> District <input checked="" type="checkbox"/> Saldanha Bay Local Municipality <input type="checkbox"/> Ward <input type="checkbox"/> Address</p> <p>Detail / Address / Coordinates: 12 Main Road, Vredenburg, 7380</p> <p>For multiple delivery locations, will this be shared in the Annual Operational Plan (AOP)</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
Indicator responsibility	Chief Operations Officer and Executive: Infrastructure.
Spatial Transformation	<p>Spatial transformation priorities: N/A</p> <p>Description of spatial impact: N/A</p>
Disaggregation of beneficiaries - Human Rights groups	<p><input type="checkbox"/> Target for women: <input type="checkbox"/> Target for youth: <input type="checkbox"/> Target for people with disabilities:</p> <p><input type="checkbox"/> Target for older persons:</p> <p><input checked="" type="checkbox"/> None of the above</p>
Provincial Strategic Implementation Plan (PSIP)	<p><input checked="" type="checkbox"/> G4J <input type="checkbox"/> Safety <input type="checkbox"/> Well-being <input type="checkbox"/> Innovation, Culture and Governance</p> <p><input type="checkbox"/> None of the above</p>
Implementation Data (Key deliverables measured)	



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