

# ATLANTIS SPECIAL ECONOMIC ZONE: TECHNICAL INVESTOR BROCHURE

## How to use this guide:

This document provides essential technical and other information for potential investors intending to invest in the Atlantis Special Economic Zone for greentech manufacturing.

In most sections and sub-sections, you will find hyperlinks to useful resources that relate to the topic you are reading about.

If you have any queries or feedback about the content of this brochure please contact [Jarrod Lyons](#) at GreenCape.

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# 1. Overview

## 1.1. The Western Cape and Cape Town

The <sup>1</sup>[Western Cape](https://www.westerncape.gov.za/dept/edat) is situated on the south-western tip of the African continent and is one of the nine provinces of South Africa. The province is also home to South Africa's oldest city, <sup>2</sup>[Cape Town](http://www.capetown.travel/).

The Western Cape's natural beauty, complemented by its hospitality, cultural diversity, excellent wine and colourful cuisine, makes the province one of the world's greatest tourist attractions. More than 5.4 million people live in the Western Cape on 129 370 km<sup>2</sup> of land. Afrikaans is spoken by the majority, with isiXhosa and English being the other main languages. English is the main business language used.

The City of Cape Town is a well-known international tourism destination in the province of the Western Cape. The City's economy is the second largest municipal economy in the country and second most important contributor to national employment.

**Table 1: Additional resources of interest about Cape Town**

Source	Resource	Content
Lonely Planet Travel Guides	<sup>3</sup> <a href="https://www.lonelyplanet.com/south-africa/cape-town">Lonely Planet information guide on Cape Town</a>	Travel guide to Cape Town (also available in book form).
Cape Town Tourism	<sup>4</sup> <a href="http://www.capetown.travel/">Cape Town tourism website</a>	Location marketing website about Cape Town as a tourism destination

## 1.2. The Western Cape and City of Cape Town as a green investment destination

The Western Cape Province is a world-class investment destination, offering prime locations, modern infrastructure, a skilled workforce, low operational costs, natural resource abundance and an excellent quality of life.

The Western Cape is a great place for green business, offering:

- A supportive government that has made ease of doing business and the green economy key priorities.
- An emerging national renewable energy and clean technology hub, with a critical mass of leading companies present.

<sup>1</sup> <https://www.westerncape.gov.za/dept/edat>

<sup>2</sup> <http://www.capetown.travel/>

<sup>3</sup> <https://www.lonelyplanet.com/south-africa/cape-town>

<sup>4</sup> <http://www.capetown.travel/>

- Local presence of major professional services firms and financiers.
- A range of investment incentives in proposed Atlantis Greentech Special Economic Zone.
- 5 universities with comprehensive R&D capabilities and dedicated green economy skills programmes.
- Direct access to international markets through its shipping ports, direct flights to Europe and Asia, and sophisticated road network that extends into Africa.

<sup>5</sup>*Green is Smart* is the Western Cape's roadmap to become the leading green economic hub on the African continent. The province has extraordinary natural assets, expertise, design capabilities and diverse economic activity that support a pioneering role for the province as South Africa steers towards a greener growth path. There are many initiatives across society and specific strengths within the province's economy that support its ambition to be a green economy leader – its built environment and design expertise, ICT smart systems and mobile applications, leading research and development at universities, green product development and world-first biodiversity initiatives.

This objective creates a wide range of opportunities for businesses and investors interested in the green economy, and specifically in the following energy market sectors:

- Utility-scale renewable energy
- Small-scale embedded generation
- Smart electricity
- Energy efficiency
- Solar water heating

There are opportunities for manufacturing, assembly, installing, logistics and consulting, to name a few services. Table 2 below lists a number of useful resources for interested investors seeking opportunities in the green economy in South Africa and the Western Cape.

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<sup>5</sup> [https://www.westerncape.gov.za/assets/departments/transport-public-works/Documents/green\\_is\\_smart-4th\\_july\\_2013\\_for\\_web.pdf](https://www.westerncape.gov.za/assets/departments/transport-public-works/Documents/green_is_smart-4th_july_2013_for_web.pdf)

**Table 2: Useful resources for investors to contextualise their investment decision into South Africa**

Source	Resource	Content
GreenCape	<sup>6</sup> <a href="#">Market Intelligence Reports</a>	Overview of the market, key players, key opportunities and barriers, policies and legislation, financing and incentives in the green economy
City of Cape Town	<sup>7</sup> <a href="#">The Economic Performance Indicators for the City of Cape Town (EPIC).</a>	Presents and analyses economic (and related) trends in Cape Town.
Investment South Africa	<sup>8</sup> <a href="#">The Case for Investing in South Africa</a>	Broad national overview of the social, regulatory and economic environment in which investors can expect to operate.
Western Cape Government	<sup>9</sup> <a href="#">The Green Economy Report 2017</a>	This report identifies the green economy issues that are most material to the Western Cape, focusing on the role for provincial government, specifically.
Wesgro	<sup>10</sup> <a href="#">Doing business in the Western Cape, 2015</a>	High level information related to doing business in Western Cape and Cape Town
World Bank	<sup>11</sup> <a href="#">Doing Business in South Africa 2018</a>	Doing Business sheds light on how easy or difficult it is for an entrepreneur to open and run a small to medium-size business in South Africa
Webber Wentzel	<sup>12</sup> <a href="#">Investing In South Africa</a>	This publication provides an on-the-ground, tailored perspective of the South African investment environment.

