



enterprise ilembe
ECONOMIC DEVELOPMENT AGENCY



ILEMBE INVESTMENT PROSPECTUS **2024**



PROLOGUE

The iLembe District is located in South Africa within the province of KwaZulu-Natal and is made up of four local municipalities namely KwaDukuza, Maphumulo, Mandeni and Ndwedwe. Being strategically located between the two major South African harbours in Durban and Richards Bay, iLembe District is located within the highest priority development corridor in the province of KwaZulu-Natal. The close proximity to the King Shaka International Airport and the Dube Trade-Port also connects the District directly to international markets. Continuous development through investment attraction and promotion within the primary economic sectors has significantly contributed to the GDP, stimulating value chains, entrepreneurship opportunities and job creation within the secondary and informal sectors of the District.

This prospectus provides an overview of the investment landscape, highlighting the demographic profile, economic strengths and competitive advantages, growth trends, sectoral investment opportunities, business confidence and partnerships.

This edition also contains the salient processes and procedures for establishing an investment presence in the iLembe District. Processes have been streamlined to make navigating the regulatory and investment environment easier for prospective investors.

We hope that this edition of the iLembe Investment Prospectus is a useful resource to doing business in iLembe.

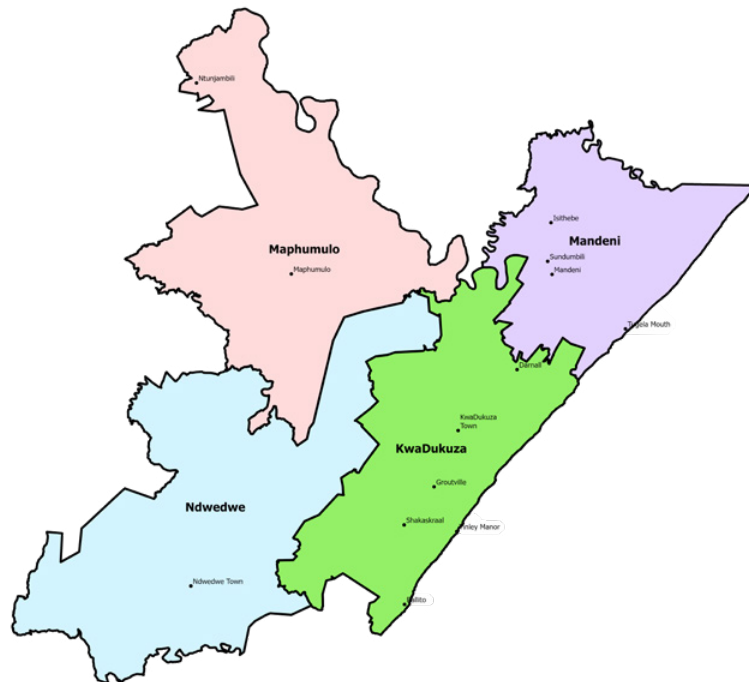


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1. INTRODUCING ILEMBE

Located on the east coast of KwaZulu-Natal (KZN) and bordering the Indian Ocean, iLembe District Municipality is one of the fastest growing regions in KZN.

It is situated approximately 65km north of eThekweni Metropolitan Municipality and is linked to Richards Bay in the north by the coastal N2 highway. This gives the District superior access to both harbours for trade purposes. Endowed with a wealth of natural assets, rich culture and a vibrant history, the District also has a strategic tourism advantage.

Covering an area of 3 269 km² and home to a population of just over 782 661 people, iLembe

is the smallest of KZN's 10 District Municipalities, but is experiencing rapid population growth, driven by steady migration from the interior of the country.

The District Municipality is made up of a family of four local municipalities:

- KwaDukuza Local Municipality
- Mandeni Local Municipality
- Maphumulo Local Municipality
- Ndwedwe Local Municipality

The map alongside shows the iLembe District Municipality and its four constituent local municipalities.



"iLembe is home to Ballito. Ballito, the heart of the North Coast lies nestled between rippling fields of KwaZulu-Natal's famous Green Gold and is flanked to the east by golden beaches and the warm waters of the Indian Ocean. For the small price of a license which can be purchased at the Natal Sharks Board, you can pick your own mussels off the rocks, collect oysters or bring in fresh crayfish from the Indian Ocean. Ballito's friendly village atmosphere is a welcome haven from the fast pace of big city life, yet it offers all modern amenities and services to residents and holidaymakers alike. Ballito offers modern shopping centres that cater for all your needs, from busy supermarkets to a variety of specialist shops. Entertainment is a priority in Ballito too, with discos and movie theatres. Whether you are looking for a fancy dinner, slap-up meal, holiday-snack or take-away, there are restaurants and pubs to suit all occasions. The beach, of course, is the prime attraction for most visitors and Ballito's main bathing beach, Willard Beach, provides safe swimming and qualified lifeguards on duty seven days a week and is also protected by shark nets. There are also secluded beaches, rocky coves, and shallow paddling pools to provide endless hours of fun. Lifeguards keep a watchful eye and ensure it is safe to swim. A marine trail starting at the Hole-in-the-Wall natural rock formation leads north to the legendary High Rock of King Shaka."

Source: <https://www.tikzn.co.za/>



2. ILEMBE: AN INVESTMENT DESTINATION OF CHOICE

The District is located immediately north of the KZN economic powerhouse, the eThekweni Metropolitan Municipality which contributes at least 60.99% to the economy of the province and a population of almost 3.5 million.

iLembe District Municipality is strategically located between two of the country's major ports, Durban and Richards Bay, the District is also dissected by the N2 national highway connecting the two major ports, and the province to Eswatini and Mozambique to the north. The District is situated within 10km of King Shaka International Airport (KSIA) and the Dube TradePort (DTP).

It is fast developing as the premier lifestyle destination for residents of KZN and inland provinces, such as Gauteng, a trend which is transforming the economic structure of the District.

The District is both economically and spatially diversified with the following regional attributes and developments driving investment decisions and opportunities:





THE NORTH COAST: SOUTH AFRICA'S PREMIER LIFESTYLE DESTINATION

This sub-tropical region is blessed with warm waters, barrelling waves, pristine beaches, and a collection of tidal pools. Facing the warm Indian ocean and its shark-protected beaches, this is an ideal place for water-based activities such as swimming, surfing, fishing, dolphin, and whale watching, kayaking, canoeing, and scuba diving.

The coastal strip also offers land-based recreation opportunities for sports enthusiasts, including magnificent golf courses such as Zimbali Golf estate and uMhlali Country Club, paragliding, quad biking, microlight flights, an exciting one-kilometre series of sky trail slides. Additionally, there are cycle tours and hiking trails that venture through nature reserves, past fields of sugar

cane, and along the shore, all covering diverse habitats such as coastal dunes, forests, and wetlands, and offering a beautiful way to explore the area and see wildlife, and marine life, in their natural environment. The region's rich history and culture is another drawcard for both local and international visitors.

This coastal strip is categorised as the main urban cluster of the iLembe District. The corridor is fast becoming a destination of choice for high-net-worth individuals who have a wide range of investment interests along the coast.



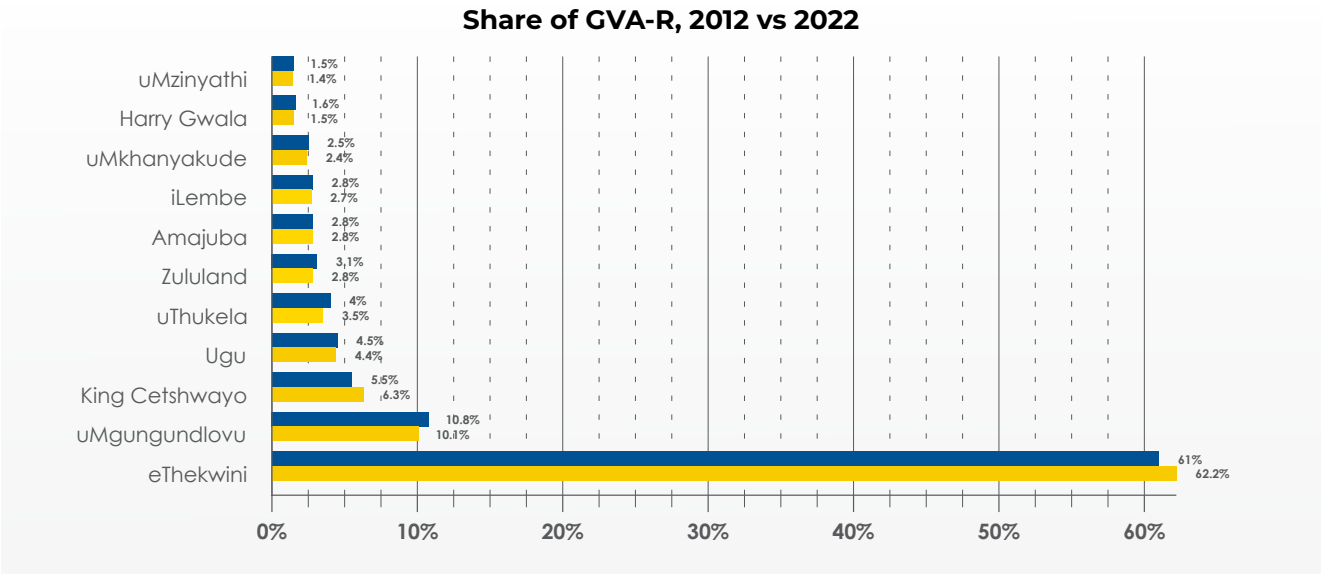
3. THE ECONOMY OF ILEMBE

KEY ECONOMIC DRIVERS



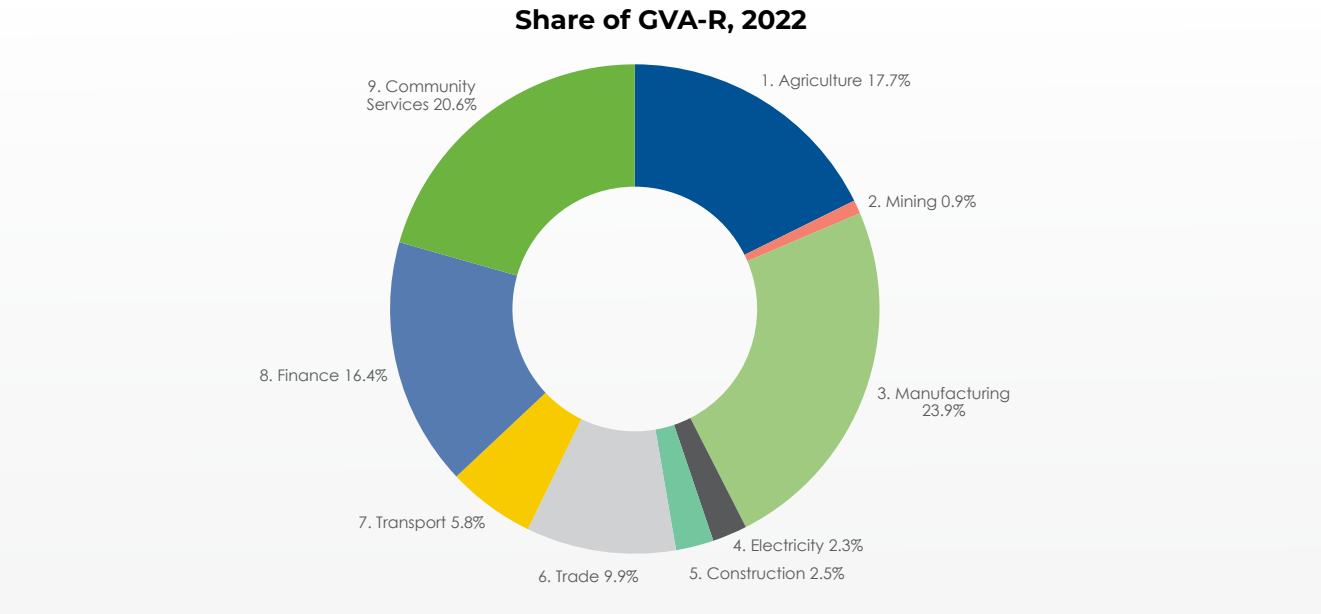
Source: IHS Global Insight

iLembe District's share of GVA-R is 2.76% The bar graph below shows the economic structure of the District.

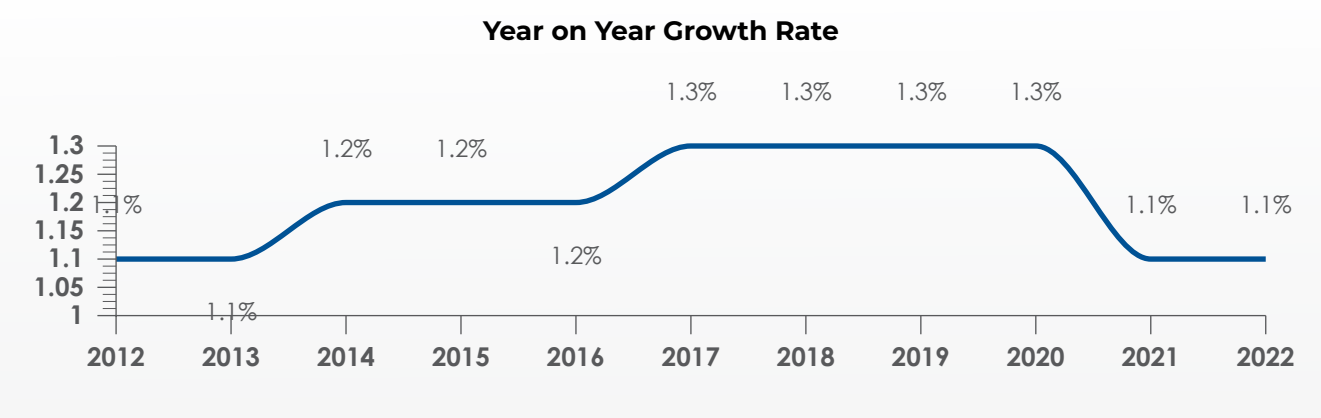


Source: IHS Global Insight

The local economy in iLembe is dominated by the commerce and services sector, which includes finance and business services, wholesale and retail trade, transportation and storage, general government, and community, social and personal services. Other significant economic contributors are manufacturing and agriculture, fishing, and forestry. The sector contributions to the GVA can be seen in the image below.



Source: IHS Global Insight

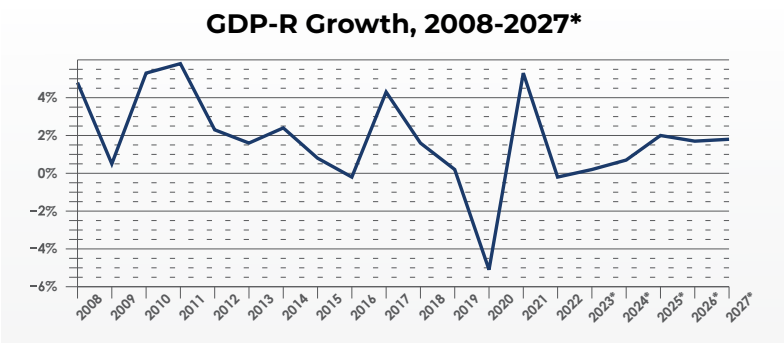


Source: IHS Global Insight

KEY SECTORS GROWTH TRENDS

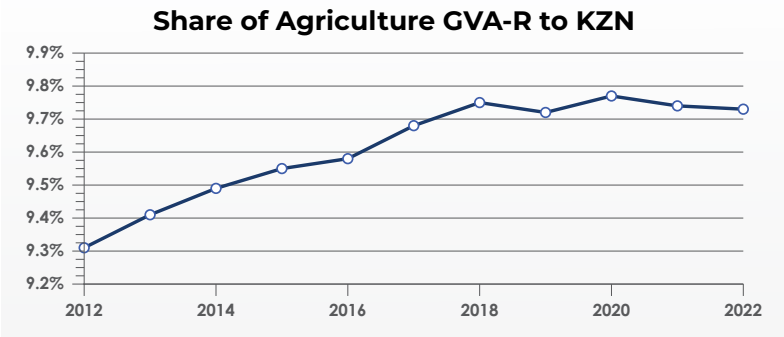
AGRICULTURE, FORESTRY, AND FISHING

This sector has been experiencing a decline in its economic contribution over the years, as illustrated in the graph below however growth is projected over the next five years. GVA measures the value of goods and services produced in an area, industry or sector of an economy, and is an indicator of the economic contribution of the area, sector or industry.



Source: IHS Global Insight

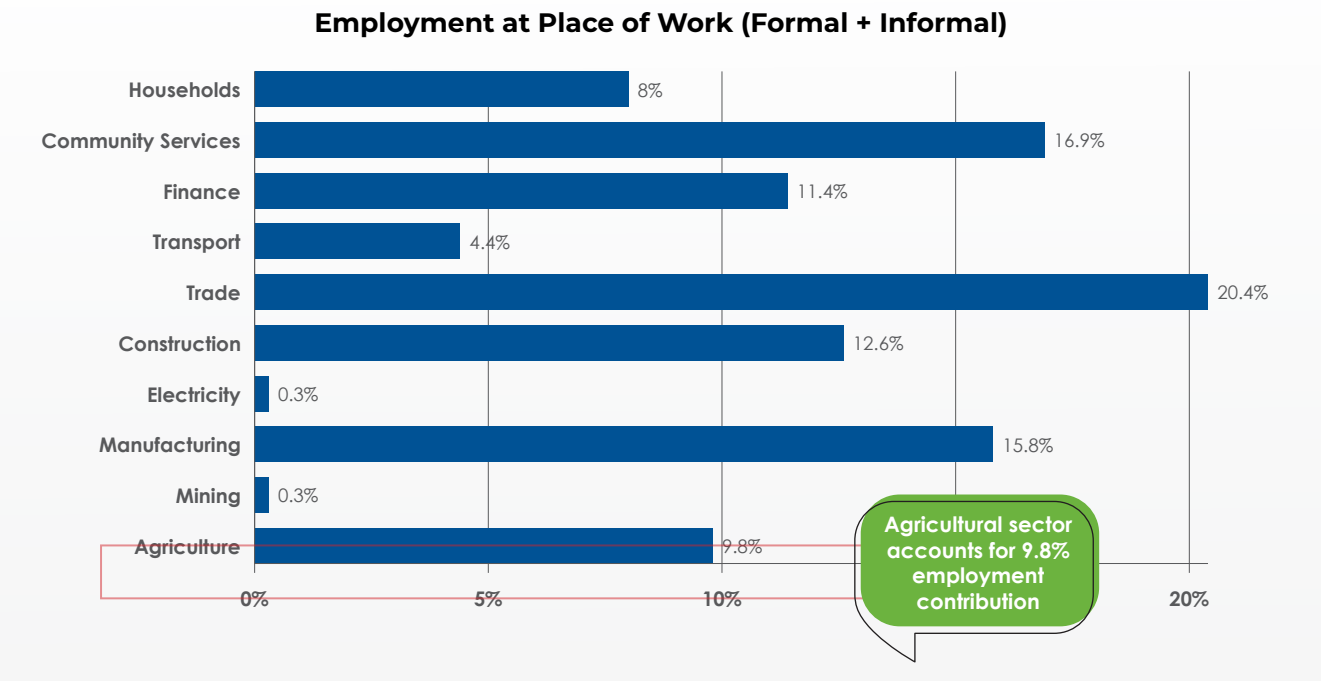
The chart below represents iLembe's share of Agriculture GVA-R to KZN. In 2012 iLembe contributed 9.31% of the provincial value, showing growth and fluctuations over the years.



Source: IHS Global Insight



The agricultural sector accounts for 9.8% of the District's employment and is the sixth largest employer after trade, services, manufacturing, construction and finance.



Source: IHS Global Insight



OPPORTUNITIES FOR INVESTMENT IN THE AGRICULTURAL SECTOR

Due to the District's strategic location to the Dube TradePort and eThekweni, there is an opportunity to turn marginal to high potential arable land to full production. The Provincial Department of Agriculture, Land Reform and Rural Development (DALRRD) has identified approximately 116 012 hectares of High Potential Agricultural Areas in the District and intends to demarcate these areas via Government Gazette, as Protected Agricultural Areas (PAAs), in terms of the Conservation of Agricultural Resources Act (No. 43 of 1983).

Other promising projects that could be scaled up to full potential through investment include:

- 1. Pig Production** – Pig production has been identified as one of the commodities with economic potential due to the availability of the abattoir in iLembe District, the Darnall abattoir.
- 2. Operation Sakhinzuzo** – This is a sugar cane project aiming to plant at least 3000 hectares of cane for Small Scale Growers (SSG) that deliver cane to the Maidstone, Felixton and Amatikulu Tongaat Hullet Mills. This project is currently jointly funded by EDTEA and Tongaat Hullet.
- 3. Macadamia Nut Production** – Fairview Estates is a secure, eco-conscious residential development that focuses on traditional farming and artisanal living. The establishment of the Fairview Macadamia Co-operative gives farmers the opportunity to enjoy small-to-medium-scale commercial farming, planting

and harvesting of Macadamia Nuts on privately owned smallholdings. With hands-on support from an experienced farm manager, participants in the co-operative can benefit from additional revenue generation. Investment over the next five years is estimated at almost R300 million.

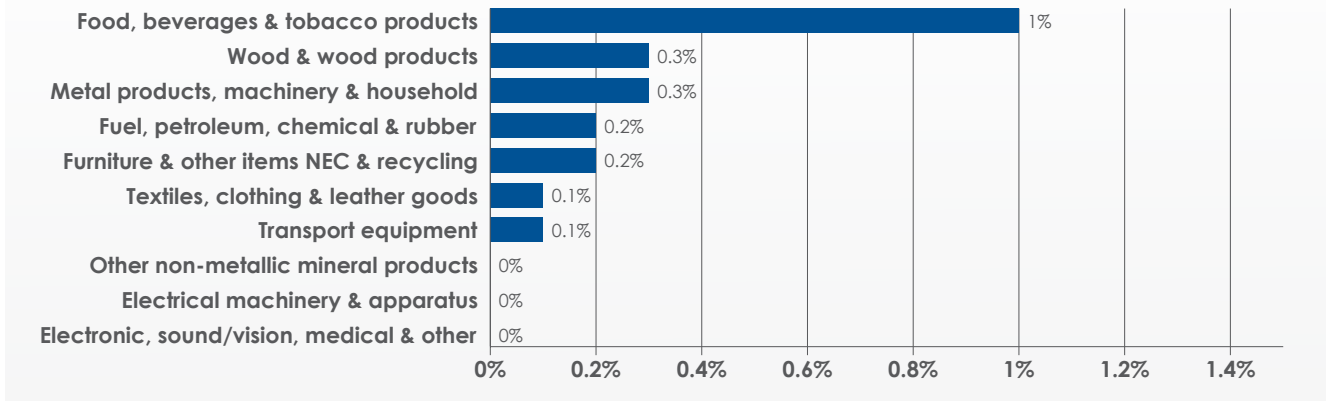
MANUFACTURING

The manufacturing sector processes raw materials into finished products such as paper, clothing, furniture, and electrical appliances. This sector is mainly characterised by the following types of industries:

- Primary sector comprising industries, such as sugar and paper mill production in the Isithebe Industrial Estate in Mandeni.
- Secondary sector activities include both light and heavy industries that are prevalent throughout the District and with a focus on the rural areas of the District.

This sector contributes an estimated 23.9% to the economy of iLembe, the second largest GVA contributor to the economy. The manufacturing sector in iLembe is well-diversified and has considerable potential for further growth given the strategic location of the District and its linkages to the rest of the KZN province. The graph below highlights the main manufacturing sub-sectors in the District.

Manufacturing Share to Total GVA-R



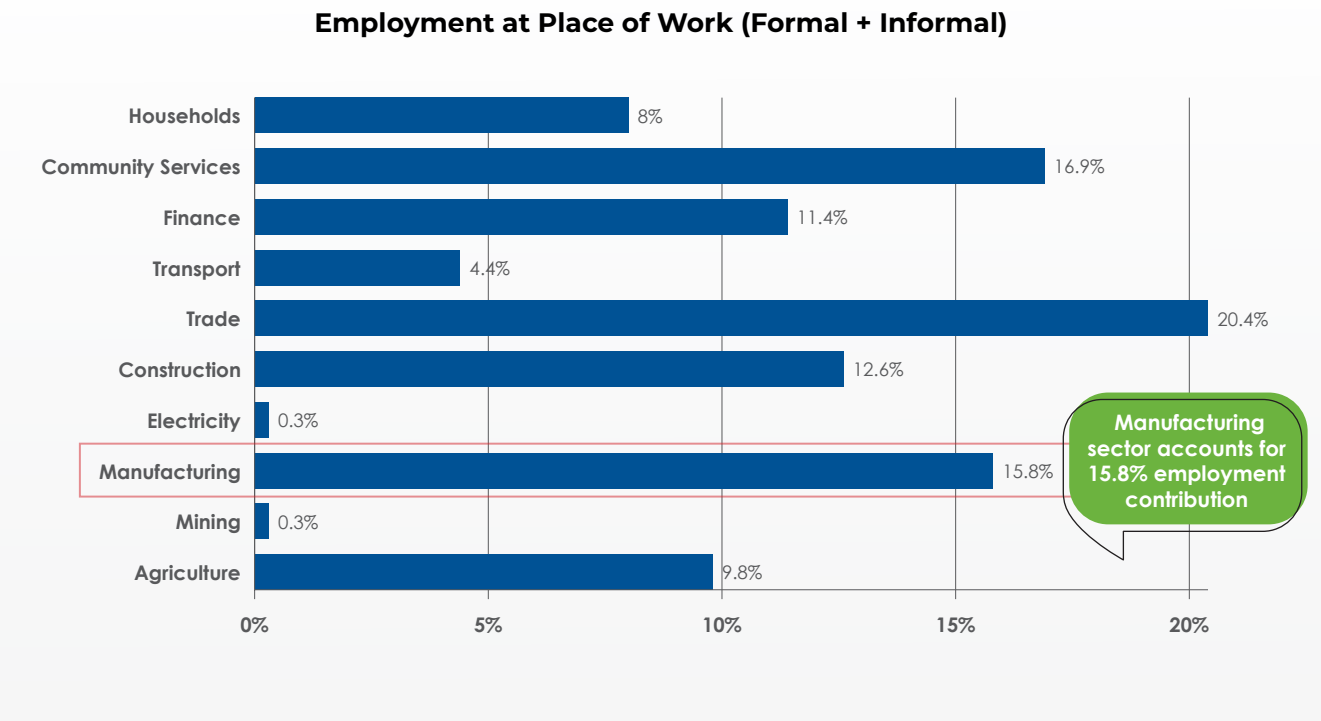
Source: IHS Global Insight

Mandeni is the main hub of manufacturing complexes in the District, with Isithebe Industrial Estate housing 45% of the manufacturers in the District. Other industrial areas within the District include:

- Ballito Business Park
- Shaka's Head Industrial Park (Ballito)
- Imbonini Industrial Park
- Hesto Harnesses, the largest single employer in KwaDukuza
- Woodmead Industrial Park, Shakaskraal
- Stanger Industrial Development with Agro-processing related industrial complexes, such as, Darnall Sugar Mill, and the Sappi Tugela Mill, amongst others
- North Point Development



The sector is one of the largest employer in the District, accounting for almost 16% of the employed population. The strategic location on the Durban-Richards Bay corridor has yielded positive benefits for the sector.



Source: IHS Global Insight

OPPORTUNITIES FOR INVESTMENT IN THE MANUFACTURING SECTOR

The manufacturing sector is clustered in Isithebe which is surrounded by informal settlements created by employment opportunities within the area. The Compensation/Ballito area north of the new King Shaka International Airport has been identified as a special economic opportunity zone. Several light industrial parks such as Imbonini offer high quality mini-factories and stand-alone

factory warehouse developments for lease or purchase.

The renewable energy sector is emerging as a key investment focus in the District, with a notable concentration of renewable energy components manufacturing, giving it a comparative advantage over the other 10 Districts in the province.

TOURISM

This sector is one of the key contributors to the economy of iLembe. The key tourism attraction falls in the rubric of the Tourism KwaZulu-Natal-established product known as the North Coast/ Dolphin Coast which stretches from Zimbali to the Tugela River. Tourism activities are generally concentrated along the coast in nodes such as Ballito and Salt Rock. This sector reflected an increase in GVA contribution of 9.9% and had contributed an excess of R3.4 billion to the economic output of iLembe District by 2022.

The district's tourism sector is structured around several components, namely:

- **Cultural and Heritage tourism** – There are many historical and cultural attractions in the District, including, the KwaDukuza Museum. One of the most visited sites is the King Shaka Memorial in Stanger, where you can visit the grave of the legendary Zulu King. The King Shaka Heritage Route is in the development pipeline, with a conceptual plan, business plan and implementation plan developed with the objective of stimulating heritage tourism and creating opportunities to unlock tourism enterprise development.

Located nearby, in Groutville, is the grave of the Nobel Peace prize winner Chief Albert Luthuli at the UCC Church and his home is now a museum. iLembe is also home to a large diverse population, especially along the North Coast, creating an attraction for those seeking to visit religious sites, sample traditionally spicy foods, and shop for fresh produce at the numerous markets.



- **Beach tourism** – Facing the Indian Ocean, which is known for its warm water that is safe for swimming and its sparkling amber sands, the beachfront is lined with restaurants and range of entertainment options. Ballito is also a surfer's paradise, offering a wide range of surfing spots all year round, and is home to the Ballito Pro, an important stop on the World Surf League tour, with its associated beach festival and music events.
- **Nature-based tourism** – Nature lovers and birdwatchers can see a variety of animals at the Crocodile Farm, Animal Farm, and the Bird Hide at Sappi Paper Mill. Picnics can be enjoyed at the Amatikulu and Harold Johnson nature reserves, which lie north of Ballito and boast indigenous flora, zebra, antelope, and diverse species of birdlife. While Amatikulu has walking trails and canoes for hire, the Harold Johnson Nature Reserve boasts a 'muti' trail, cultural museum, and historical battle sites like the Ultimatum Tree and Fort Pearson.

OPPORTUNITIES FOR INVESTMENT IN THE TOURISM SECTOR

The following identified investment opportunities exist in this sector:

1. **Nokukhanya Luthuli Street** – The Nokukhanya Luthuli Street Tourism Precinct, located in Groutville, is considered key to unlocking the tourism potential of the KwaDukuza Local Municipality and enhancing the tourism competitiveness of the region. It is centred around the Luthuli Museum, a heritage landmark charged with conserving, upholding, promoting, and propagating the life, values, philosophies, and legacy of the late Chief Albert Luthuli. The vision of the Nokukhanya Luthuli Street Tourism Precinct is to establish, in the long term, a world known tourism precinct that will promote the Groutville area as a tourism destination and drive opportunities for investments. The establishment of the precinct is a long-term development vision intended to promote local economic development through tourism enterprise development. Capital expenditure requirements for the infrastructural upgrades required are estimated at R20m to R30m, with the public sector providing the majority of funding that is intended to unlock investment opportunities for restaurants, Shisa'nyama and car wash facilities, home-stay accommodation, lounge and entertainment areas, coffee shops, curio, art and craft shops, and informal trading space.
2. **KwaShushu Springs** – KwaShushu Hot Springs (also known as the Shushu Hot Springs) is a thermal spring located in the middle of the Tugela River, about 140km west of KwaDukuza town and 20km from the town of Kranskop. The site itself and the surrounding area is naturally vegetated by thorn trees, indigenous forests, as well as grasslands, that are disturbed by cattle grazing. The site is currently undeveloped. There are semi-formal campsites located on an island along the riverbank and the area is a popular camping and caravan spot during the June-July holiday.
3. **Itshe lika Ntunjambili** – a Zulu word that means "rock of two arches or openings", the name is derived from a red sandstone peak feature, which towers 1 175m above the Thukela River Valley. The name also refers to the area in the vicinity of the cliff approximately north

of Kranskop within Ward 1 of Maphumulo Municipality. The Ntunjambili Mountain forms part of the Ngcolosi Traditional Council area and is accessible from the P15-1 linking Kranskop to the south and Nkandla and Eshowe to the north.

As part of this transformation, the services and products provided at the two sites will include a refinement of already existing services as well as the introduction of new, adventurous, and exciting activities. Activities to enhance the two areas include paragliding, gorge swing, rock climbing, bird watching in Itshe lika Ntunjambili; and thermal springs bathing, open air events at the amphitheater, river rafting activity, hiking trails in KwaShushu Hot Springs.

A business plan for KwaShushu Hot Springs has just been completed and an Investment Prospectus is available presenting partnership opportunities with the local community for tourism accommodation and attractions. To date government has contributed funding for infrastructure including water and electrification of the sites and ablution facilities.

4. Thukela Lifestyle Resort – Thukela Lifestyle is a 330-hectare Medical Tourism and Luxury Lifestyle Resort, this first of its kind multi-dimensional medical, hospitality and residential complex is set on the banks of the Tugela River and close to the ocean. In terms of ideal location, Thukela is approximately 45 minutes' drive from Durban and 25 minutes' drive from the King Shaka International Airport, giving it access from both domestic and international tourism markets. This is a prime location for a lifestyle wellness estate and will include a large residential (eco-estate) component, a first of its kind medical and wellness resort development, hotel and commercial components. The project has been financed by project initiators to enable it to be "spade ready". In principle, commitment is in place from Development Fund Institutes for 50% of the first phase development costs of R1.4 billion. Thukela Lifestyle Resort is currently available to enter into negotiations with both the private and the public sector. The main area of focus would be the financing of the project and Thukela is available to consider equity as a channel to raise appropriate funding.



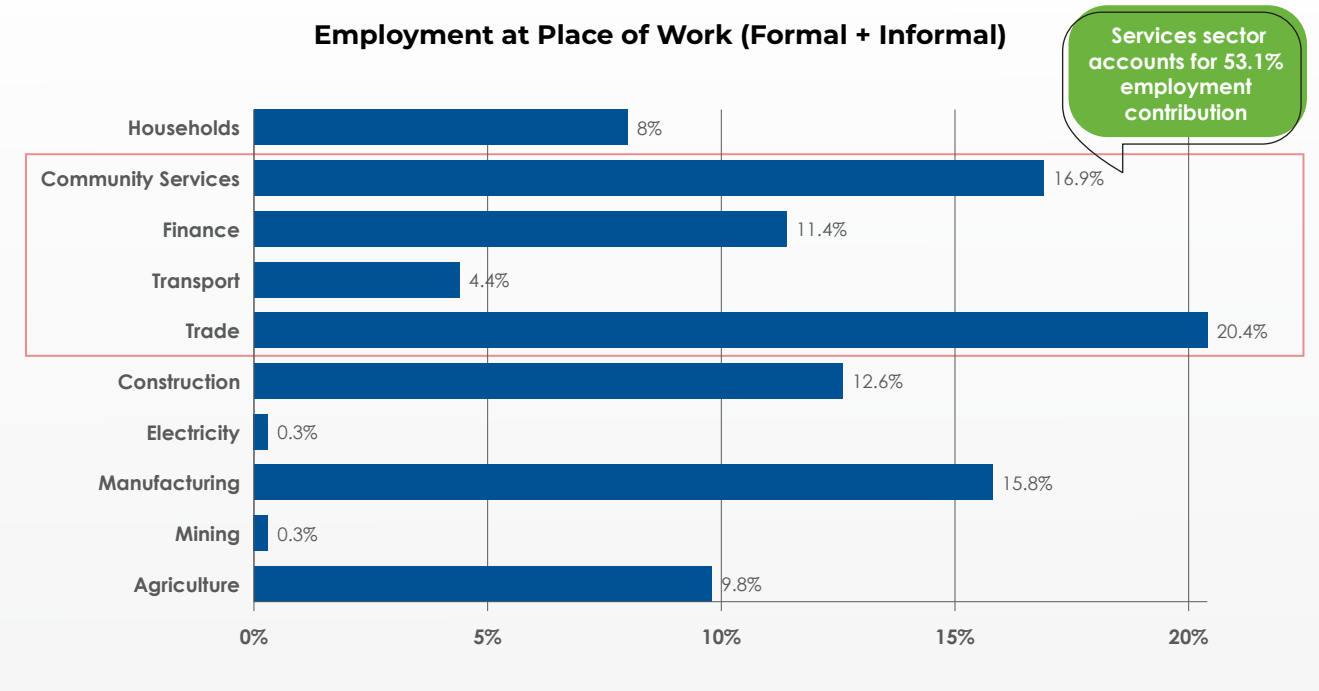
COMMERCE AND SERVICES

The commercial and services sector is found in all the urban centres throughout the District, with high concentration in KwaDukuza and Ballito. The main components of the commerce and services sector are:

- Wholesale, retail trade
- Transport, storage, and communication
- Financial, insurance, real estate, business services
- Community, social, and personal services
- Government services

In 2022, the commerce and services sector contributed almost 58.4% to the District's GVA

This sector is also the main provider of employment opportunities for the District, supporting around 53.1 % of all employment in the District.



Source: IHS Global Insight

OPPORTUNITIES FOR INVESTMENT IN THE REAL ESTATE, COMMERCE AND SERVICES SECTOR

The District is home to several sought-after residential estates and is currently experiencing a large in-migration from other parts of the country, driven by the trend towards greater flexibility and remote working. The following residential estates all present fantastic investment opportunities for high income earners, with a combination of vacant land stands, townhouses, apartments and free-standing houses on offer:

- Brettenwood Coastal Estate
- Caledon Estate

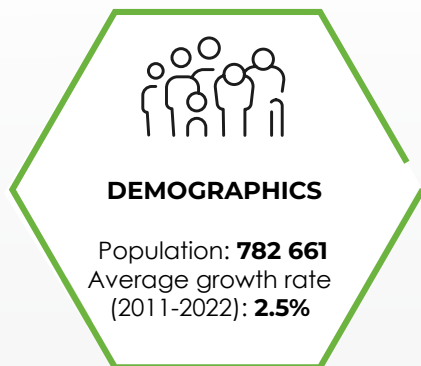
- Dunkirk Estate
- Palm Lakes Estate
- Simbithi Eco-Estate
- Shorten country Estate
- Umhlali Golf Estate
- Zululami Coastal Estate
- Zimbali Lakes

Investment opportunities also exist in the commercial property sector, with a wide range of purpose-built A grade office properties available in sought-after locations.

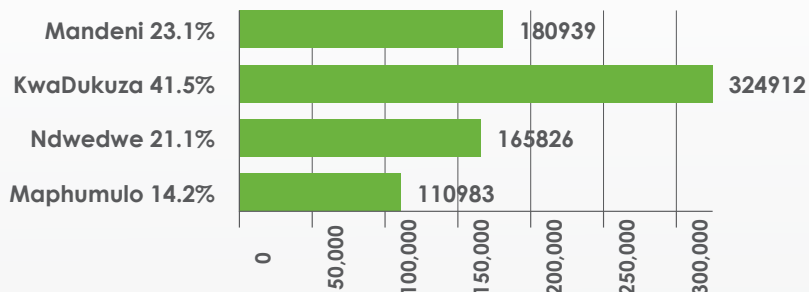


4. DEMOGRAPHIC PROFILE

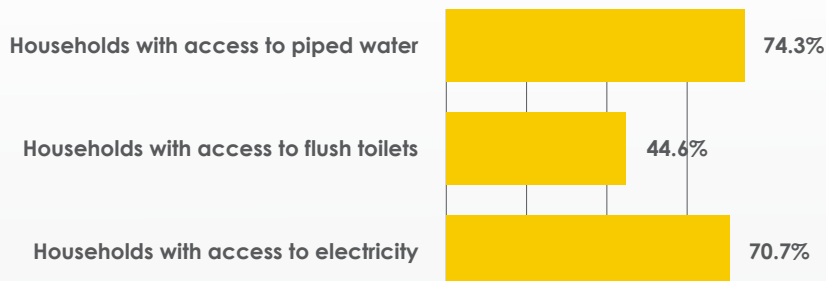
DEMOGRAPHICS



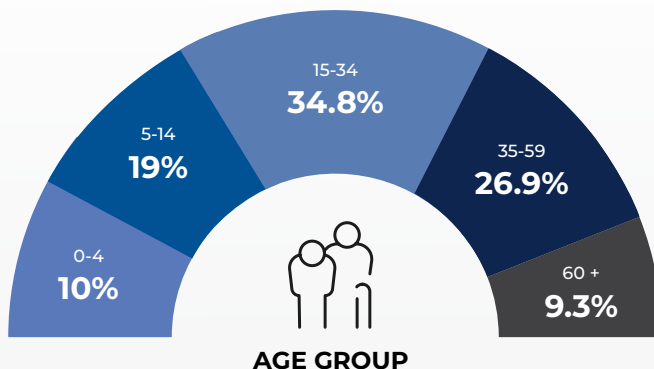
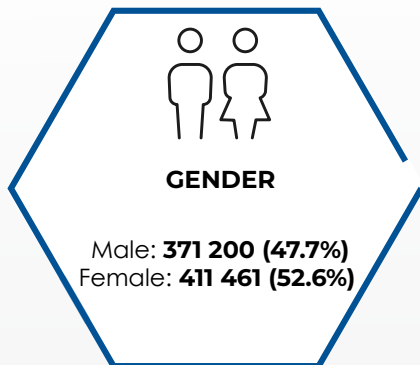
Population share by local municipality



Source: Census/Statistics South Africa

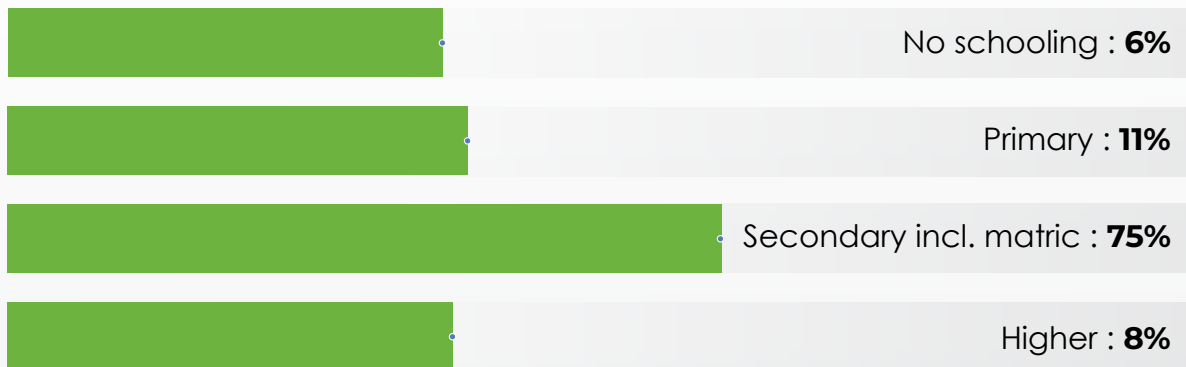


Source: Census/Statistics South Africa



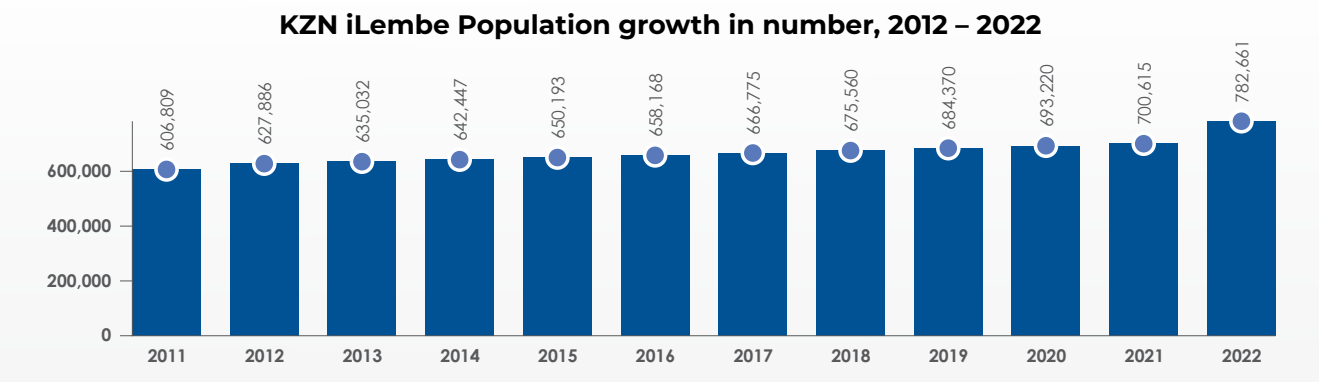
Source: Census/Statistics South Africa

EDUCATION LEVELS (20+)

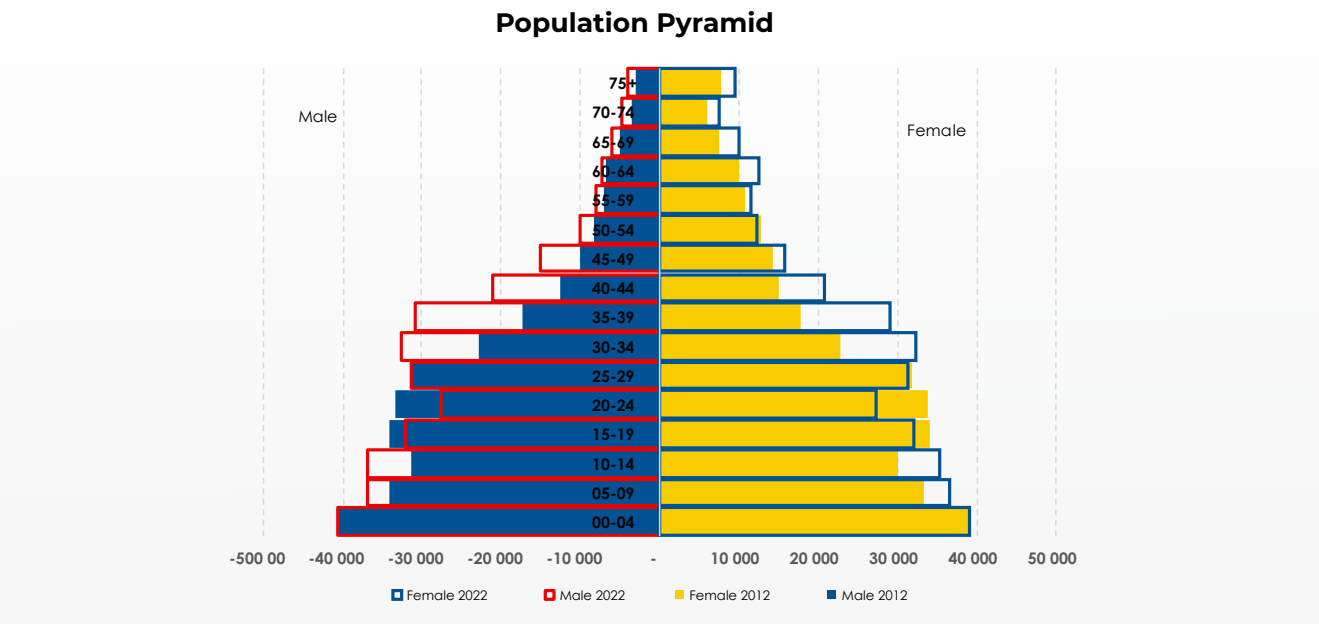


KZN ILEMBE POPULATION

Between 2012 and 2022, the population of the district grew from 606 809 to 782 661 depicting an average growth rate of 2.5%.



Source: Census/Statistics South Africa

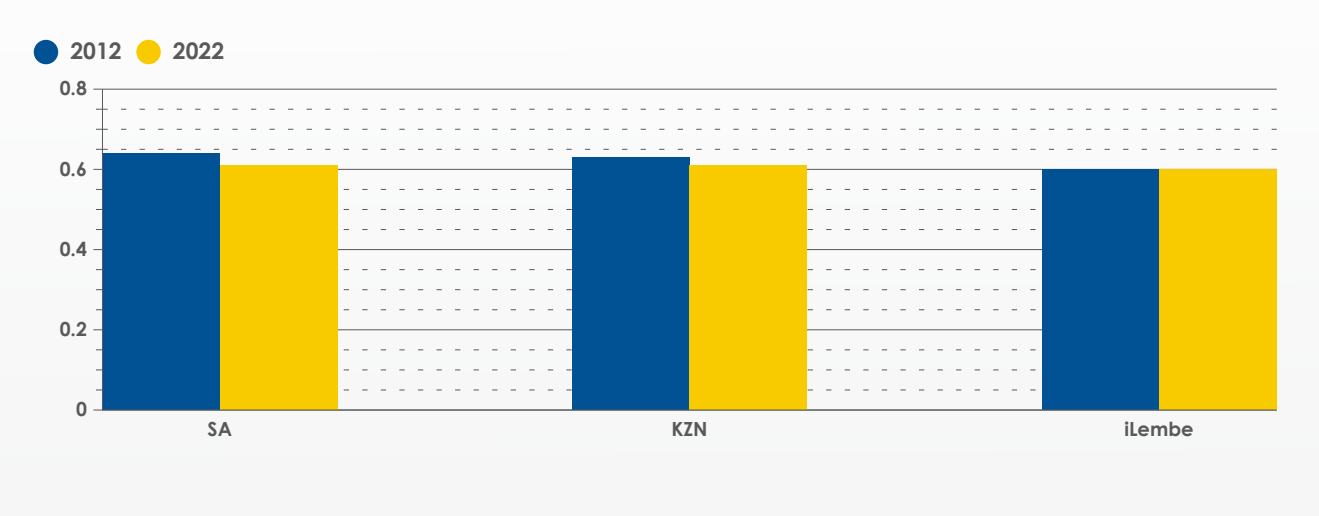


Source: IHS Global Insight

EMPLOYMENT AND SKILL LEVELS

Despite its strategic location to significant economic activities, iLembe is not immune to the triple challenges of unemployment, inequality and poverty facing the country. The District has a Gini Coefficient Index of 0.6, which is considered a significant income disparity. In comparison with the South African and KZN coefficient sitting at 0,61, iLembe's society is comparatively more equal.

2012 vs 2022 Gini Coefficient

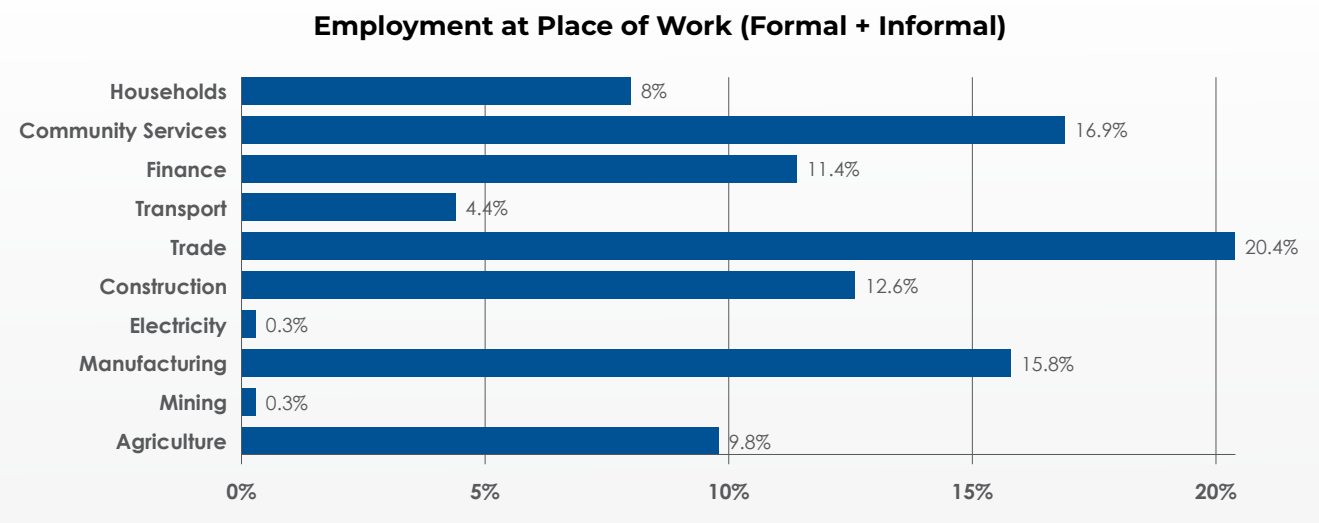


Source: IHS Global Insight

There are high levels of poverty in the rural and inland areas, which contrasts with the rapid development along in the coastal strip. However, the District has been proactive in developing broad-based interventions to facilitate local economic development in response to hight unemployment levels and correspondingly high rates of poverty.

EMPLOYMENT BY SECTOR

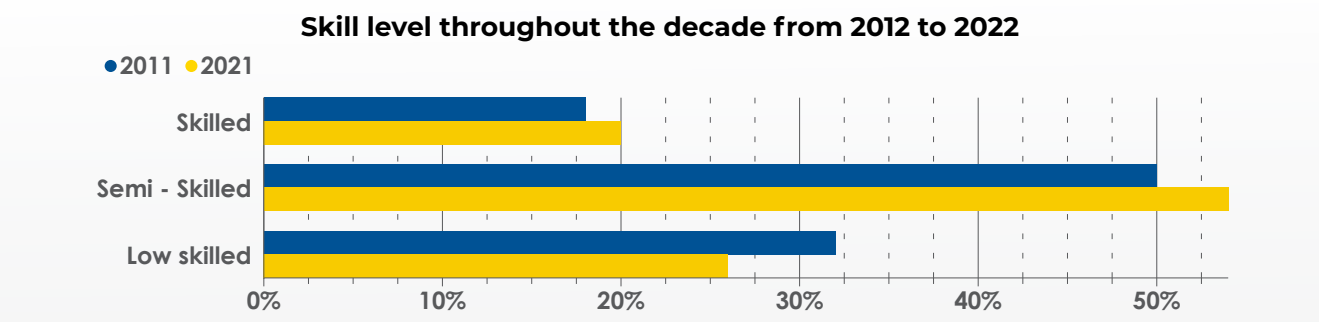
The graph below highlights the employment per sector.



Source: IHS Global Insight

LABOUR FORCE SKILLS PROFILE

The labour force within iLembe District is mainly semi-skilled to low skilled: an estimated 46.4% of the labour force is semi-skilled, 31.3% considered low skilled, and 22.3% considered skilled.



Source: RSA Standardised Regional (Quantec), 2024

Positively, shifts in the District's skills profile are encouragingly showing a reduction in low-skilled labour and corresponding improvement in the semi-skilled and skilled categories, creating a labour force with skills suited the work of the future.

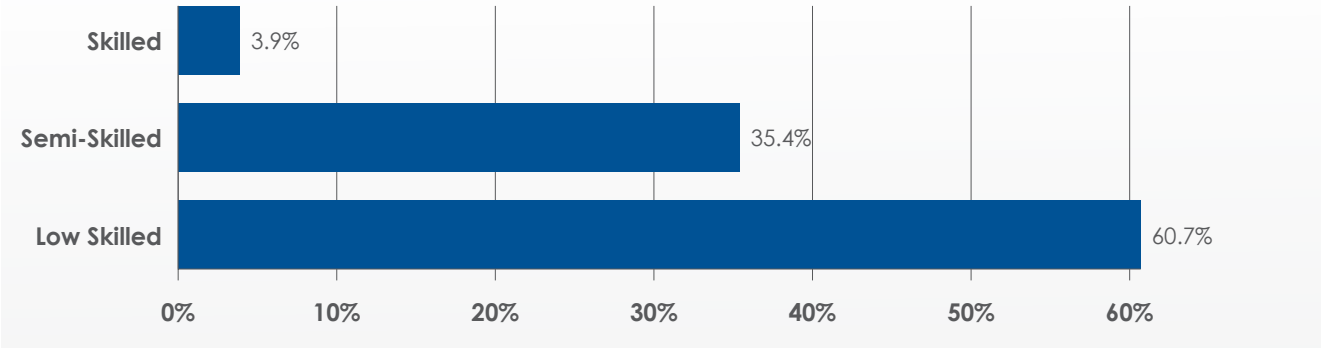
ILEMBE OCCUPATIONS PROFILE

SKILLS PROFILE	ILEMBE OCCUPATIONS PROFILE 2023	
	OCCUPATION	PERCENTAGE ESTIMATE
SKILLED	Legislators; senior officials and managers	8.8%
	Professionals	4,6%
	Technicians and associate professionals	6,6%
SEMI-SKILLED	Clerks	7.7%
	Service workers; shop and market sales workers	27.7%
	Skilled agricultural and fishery workers	0.5%
	Craft and related trades workers	13.8%
	Plant and machine operators and assemblers	5.0%
LOW SKILLED	Elementary occupations	25.4%

2001 and 2011 Community Profiles Percentage Estimation, 2024

The agriculture, forestry and fisheries sector is characterised as having a low skilled labour force. An estimated 60.7% of the labour force is low skilled, about 35.4% is semi-skilled, and only 3.9% is considered skilled.

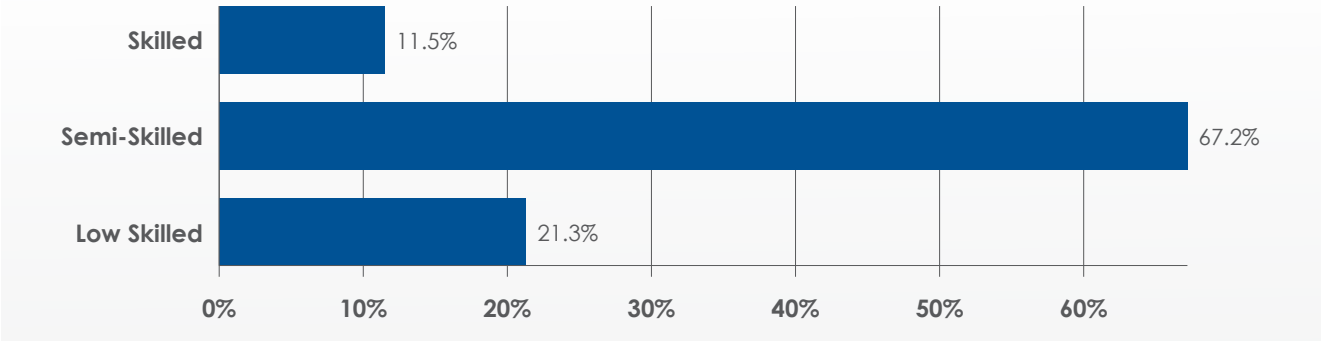
LABOUR FORCE SKILL LEVELS IN AGRICULTURE, FORESTRY AND FISHERIES SECTOR, 2022



Source: RSA Standardised Regional (Quantec), 2024

The manufacturing sector is characterised as having a semi-skilled labour force accounting, which accounts for at least 67.2% of the labour force, low skilled labour accounting for 21.3%, and skilled labour for 11.5%.

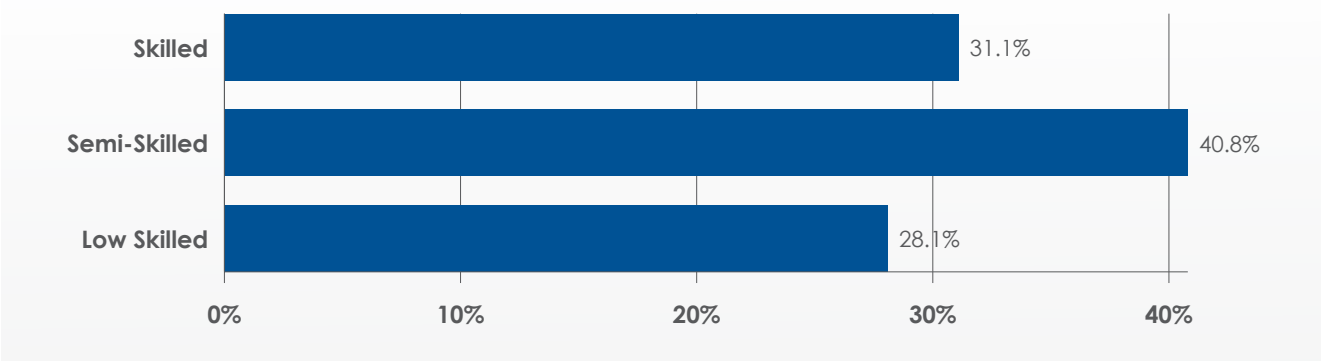
LABOUR FORCE SKILL LEVELS IN MANUFACTURING SECTOR, 2022



Source: RSA Standardised Regional (Quantec), 2024

The services sector, the dominant sector in terms of Gross Value Added (GVA) contribution within the District, has a comparatively high skilled labour force, with 31.1% of those employed in the sector considered skilled, 40.8% considered semi-skilled, and 28.1% considered low skilled.

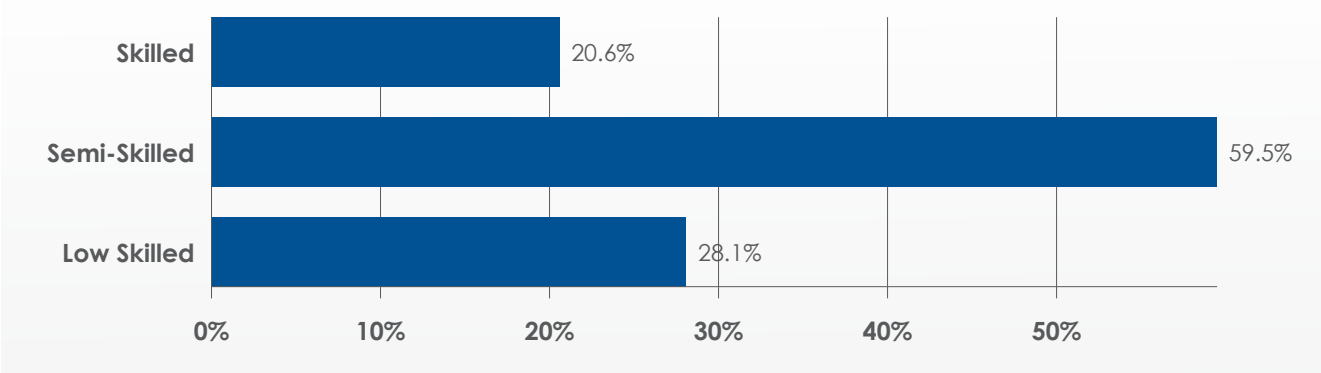
LABOUR FORCE SKILL LEVELS IN SERVICE SECTOR, 2022



Source: RSA Standardised Regional (Quantec), 2024

The Wholesale and retail trade, catering and accommodation sector is characterised as having a semi-skilled labour force accounting, which accounts for at least 59.5% of the labour force, skilled labour accounting for 20.6%, and low skilled labour for 19.8%.

LABOUR FORCE SKILL LEVELS IN WHOLESALE AND RETAIL TRADE, CATERING AND ACCOMMODATION SECTOR, 2022



Source: RSA Standardised Regional (Quantec), 2024



5. ILEMBE'S SUPPORTING INFRASTRUCTURE

iLembe's strategic location and its well-developed transport infrastructure provides the District with a competitive advantage in accessing the markets of sub-Saharan Africa.

The District's road transport infrastructure provides efficient, integrated linkages to the rest of KZN and the rest of the continent. This infrastructure includes the Dube TradePort and a comprehensive road network.

TRANSPORT AND ACCESS TO MARKETS

ROAD LINKS

Within iLembe there is a well-developed network of highways and arterial roads. This plays an important role in expeditiously and efficiently moving freight. All major industries within the District are located along national highways or on main arterial roads with efficient connections to the highways. The main road network consisting of freeway (N2), the R102 and the M4 (a coastal road) facilitates the smooth movement of traffic into and out of iLembe.

The N2 acts as a main corridor that links District to the powerhouses of the province, Durban and Richards Bay, with driving time of less than one hour and 30 minutes respectively between the two cities. The N2 has links to the N3, of which is the main east-west freeway linking iLembe to the inland and northern parts of the country.

As part of government's Covid-19 Economic Recovery Strategy, the KZN former Premier Sihle Zikalala launched a R292 million road construction project in Ndwedwe Local Municipality. The construction of this road, the P714, will unlock economic opportunities for the community and create much needed jobs. The road will connect this community to essential services such as schools, clinics, hospitals, and public transport facilities. In total, the road spans 37.1 km, and will improve agricultural trade, create connectivity between Ndwedwe and economic activity centres within iLembe District.

While the rapid development of the Dolphin Coast has placed strain on the road transportation infrastructure, the KwaDukuza Local Municipality continuously allocates a significant portion of the budget to the improvement of the area's infrastructure.

AIR LINKS

The District being located in proximity to the King Shaka International Airport provides easy access via air travel into iLembe. This airport accommodates large international aircraft such as Boeing 787 or Airbus A330 and modern platforms for air-freight logistics. This is of strategic importance to the District considering the size of its manufacturing sector.

DIGITAL CONNECTIVITY

There are plans to roll out backbone and access networks to extend broadband infrastructure to all municipalities within KwaZulu-Natal province. This is to ensure that broadband services are available to all parts of the province with initiative being values at an estimated R2.8 billion.

The SEACOM submarine telecoms cable systems which connects South Africa to the rest of Africa has only two landing points in the country one of which is located in close proximity to iLembe and the other is in the Western Cape. This gives the District access to high-speed internet and makes for viable distribution. Enterprise iLembe has also launched a broadband project using access to undersea fibre optic cabling to provide fast internet to inland areas in Maphumulo and Ndwedwe. This will enable the building of ICT hubs in rural areas that give the students access to the internet for, among other things, job searching purposes and provision of IT training opportunities.

BALLITO URBAN IMPROVEMENT PRECINCT (UIP)

A UIP is a public/ private partnership that aims to improve public space service delivery within a defined geographic area, thereby creating desirable locations that result in, stronger economic activity, the creation of jobs and more secure property investments. The nature of a UIP structure is to partner with local municipalities to improve the quality of an area's public space and has a proven track record of combating urban decay. The main objectives of a UIP are to:

- Retain existing investment and build investor confidence
- Create an environment which supports vibrant and responsible business activity
- Improve safety, the general environment and quality of life for the benefit of all
- Respond to the challenge of environmental sustainability.



Source: <https://ballitoui.co.za/site/buip-boundary/>

In the second half of 2015, the Ballito UIP was established. This aim was to forge municipal partnerships that will optimise public service delivery and co-ordinate with property owners' collective efforts to improve the Ballito precinct as a whole. The UIP provides privately funded supplementary services focusing on cleaning, maintenance, greening, and security and serves as a catalyst for social and environmental responsibility within Ballito. The UIP supplements existing municipal service levels to the standards required to ensure that Ballito remains a desirable investment and lifestyle destination-it does however not duplicate municipal services. Property owners as paying members, represented by an annually elected

board of non-remunerated director, ensure that privately procured supplementary services are being delivered at the required service standards as specified by a Service Level Agreement. This delivery is supported through a communication network and fault report/service request system.

THE ISITHEBE INDUSTRIAL ESTATE: THE MANUFACTURING HEART OF THE DISTRICT

Comprising 414 hectares of self-contained industrial area, the estate has more than 180 companies producing a wide variety of goods and services. Collectively, these companies employ approximately 20 000 people in decent jobs. The estate is served by tarred provincial roads and is approximately 15km from the N2.

The estate offers prospective investors:

- A competitive rental structure and cost-effective production space located midway between the important import and export facilities offered by Durban and Richards Bay.
- Readily available labour force, the total population residing in the immediate area is estimated to be some 200 000.
- It is serviced with bulk supply connections (water, electricity, sewerage, refuse collection, fire protection)
- Medical facilities, doctors and private emergency services operate from within Isithebe and the nearby Mandeni residential area.
- Commercial banking and business facilities.

Isithebe is well placed to participate in the momentum around a multi-modal logistics platform for the Durban-Richards Bay corridor. The rail links between the King Shaka Airport and Port of Richards Bay are an important component of this advantage. Owned and operated by Ithala Development Finance Corporation, the estate is extensive and provides a stable operating environment suited to upgrading the province's manufacturing competitiveness.

INDUSTRIAL ECONOMIC HUBS: DRIVING REGIONAL COMPETITIVENESS

An Industrial Economic Hub (IEH) is a strategically planned community of manufacturing businesses seeking enhanced economic performance through collectively managed resources like energy, water, sewer reticulation services among others. A notable strength for iLembe is its accessibility to KZN's main IEHs, namely the Richards Bay Industrial Development Zone (RBIDZ) and the Dube TradePort, both of which are also designated as Special Economic Zones (SEZ)

DUBE TRADE PORT

The Dube TradePort Special Economic Zone is a world-class manufacturing and commercial precinct that provides a globally integrated intermodal infrastructure for logistics, agriculture, warehousing, offices, retail, and hospitality. Businesses operating within the Special Economic Zone are offered various benefits that are designed to promote their growth, generate

revenue, create employment opportunities, attract both foreign and local investments and drive the production of export value-added commodities.

Dube TradePort is comprised of five business zones:

1. Dube TradeZone is a light industrial precinct for manufacturing, assembly and logistics facilities.
2. Dube AgriZone is an integrated perishables supply chain precinct.
3. Dube City is a modern business and commercial centre within the airport precinct.
4. Dube iConnect provides voice and data services to developments within the precinct, as well as cloud computing solutions to the world.
5. Dube Cargo Terminal is a dedicated airfreight terminal.

Dube TradePort aims to become the foremost manufacturing and air logistics hub in Southern Africa, with seamless integration into intermodal road, air, and port infrastructure. The company is a significant contributor to job creation and economic growth in KwaZulu-Natal and is located near iLembe's.



Source: Dube Trade Port

KZN AEROTROPOLIS: A FUTURE SMART CITY

King Shaka International Airport is at the centre of the emerging Durban Aerotropolis, which is expected to benefit iLembe District Municipalities due to its proximity to the Dube TradePort.

There is increasing global agreement that an 'aerotropolis' is an urban form placing an airport at its centre, with a city developing around it, linking workers, suppliers, business decision-makers, and goods

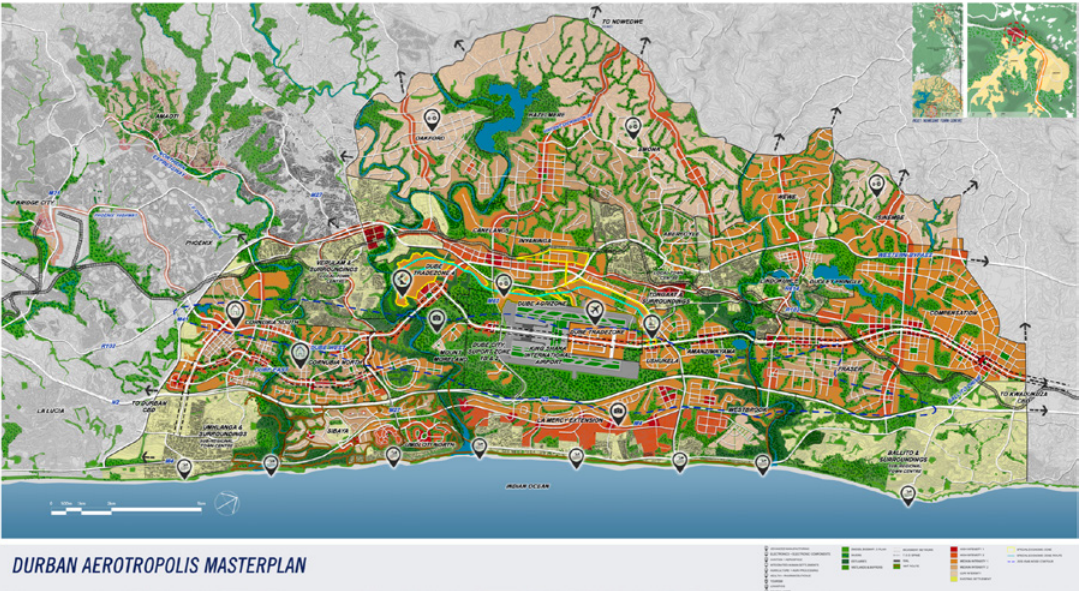
to the global marketplace. Air cargo, today, is considered a major force in the global context, connecting the world, driving business location decisions, and promoting competitiveness.

An “aerotropolis” is an urban design where the airport is the centre of a city, connecting, workers, suppliers and goods to markets around the world. Today, air connectivity has a significant influence on the global economy, delivering goods, and people and influencing corporate location as well as fostering competition.

The world's major airports are becoming significant points for production, affording businesses three vital attributes: speed, agility, and connectivity. Regions meeting these attributes will attract inward investment and major airports have therefore emerged as potent drivers of economic growth and development.

Dube TradePort a “Greenfield” site, is a 50-year Master Plan that can serve as the foundation for the development of the Durban Aerotropolis. This is a well-thought-out, long-term development comprising several nodes planned as a broad airport city with the Durban Aerotropolis evolving along development corridors, linking Umhlanga, Ballito, Tongaat, and incorporating property belonging to one of the province’s biggest landowners, Tongaat-Hulett. Its controlled and planned development paved the way for economic efficiency and environmental sustainability.

Durban Aerotropolis is positioned to transform into a sustainable and environmentally conscious metropolis, reshaping the face of business in South Africa and serving as both an anchor and an economic engine for the surrounding area's future growth.



Source: Dube Trade Port

PORT OF RICHARDS BAY

The Port of Richards Bay is South Africa's primary and most modern cargo handling port. The port is also home to the Richards Bay Coal Terminals, the largest coal export facility in the country. Although originally built to handle coal exports, the port has become South Africa's premier bulk port, handling other dry bulk in addition to coal, including liquid bulk and breakbulk cargo.

The Port of Richards Bay covers almost 22 km² of land and 15 000m² (0.15km²) of water. It exports products from Mpumalanga, KZN, the Eastern Cape, and Northern Cape. The Port of Richards Bay is primarily an export port, sending cargoes of coal, timber, and granite to ports around the world. Rail links connect the Port to Durban in the south, and Eswatini and Mpumalanga in the north. There is an excellent road system connecting the Port to Gauteng, Eswatini, Mozambique and Mpumalanga, and an excellent road transport corridor to Durban. This connectivity gives iLembe strategic positioning to take advantage of the economic activity in Durban and Richards Bay and link the supply chains with identified export products.

Source: Trade & Investment KZN



PORT OF DURBAN

Also known as the Durban Harbour, the Port of Durban is the largest and busiest shipping terminal in sub-Saharan Africa. It is South Africa's main cargo and container port handling the largest volume of sea-going traffic of any port in Southern Africa. Ideally placed on major shipping routes and with excellent rail and road links, the port plays an integral role in the country's economy. Occupying the natural expanse of Durban Bay, it covers an area of 18.5 km², with the water area ranging from 6.8km² at low tide to 8.9 km² at high tide. The emerging Point waterfront development and central business District are situated to the north and northeast, Maydon Wharf to the west, the Bayhead ship repair area to the south, and the Bluff Peninsula to the southeast.

The port is linked to the interior by the KZN rail corridor and the N3, as well as the R33, giving rail access to Gauteng and the Southern African hinterland. There is an additional rail line, the North Coastline, that provides a connection to Richards Bay and the northern and eastern interior. The proximity of iLembe to the port activities and the associated transport and logistics will produce economic spin-offs for the District.

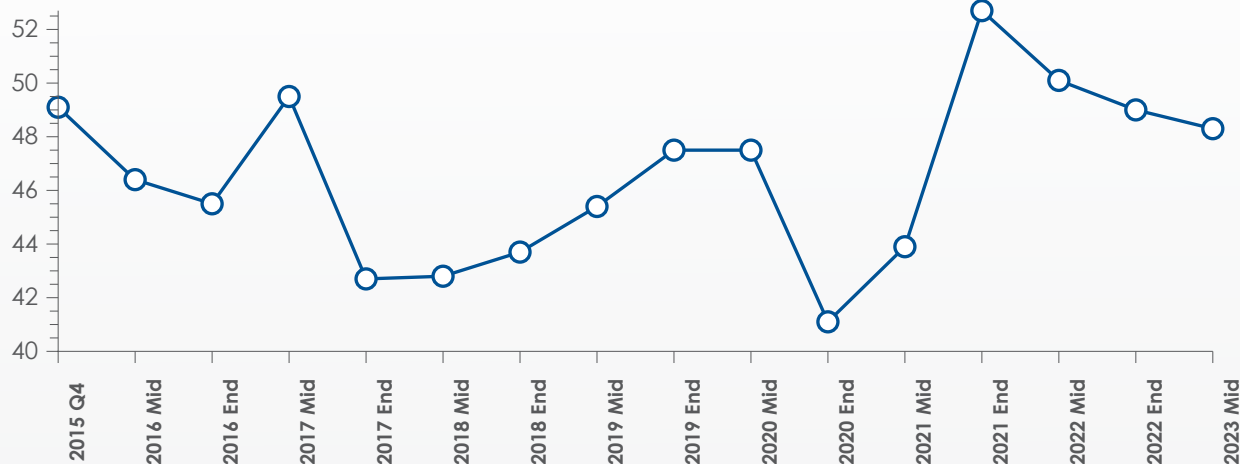




6. BUSINESS CONFIDENCE LEVELS

Enterprise iLembe in partnership with the iLembe Chamber of Commerce, Industry and Tourism, collaborate to produce the iLembe Business Confidence Index (iBCI), aimed at providing a bi-annual picture of business confidence in the iLembe District, as well as an overall business outlook.

iLembe Business Confidence (hybrid index)



The iBCI Economic Activity Index component remained unchanged at 55.6 index points, the fifth successive period of positive economic activity for the iLembe District.

The negative regional business sentiment resulted in the combined hybrid iBCI (i.e. both the Survey and Economic Activity Indices) declining into negative territory, i.e. below the neutral level of 50 index points. The iBCI 2022 Year-End was recorded at 49 index points, a decline of 1.1 index points compared to the 1st half of 2022, and a 3.7 index point decline Y/Y.

7. ILEMBE REMAINS AN ATTRACTIVE INVESTMENT DESTINATION

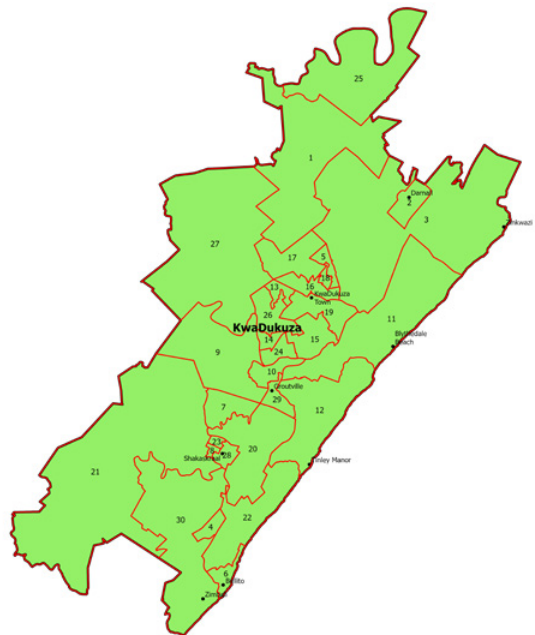
KWADUKUZA LOCAL MUNICIPALITY

The Municipality is linked with a well-developed network of roads and rail infrastructure, and the key feature of KwaDukuza is the N2 Development Corridor.

Stretching from Zinkwazi River in the north to the Tongaat River in the south, KwaDukuza Local Municipality occupies a coastal and inland stretch of approximately 50km in length and 14km in width, covering around 735 square kilometres of land. The municipality has a variety of clustered and ad hoc settlements and small towns. It is the District node and dominant commercial centre in the iLembe.

Highly immersed in rich history and heritage, KwaDukuza Municipality is the proud resting place of Inkosi uShaka, who is recognized as one of the world's greatest strategists and nation builders of all time. It is an historical fact that Inkosi uShaka ruled the mighty Zulu nation in his latter days while based at KwaDukuza and is home to King Shaka's gravesite and memorial. The town is built on the original site of King Shaka's royal settlement, Dukuza. Among the greats that KwaDukuza Municipality is proudly associated with is Inkosi Albert Luthuli, who was born and bred at the Groutville Mission. The existence of this great leader, teacher and visionary, provided

KwaDukuza with the opportunity to produce the first Nobel Peace Prize Laureate on the African Continent when he himself the recipient of the prize in 1960. KwaDukuza boasts a 50km stretch of coastline along the Indian Ocean. The Municipality has two primary economic hubs, namely the towns of KwaDukuza and Ballito.



"The vision of the KwaDukuza Municipality is to, by 2030, be a vibrant city competing in the global village, economically, socially, politically and in a sustainable manner."

There are several new investment projects that have received the necessary development approval:

Club Med Tinley Manor Resort – The internationally renowned Club Med brand is preparing to make its South African debut with the creation of a picturesque resort on the Dolphin Coast. The resort's 350 guest rooms and 50 standalone villas will be joined by abundant amenities including a gourmet restaurant and bar, a Club Med spa, a conference centre, sports facilities and a kids club, as well as several swimming pools. From tennis and Petanque courts to the oceanfront village with sunlounger-lined pool and bar, all the facilities will be tucked into the greenery of this verdant coastline. The resort is expected to open in 2025.

King Shaka Mall and Mixed-Use Development Precinct – A 22 000m² mixed use development located in KwaDukuza Town. Construction and Occupation have commenced.

Elaleni Coastal Forest Estate – Comprising 128 residential stands, the Estate offers an off-grid sustainable lifestyle rich in nature and combined with state-of-the-art security. Located in Sheffield Manor, close to Ballito and 15 minutes' drive from King Shaka International Airport, the Estate offers convenience and luxury. Construction and occupation have commenced.

Zimbali Lakes Township Establishment – A mixed-use development comprising 3 800 residential units, retirement homes, a resort and retail and commercial units. Earthworks have commenced. Springvale Country Estate – Covering 58 hectares, the Springvale Country Estate is inspired by modern farm living and comprises the Springvale Farm and Springvale Village. Located in Sheffield, the

development is slated to contain 165 residential units. Land parcels of 2 100m² are available from R1.45 million.

Ballito Hills Scheme Amendment – Comprising 1 320 residential units, the Ballito Hills Lifestyle Estate is located just 20 minutes from King Shaka International Airport. Construction and occupation have commenced.

Blythedale Coastal Estate – Situated on 1 000 hectares of the land, just 20 minutes north of Ballito, the property development offers lifestyle living with 3.2km of unspoiled beaches, tranquil forests, and pristine river frontage. The development will include inclusionary affordable housing, an equestrian estate with 4 500m² freehold sites, an 18-hole Championship Golf Course with Mediterranean style villages surrounding it, and 320 hectares of indigenous forest. Construction has not yet commenced.

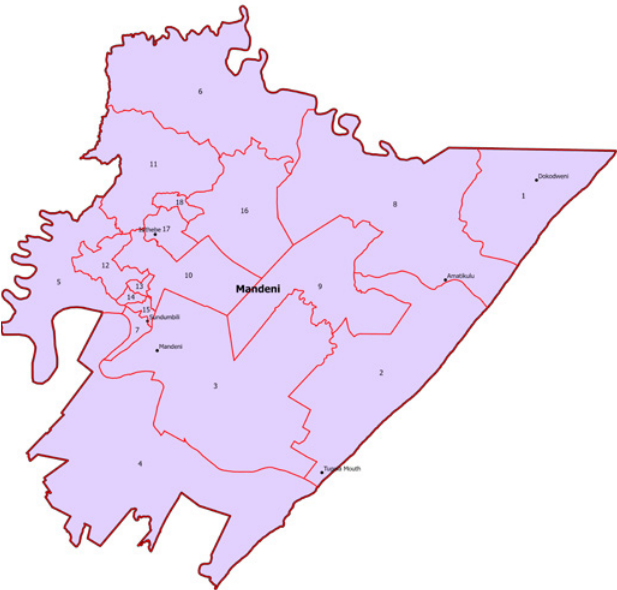
MANDENI LOCAL MUNICIPALITY

Mandeni Local Municipality covers an area of approximately 545 square kilometres and is located coastal municipality situated about 100km north of eThekweni and 80km south of Richards Bay. It lies along the N2 national corridor, as well as the north-south rail link connecting the economic hubs of Durban and Richards Bay. As such, the municipality is strategically located to provide services to, and derive economic benefits from these economic hubs.

Predominantly rural in character with Ingonyama Trust land accounting for the majority of its landmass, the municipality is home to Mandeni

town and Sundumbilli township, which are its only major economic nodes that function as service centres.

Isithebe industrial estate offers cost-effective production space, with import and export commodities outside the region linked to the harbours of Richards Bay and Durban. The SAPPI Tugela Mill is also located within Mandeni and both the Mill and iSithebe provide opportunities to grow and attract large scale manufacturing and heavy industry to the municipality. The municipality is well-positioned to participate in the momentum around a multi-modal logistics platform for the Durban-Richards Bay corridor.



Tugela River developments – Several complementary developments are planned for Mandeni, on the north bank of the Tugela River, namely, the Tugela North Housing Development, Tugela Tides Resort, Tugela River Lodge, and Tugela Destination Golf Course. Covering an area of 1 400 ha, collectively, these developments will add approximately 2 000 residential and tourism accommodation units to the market. Development has not yet commenced.

NDWEDWE LOCAL MUNICIPALITY

Situated approximately 20km inland from the Indian Ocean coast and bordering the eThekweni Metro to the south, Maphumulo Local Municipality to the north, and KwaDukuza to the east, most of the municipality is rural authority land. Within the regional context, much of the Ndwedwe Local Municipality represents the former KwaZulu homeland, consisting of traditional settlement areas which, while located in relatively close proximity to major urban and economic developments (e.g., King Shaka International Airport and Dube TradePort), have remained relatively underdeveloped and disadvantaged.

The municipality is predominantly rural, comprising mostly tribal land, which is administered by the Ingonyama Trust on behalf of local communities. Sugarcane cultivation is the predominant economic activity and land use in the municipality. Subsistence agricultural activities in the form of small cropping areas attached to traditional family units dominate land usage. The key features that define Ndwedwe are the opportunities that have emerged at various levels:

- Business cluster developments (manufacturing warehouses and distribution)
- Business Parks
- Agro-processing plant for processed food and semi-perishables
- Agricultural distribution warehouses and
- Housing Estates at Mona Area (10km radius of Dube Trade Port) and at Ndwedwe Village

In addition to the above, the Ndwedwe Town Development offers new great opportunities for residential, commercial, and other services while unique tourism attractions exist related to the Zulu Rural Cultural Trail, with the area also commanding high agricultural potential.



INVESTMENT PROJECTS

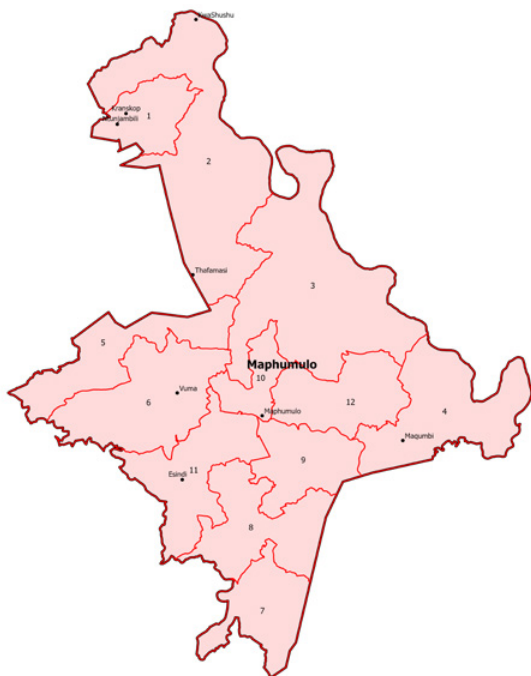
Bamshela retail developments – Bamshela in Ndwedwe is home to a recently developed 1ha retail centre anchored by Spar. The centre is now operational. Construction has commenced on a 2ha retail centre to be anchored by Shoprite.

Ndwedwe Town retail developments – In Ndwedwe Town, there are plans to develop a 2ha retail centre anchored by Spar and a 1ha central shopping plaza to complement the existing 2ha Boxer Shopping Centre.

"By 2030 The people of Ndwedwe will have a prosperous and vibrant economy, where their aspirations as met"

MAPHUMULO LOCAL MUNICIPALITY

Taking its name from the isiZulu word meaning "place of rest", Maphumulo Local Municipality is bounded to the north by Tugela River and extends approximately 30km to its southern boundary with Ndwedwe Local Municipality. It is situated on the R74 Road from KwaDukuza to Kranskop and linked to Ndwedwe in the south by the P711. The primary administrative centre of the Municipality is the town of Maphumulo, which is located approximately 38km north-west of KwaDukuza Municipality.



- Other prospects the municipality is branded with includes the cultural resources namely; the nine Iron Age sites, historical sites of Cetshwayo's grave and a world battle site of the Bambatha Rebellion where Zwede of the Ndwedwe clan was defeated by Shaka and itshe lika Ntunjambili.

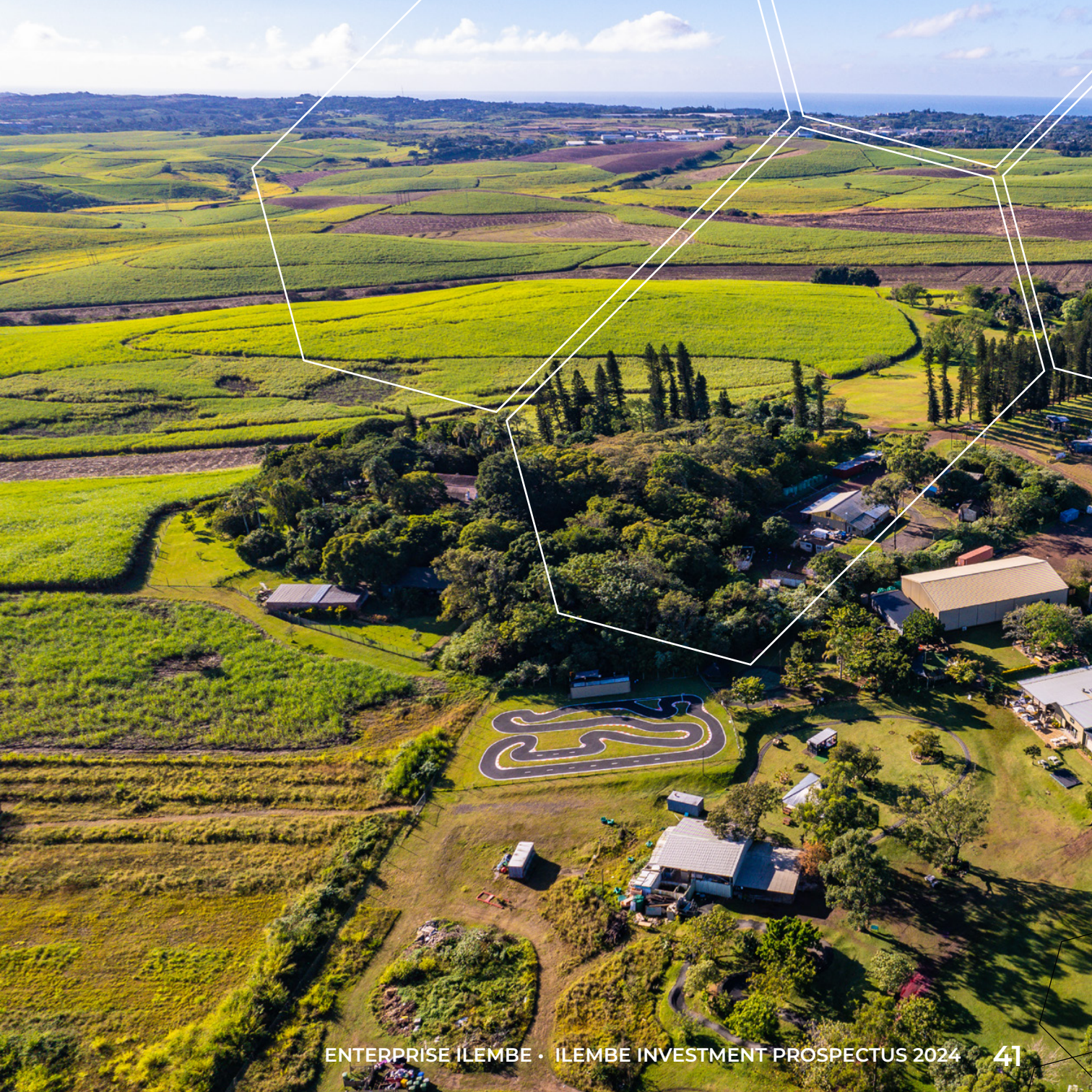
From an investment perspective, the formalisation of the Maphumulo town and adoption of a Land Use Management Scheme, and introduction of valuation roll present numerous untapped opportunities linked to cultural and eco-tourism, the municipality has a vision of being a catalyst for sustainable socio-economic development to create a better life for all residents.

Maphumulo Town retail developments – The 5 000m² Shopping Centreville is proposed to complement the existing and operational 11 700m² Maphumulo Spar. Construction has not yet commenced.

Other key defining features of Maphumulo Municipality include the following:

- Maphumulo is characterized by its predominantly rural character with agriculture as the main economic activity to such an extent that at least 50% of the households are involved in agricultural activities. Most of the land is associated with Ingonyama Trust followed by private ownership and a very small percentage is directly under the control of the municipality.
- It is characterized with numerous opportunities for tourism which include many natural assets such as the main rivers; uThukela which meanders along KwaShushu, UMvoti River and the Die Kop Mountain.

"The vision for Maphumulo Local Municipality is to be a catalyst for a sustainable social economic development, for a better life for all."



8. ILEMBE INVESTMENT PROTOCOL

The Department of Trade and Industry and competition (DTIC) reviews regulatory systems in the areas of competition, consumer protection, company and intellectual property, as well as public interest regulation. The department oversees the work of national and provincial regulatory agencies mandated to assist the dtic in providing competitive and socially responsible business and consumer regulations, for easy access to redress and efficient markets.

The DTIC works hand in hand with the following institutions to achieve its mandate:

- The National Consumer Tribunal (NCT), which adjudicates on credit and consumer matters, to ensure equity in the credit market and balances the rights and responsibilities of credit providers and consumers;
- The National Credit Regulator (NCR), which regulates the consumer credit industry, to improve consumer protection in the end-user credit market and provide effective debt counselling and review mechanisms;
- The Competition Commission, which is responsible for the investigation, control and evaluation of prohibited practices, exemption applications, mergers, and acquisitions;
- The Competition Tribunal, which is an adjudication body responsible for promoting and maintaining competition through the implementation of the Competition Act;
- The World Intellectual Property Organisation (WIPO), which facilitates South Africa's contribution to an international regime for IP;
- The Estate Agency Affairs Board (EAAB), whose main role is to regulate the activities of estate agents and protect the public against unscrupulous members of this profession;
- The Companies and Intellectual Property Commission, which deals with registration of companies, adherence to financial standards, provision of business rescue interventions and enforcement of non-compliance;
- The Companies and Intellectual Property Tribunal, which is responsible for adjudicating matters arising from the Companies Act;
- The Takeover Regulation Panel and the Financial Reporting Standards Council, which will also be established pursuant to the Companies Act and assume responsibility for regulating affected transactions and the issuance of standards; and
- The National Consumer Commission, which ensures well-functioning markets that are fair, competitive and responsible to consumers.

REGULATORY ENVIRONMENT

The following regulations are deemed important to the investor, this list is only a summary and investors should visit the government websites for an exhaustive list:

LABOUR LAWS

Two of the most important labour regulations in South Africa are the Labour Relations Act, 1995 (No. 66 of 1995) and all its subsequent amendments, and the Basic Conditions of Employment Act, 1997 (No. 75 of 1997). Other laws include the Skills Development Act, 1998 (No. 97 of 1998), the Skills Development Levies Act, 1999 (No. 9 of 1999), the Employment Equity Act, 1998 (No. 55 of 1998), the Occupation Health and Safety Act, 1993 (No. 85 of 1993) and the Compensation of Occupational Injuries and Diseases Amendment Act, 1993 (No. 181 of 1993).

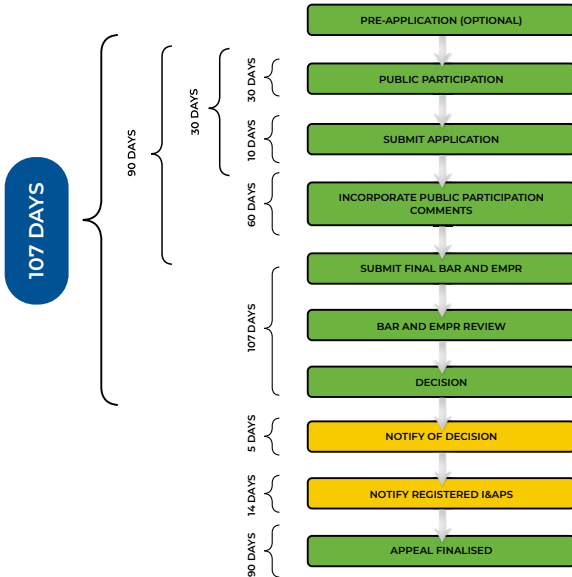
ENVIRONMENTAL LAWS

The attention on Environmental legislation is constantly increasing in South Africa. Since 1994, various pieces of legislation have been introduced to protect the environment and promote its sustainable use. Some of these are listed below:

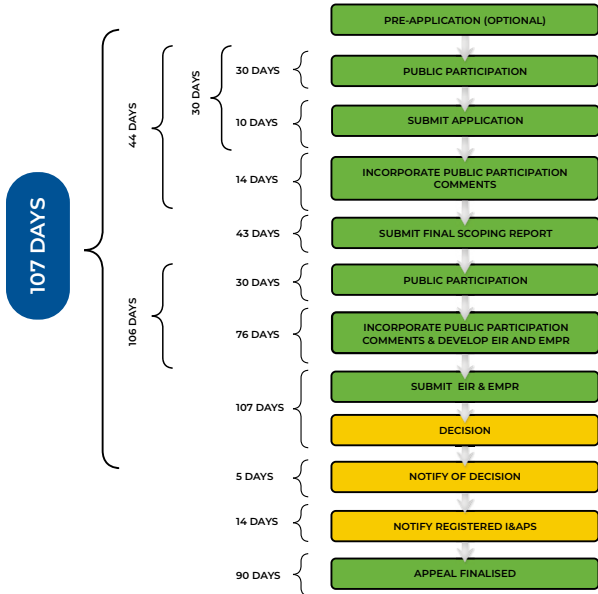
- The National Environment Management Act (NEMA), No. 107 of 1998, the principal Act which provides a legal framework for decision-making on matters affecting the environment;

- Environmental Impact Assessments (EIAs) at national and provincial level for listed (identified) activities which may have a detrimental effect on the environment;
- The Department of Environmental Affairs has revised regulations for EIAs to, inter alia, make them more streamlined and provide for more effective public participation. The new EIA Regulations 2014 (GN no 236, 2014) came into effect on 7 April 2014, and stipulate the mandatory processes and associated timeframes for undertaking an Environmental Impact Assessment), which is a necessary step in the development approvals process in South Africa. In KwaZulu-Natal, the Department of Economic Development, Tourism and Environmental Affairs (EDTA) is the entity legally mandated with enforcement of the EIA regulations and therefore with the authority to provide approval for a development to proceed. The EIA regulations distinguish between two prescribed processes, the need for which is determined by project scale, duration and complexity, and the anticipated significance of impacts, namely, a Basic Assessment process, or a more detailed Scoping and Environmental Impact Report process. Government notices No. 983, 984, 985, R324, R325 and R327 provide a list of activities for which a particular process must be followed. An Environmental Assessment Practitioner (EAP) must be appointed on behalf of the developer, to undertake the assessment process. The processes and timeframes associated with each type of assessment are illustrated in the images below:

BASIC ASSESSMENT PROCESS TIMEFRAMES



EIA PROCESS TIMEFRAMES



Source: <https://www.envass.co.za/eia-ba/>

- The National Environmental Management: Biodiversity Act, 2004 (No. 10 of 2004), which provides a regulatory framework to protect South Africa's valuable species, eco-systems and biological wealth and The World Heritage Convention Act, 1996 (No. 49 of 1999), which covers the management, protection and sustainability of the country's world heritage sites;
- The National Environmental Management: Air Quality Act, 2004 (No. 39 of 2004), which provides a regulatory framework for air quality management in order to protect the environment and provide reasonable measures for the prevention of air pollution while promoting ecologically sustainable development;
- The National Environmental Management: Waste Act, 2008 (No. 59 of 2008), which provides a regulatory framework for the management of waste in order to protect human health and the environment by providing measures for the protection of pollution and ecological degradation and to secure environmentally sustainable development.
- The Carbon Tax Act (No. 15 of 2019) took effect on 1 June 2019 and is considered South Africa's most far-reaching response to climate change. It establishes a tax regime aimed at assisting the transition towards a low carbon economy. This regime is administered in phase, the first of which covers the period 1 June 2019 to 31 December 2023, where carbon tax will be levied at a rate of R120 per tonne of carbon dioxide equivalent (Co2e) of greenhouse gas emissions. Thresholds for emissions from fuel combustion, industrial processes, and fugitive sources will be set and taxes levied

when these thresholds are exceeded. During the first phase, taxes will increase by Consumer Price Inflation (CPI) + 2% per year, and thereafter, from January 1 2023, by CPI. A taxpayer will be liable for carbon tax where it conducts activities set out in Schedule 2 of the Act and emits GHG above the specified thresholds. New developers and existing businesses must be aware of their tax obligations and seek tax advice on what these obligations are.

LAND ACQUISITION

Currently, there are very few restrictions on the purchase of property by non-residents, but there are procedures and requirements that must be complied with in certain circumstances. For example, entities registered outside South Africa intending to purchase property in South Africa must be registered in the country and must appoint a South African-resident public officer for a local company whose shares are owned by a non-resident. In the event that a non-resident is planning to purchase property in South Africa with the intention of residing here for longer periods, he/she will have to apply for permanent residency in accordance with the given requirements and procedures of South African law.

The South African Reserve Bank (SARB) refers to foreigners as non-residents (regardless of whether they are natural persons or legal entities) whose normal place of residence, domicile or registration is outside the common monetary area of South Africa. If the non-resident intends on paying cash for the property, the transaction can be processed without intervention from the South African Reserve Bank. Property in South Africa is usually purchased through a registered broker or real estate agent, who would be registered as such with the Estate Agency Affairs Board (EAAB).

It is recommended that the parties allow approximately 3 months for registration to take place. This can be shorter, but the exact time span depends on various factors which may cause delays out of the Conveyancer's control, such as the following:

- If the Purchaser is buying a free-standing house, the Conveyancer has to obtain a Rates Clearance Certificate from the relevant Municipality; it is not possible to lodge the deeds in the Deeds Office without this Certificate.
- The deeds may also only be lodged in the Deeds Office after the Conveyancer receives a Transfer Duty Receipt from the South African Revenue Service as proof that transfer duty has been paid. Should the Receiver have any queries regarding a tax issue, it can also cause a delay as they will not issue the Transfer Duty Receipt unless the matter has been resolved.

MUNICIPAL LAND

Local authorities are major holders of public land, with most land developments falling under the jurisdiction of the municipal councils. In terms of legislation, some municipalities permit the direct negotiation of land sales, while others require tendering in some, or all cases. Tendering typically

requires a period of 12-18 months. However, the process can be completed in as little as six months, while direct negotiation tends to be significantly quicker. However, a period may also be allowed for communities to lodge objections and/or appeals against such agreements.

INGONYAMA TRUST LAND

Land-falling within the jurisdiction of the traditional leaders belongs entirely to them and their subjects. Consequently, sales, acquisition and/or development of this type of land must follow the provisions of the Ingonyama Trust Board. The Board is the land-owner-in-law of some 2 700 000 hectares (27,000km²) of land spread throughout the province. Land-owners cannot sell or lease their property without prior approval of the Ingonyama Trust Board. This ensures protection of both land-owners and investors against abuse of land rights and inconsistent arrangements.

- **Sales of Trust Land** – The Board does not usually agree to the sale of the Ingonyama trust land, as this is viewed as potentially diminishing the area of land in black ownership. Occasionally however, where the circumstances indicate that a sale is the logical approach and with the consent of the relevant Traditional Council (if any), land is sold.

Leases of Trust land – In most of the Board prefers to enter into leases for the use of Trust land. Ownership thus remains with the Trust for ultimate transfer in due course to its beneficiaries. It is standard policy, in the case of undeveloped sites, to issue a short-term lease for up to two years to enable would-be developers to obtain planning

and environmental consents and to secure finance for the development. Thereafter, a lease for a term of up to forty years, with an option to renew for a further forty years, is normally granted once the requirements of the short-term lease have been met.

- **Permission to Occupy** – In addition to applications for commercial and agricultural purposes, the Board processes many applications for residential sites. Many of these sites are the subject of 'Permissions to Occupy', which were granted up until 1 April 2007. Permissions to Occupy are no longer issued, except in exceptional circumstances, as they afford limited security for funding and are not registrable interests.
- **Servitudes** – The Board has a considerable amount of public infrastructure on its land, such as roads, transmission lines, pipelines, bulk water and railway lines. It is the standard policy of the Trust for such infrastructure to be evidenced by a registered deed of servitude.

MUNICIPAL PLANNING REQUIREMENTS

In 2015, the Spatial and Land Use Management Act (SPLUMA) came into effect and created a legal land use planning framework for all municipal authorities. However, according to SPLUMA, each municipality is required to put in place its own municipal tribunal and by-laws that deal with planning or development issues, with all municipalities in iLembe District Municipality executing these requirements. The Act outlines how each municipality should go about

processing applications for developments within their respective areas. SPLUMA covers areas within and outside town planning schemes. Applications are logged according to the respective chapter of the Act; however, they follow the same procedure, which is outlined below:

1. Applicant lodges an application with the municipality
2. The Municipality then calls for relevant supporting documents
3. Once the application is deemed a complete application, it is then circulated to internal departments.
4. The applicant has the onus of placing an advert on local newspaper, placing site notice and notifying the neighbours within a 100-meter radius of the development to take place close to them. They are given 30 days in which they submit their written comments or objections to the development.
5. After the 30-day window period, the planner must prepare a report to the council planning committee.
6. The council planning committee recommends to the executive council and full council for approval.
7. This is followed by the issuing of conditions of establishment.

The fees for the applications are based on the municipal schedule of tariffs, which are set out in different chapters of the Act.

UTILITIES CONNECTION

South Africa is a water-scarce country with an annual per capital water availability of approximately 1 200 m³ per annum, with 15%

of this supplied by government-owned water resources. Average annual rainfall is 497 mm, which is relatively low in comparison the global average of 860 mm per year. This rainfall is unevenly distributed, with 65% of the country receiving less than 500 mm annually and 21% receiving less than 200 mm. However, South Africa has a relatively well-developed water infrastructure, with a network of dams and inter-basin transfer schemes across the country. The storage per capita is considerably higher than that of any other African country. This infrastructure has played a significant role in ensuring that the country is able to maintain agricultural irrigation during droughts.

For large scale developments, iLembe District Municipality requires a Service Level Agreement (SLA) to be signed for the supply of water and sanitation. This process can take a minimum of 3 months from the date of receiving the finalised SLA from a developer. This is also a pre-requisite for the municipalities to approve development applications.

Eskom, a state-owned enterprise, generates approximately 95% of the electricity produced in South Africa, and 45% of electricity used in Africa. Eskom sells electricity to local authorities, who act as redistributors. The local redistributors, in turn, supply the majority of electricity to end-users. Eskom also sells directly to the end-user when the following occurs:

- When the local redistributor is unable to meet the needs of heavy electricity users (20 kilowatts or more); or
- When no local redistributor has jurisdiction over a particular geographic area

The application and installation procedures are simple and swift for a site with an existing structure and an adequate electrical supply already in place, i.e., where no equipment upgrades or added infrastructure are required. An application for the supply of electricity should be submitted to the nearest Eskom sales office at least seven days prior to the requested connection date. Connection fees vary, depending on the category of service (standard users, off-peak users or peak users). A cash deposit or bank guarantee may also be required to cover costs in the event of non-payment.

Eskom is also able to meet the needs of investors who require capacity upgrades, such as energy-intensive factories. For capacity upgrades, the waiting time depends on the availability of the size of transformer required. Costs also depend on the size of the upgrade. The utility is also able to supply power to 'greenfield' sites in serviced areas. However, investors should prepare their applications well in advance. Installation can take up to 24 months for large projects, as some of the connection activities may require a separate Environment Impact Assessment process, and/or application for land rezoning. Investors may submit an application for the supply of electricity or a letter of requirements to the nearest Eskom office. Eskom will provide an estimated quote of installation costs, which is negotiable, within 14 days of the initial application.





9. INVESTOR AND BUSINESS SUPPORT - ENTERPRISE ILEMBE

ENTERPRISE ILEMBE

Enterprise iLembe is the Economic Development Agency of the iLembe District Municipality. The agency's mandate is to drive economic development and promote trade and investment in the region. This mandate is focused on four key sectors which are considered the economic growth engines of the future for the District.

- Agriculture
- Tourism
- Manufacturing
- Property & Construction

ENTERPRISE ILEMBE MANDATE AND FUNCTIONS

- Develop, review and strengthen the local economic development strategy on behalf of the District and family of municipalities.
- Champion a wide range of activities which emerge as important from the family of IDPs and LED Strategies
- Co-ordinate Local Economic Development (LED) activities to ensure alignment and integration.
- District marketing and promotion of tourism and investment promotion
- Facilitate the identification, packaging and implementation of catalytic projects in the four key sectors and new sectors.
- Provide professional and multi-skilled support and networking services to major investors who wish to invest in the region.
- Work with local government to facilitate a business enabling environment.
- Implement business, retention and expansion (BR&E) programmes in partnership with local business.

KEY STRATEGIC GOALS

- Facilitate the packaging & implementation of projects in existing and new sectors
- Market and Promote the iLembe District as an Investment, Tourism & Business Destination
- Research other potential growth sectors in addition to the current four sectors of main focus
- Identify, build and co-ordinate partnerships among socio economic stakeholders

- Facilitate research that assists with Policy Development and formulation that impacts the mandate of the Agency
- Influence policy and the regulatory environment for socio economic development and investment
- To ensure sound financial management and viability of the entity iLembe Chamber of Commerce

Enterprise iLembe is able to assist and facilitate the following services to new investors as well as for existing businesses, through its Business Retention and Expansion Programme;

- Assist with the identification of suitable land/premises for the business operations including the necessary negotiations with landowners/landlords.
- Assist with the facilitation of relevant applications and approval processes within government departments.
- Facilitate for new investors/businesses to introduce their product to local municipalities via the various Inter-governmental Structures.
- Assist with the identification of SMMEs for local supply.
- Assist in the identification through local municipalities and relevant structures, suitably qualified and skilled labour.
- Endeavour to introduce and promote businesses to other relevant departments and stakeholders in the region in order for engagement on the product offering and benefits.
- Share any relevant market studies and statistics for the iLembe District.
- Assist with applications for the Black Industrialist Scheme through the Department of Trade & Industry.

ILEMBE CHAMBER OF COMMERCE, INDUSTRY AND TOURISM

The iLembe Chamber of Commerce, Industry and Tourism is a non-profit business association that represents credible, ethical and progressive businesses in the District.

The significance of a credible, grassroots association furthering the interests of business, as a social partner in South Africa, has rarely been more real and important.

The iLembe Chamber's focus on accelerated regional economic growth, the viability of small and medium enterprises and promoting investment in key economic sectors, amongst others, is critical to economic growth and job creation.

As the advocate for business minded members of the wider iLembe community, the Chamber presents and represents the interests of business to local, District, provincial as well as the national government, making iLembe a better place to live, work, do business and invest in.

The iLembe Chamber of Commerce aims to:

- Be the recognised and effective voice of business on the North Coast of KZN, South Africa
- Promote the region as a Tourism, business and investment destination
- Help grow and strengthen local business
- Bridge the gap and improve communication between the Public and Private Sector.
- Provide a platform for business linkages and business opportunities

"Our focus as iLembe Chamber is to accelerate the economic growth and job creation in the region. We do this through ensuring viability of small and medium enterprises and promoting investment in key economic sectors. By joining the Chamber, you become part of a dynamic and progressive network, which plays an important role in the ongoing creation of business success, and part of a group of professionals, friends and associates who are here to help one another and to support efforts to develop a thriving businesses community."

Source: <https://www.ilembechamber.co.za/>

TRADE AND INVESTMENT KWAZULU-NATAL

Trade and Investment KwaZulu-Natal (TIKZN) is a trade and inward investment promotion agency, established to promote the province of KZN as an investment destination, and to facilitate trade by assisting local companies' access international markets.

TIKZN's Chief Executive Officer, is supported by a management team and board of directors from key industries in the province. The institution also boasts highly skilled staff members with strong backgrounds in, marketing, investment promotion, strategy and research, as well as project management.

The organisation came into being following the national government's decision to divest investment promotion to the provinces, rather than retaining it as a national function as had previously been the case. Nationally, the Department of Trade, Investment and Competition (the DTIC) promotes the country as an investment destination, whereas TIKZN presents seamless trade and inward investment promotion specifically for KZN.

The agency is equipped with the professional expertise and experience as well as national and international networks geared to maintaining and growing the province's competitive advantage as a premier investment destination and leader in export trade.

The organisation is mandated to do the following:

- Promote, brand and market KwaZulu-Natal as an investment destination;
- Facilitate trade by assisting local companies to access international markets;
- Identify, develop and package investment opportunities in KwaZulu-Natal;
- Provide a professional service to all clientele;
- Retain and expand trade and export activities; and
- Link opportunities to the developmental needs of the KwaZulu-Natal community.

TIKZN offers two types of incentives to investors and/or exporters:

1. Technical Assistance Fund (TAF). This fund is aimed at accelerating feasibility study process so that investing companies can get ready for the next step, which is applying for a commercial loan, should there be a need. The TAF covers 50% of the project feasibility study costs (capped at R250 000 per project per beneficiary).
2. BEE Travel Assistance Fund. The fund is aimed at providing financial assistance to Black-owned entities that aim to:
 - Develop export markets for their products and services; and
 - Seek international investment partners.

Benefits of the BEE Travel Assistance Fund include:

- Return economy-class tickets limited to 60% of the total costs;
- At most, 3-star accommodation and daily subsistence allowances of up to 60% of the total costs; and
- All costs of freighting of product and/or service samples and brochures associated with Trade & Investment KwaZulu-Natal trade or investment promotion programmes, limited to 60% of the total freighting costs and 10kg of the sample and/or brochure weight.

DEVELOPMENT FINANCE INSTITUTIONS IN SOUTH AFRICA

Traditionally, development finance can be defined as the provision of finance to those projects, economic sectors or sections of the population that are not well served by the financial system as a whole. Development finance institutions all have different mandates and most assist to lever in private investment. Illustrated in the table below are some of the DFI's found in South Africa and their respective mandates and key contact details.

INSTITUTION	MANDATE	CONTACT DETAILS
Industrial Development Corporation (IDC)	The IDC is a self-financing, state-owned national DFI that provides financing to entrepreneurs and businesses engaged in competitive industries.	Tel: +27(0)11 269 3000 Fax: +27(0)11 269 3116 www.idc.co.za
Development Bank of Southern Africa (DBSA)	The purpose of the DBSA is to accelerate sustainable socio-economic development by funding physical, social and economic infrastructure. Its goal is to improve the quality of life of the people of the region. The bank plays a multiple role of financier, adviser, partner, implementer and integrator to mobilize finance and expertise for development projects.	Tel: +27(0)11 313 3911 Fax: +27(0)11 313 3086 www.dbsa.org
National Housing Finance Corporation (NHFC)	The NHFC was set up with a mandate to ensure that every South African with a regular source of income is able to gain access to finance, to acquire and improve a home of his or her own.	Tel: +27(0)11 644 9800 Fax: +27(0)11 484 0204 www.nhfc.co.za
Khula Enterprise Finance	Khula is dedicated to the development and sustainability of small businesses in South Africa. It provides finance, mentorship services and small business premises to small and medium enterprises (SMEs) through a network of partnerships and to encourage the sustainable development of SMEs while ensuring that Khula remains financially viable.	Tel: +27(0)12 748 9600 Fax: +27(0)12 394 6901 www.khula.org.za
National Empowerment Fund (NEF)	The NEF promotes and facilitates Black Economic Empowerment (BEE) and transformation. Its mandate and mission is to be a catalyst of Broad-Based BEE through asset management, fund management and strategic projects.	Tel: +27(0)11 305 8000 Fax: +27(0)11 305 8001 www.nefcorp.co.za

Independent Development Trust (IDT)	The IDT has a mandate to support government in meeting its social mandate of alleviating poverty in improving the quality of life of poor rural communities. It has created a reputation for being a development programme-implementing agency focusing on development planning, implementation, and the coordination of government programmes.	Tel: +27(0)12 845 2000 www.idt.org.za
Land and Agricultural Development Bank of South Africa	The Land Bank is a specialist agricultural bank guided by a mandate to provide financial services to the commercial farming sector and to agribusiness and to make available new, appropriately designed financial products that would facilitate access to finance by new entrants to agriculture from historically disadvantaged backgrounds.	Tel: +27(0)12 686 0500 Fax: +27(0)12 686 0718 www.landbank.co.za
National Youth Development Agency (NYDA)	The NYDA's mandate is to: advance youth development through guidance and support to initiatives across sectors of society and spheres of government embark on initiatives that seek to advance the economic development of young people develop and coordinate the implementation of the Integrated Youth Development Plan and Strategy for the country.	Tel: +27(0)31 327 9900 Fax: 086 606 6563 www.nyda.gov.za
Micro Agriculture Finance Scheme of South Africa (Mafisa)	Mafisa was developed as a micro and retail agricultural financial scheme for economically active poor people. Mafisa allows access to financial services through selected institutions on an affordable and sustainable basis. It assists with loans to target groups, individuals, farmers and other groups as well as savings and banking facilities at approved financial institutions	Tel: +27(0)12 319 7263 / 6825 / 7216 Fax: +27(0)12 319 7278
Agribusiness Development Agency (ADA)	Established in 2009, ADA is a vehicle that facilitates the growth of a strong, transformed, diversified, dynamic, competitive and sustainable agribusiness industry in KwaZulu-Natal focusing on projects that are catalytic in nature.	Tel: +27(0)33 347 8600 www.ada-kzn.co.za



10. CONTACTS TO SUPPORT YOUR INVESTMENT AND BUSINESS DEVELOPMENT

INSTITUTION	CONTACT PERSON	CONTACT DETAILS
Enterprise iLembe	Cheryl Peters Executive Manager: Investment Promotion & Marketing	Email: cheryl@enterpriseilembe.co.za Phone: +27(0)32 946 1256
iLembe Chamber of Commerce	Cobus Oelofse Chief Executive Officer	Email: ceo@ilembechamber.co.za Phone: +27(0)87 354 6343
Trade and Investment KZN	Sihle Ngcamu Executive: Investment Promotion	Email: sihle@tikzn.co.za Phone: +27(0)31 368 9600
Tourism KZN	Vukile Khuzwayo Project Manager	Email: vukilek@zulu.org.za Phone: +27(0)31 366 7538
Department of Trade, Industry and Competition	KZN Regional Office	Phone: +27(0)31 334 2560
iLembe District Municipality	Sazi Mbhele Municipal Manager	Email: sazim@ilembe.gov.za Phone: +27(0)32 437 9300
KwaDukuza Local Municipality	Nhlanhla Mdakane Municipal Manager	Email: municipalmanager@kwadukuza.gov.za Phone: +27(0)32 437 5000
Mandeni Local Municipality	Sizwe Khuzwayo Municipal Manager	Email: sizwe.khuzwayo@mandeni.gov.za Phone: +27(0)32 456 8200

Maphumulo Local Municipality	Thulani Khuluse Municipal Manager	Email: municipal.manager@maphumulo.gov.za Phone: +27(0)32 481 2047
Ndwedwe Local Municipality	Disco Khuzwayo Municipal Manager	Email: mm@ndwedwe.gov.za Phone: +27(0)32 532 5000




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