<sup>6</sup> <https://www.greencape.co.za/market-intelligence/>

<sup>7</sup> <http://www.capetown.gov.za/search?k=epic%20reports>

<sup>8</sup> <http://www.investsa.gov.za/wp-content/uploads/2018/10/SA-Investment-Case-Executive-Summary-Final-19-October-2018.pdf>

<sup>9</sup> <https://www.westerncape.gov.za/eadp/files/atoms/files/Green%20Economy%20Report%202017.pdf>

<sup>10</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Wesgro-2015-Doing-Business-in-WC.pdf>

<sup>11</sup> [http://www.doingbusiness.org/content/dam/doingBusiness/media/Subnational-Reports/DB18\\_South-Africa.pdf](http://www.doingbusiness.org/content/dam/doingBusiness/media/Subnational-Reports/DB18_South-Africa.pdf)

<sup>12</sup> <https://greencape.co.za/assets/Atlantis-SEZ-content/Webber-Wentzel-Investing-in-South-Africa-complete.pdf>

## 2. Atlantis and the Atlantis Special Economic Zone (ASEZ)

### 2.1. About Atlantis

The town of Atlantis is located 40 km outside of the Cape Town CBD and falls within the Cape Town Metropolitan Municipality. With a population of nearly 70,000 residents, the area is strategically located along the West Coast Development Corridor, linking the City of Cape Town, Port of Cape Town and the Port of Saldanha Bay. The town is accessible both via the N7 (Cape-Namibia Route) and the R27 routes connecting with Saldanha and the Northern Cape province.

Saldanha is located 110 km from the City of Cape Town and is home to the Saldanha Bay Industrial Development Zone (IDZ), which focuses on opportunities in the oil and gas services sector.

### 2.2. The Atlantis Special Economic Zone: An overview

Special Economic Zones (SEZs) are important tools used by the South African government to drive industrial and economic development. Within SEZs, cluster industries from a particular sector locate in geographically designated areas to get the benefits of scale and co-location. SEZs are governed by the SEZ Act (No.16 of 2014) and are supported by a range of incentives aimed at attracting foreign and local investment.

The City of Cape Town established a green technology (greentech) manufacturing hub in Atlantis in 2011, in response to the Department of Energy's Renewable Energy Independent Power Producer Procurement Programme <sup>13</sup> ([REIPPPP](https://www.ipp-projects.co.za/)). Localisation of manufacturing, and the resultant job creation, is one of the key priorities of government through the REIPPPP programme.

The hub has already attracted four investors who have invested a total of R680 million to date:

- R300m initial investment by Gestamp Renewable Industries (GRI), a wind tower manufacturer
- R175m expansion investment by GRI
- R50m by Skyward windows (double glazed windows, expansion)
- R130m by Kaytech (geotextiles, expansion)
- R25m by Resolux (wind tower internals)

The Western Cape Provincial Government submitted an application to the national Department of Trade and Industry (Dti) for greenfield sites in the Atlantis Industrial area to be declared a Special Greentech Economic Zone. The application was successful, and the Atlantis SEZ received designation as a SEZ for green technologies in 2018.

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<sup>13</sup> <https://www.ipp-projects.co.za/>

<sup>14</sup>[GreenCape](#) has facilitated the above application process and is the Project Management Unit for the Atlantis SEZ Project until a permanent operator is appointed. The project office provides general support to potential and existing investors.

Useful resources about SEZs and Atlantis specifically, can be found in Table 3 below.

**Table 3: List of resources related to SEZs and Atlantis**

Source	Resource	Content
South African Government: Department of Trade and Industry (dti)	<sup>15</sup> <a href="#">Special Economic Zones webpage</a>	Overview of the government's SEZ programme, the SEZ Act No.16 of 2014, potential benefits for investors, info on existing Industrial Development Zones (similar entities to SEZs) etc.
City of Cape Town	<sup>16</sup> <a href="#">Atlantis Revitalisation Framework</a>	
Deloitte	<sup>17</sup> <a href="#">Pre-feasibility study (2014)</a>	SEZ pre-feasibility study
Deloitte	<sup>18</sup> <a href="#">Feasibility study (2014)</a>	SEZ feasibility study

### 2.3. Why invest in the Atlantis Special Economic Zone?

- **There are strong and growing South African and African markets for greentech.**
  - Independent market research shows strong demand for renewable energy and green technologies from South Africa and the African continent.
  - Support for the renewable energy market was reinforced when the Department of Energy announced in 2015 an additional 6,3GW of renewable energy procurement through the REIPPP.
  
- **Well-located & development-ready area**
  - Large tracts of industrially-zoned land with appropriate bulk infrastructure in place (green and brown fields). New public transport links and fibre connectivity.
  - Well located.
    - Close proximity to Saldanha port (105km), airports, and Cape Town (40km).
    - Good access to major national road network (N1, N2 and N7 routes).

<sup>14</sup> <https://www.greencape.co.za/>

<sup>15</sup> [http://www.thedti.gov.za/industrial\\_development/sez.jsp](http://www.thedti.gov.za/industrial_development/sez.jsp)

<sup>16</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Atlantis-Revitalisation-Framework.pdf>

<sup>17</sup> <https://www.greencape.co.za/assets/Atlantis-SEZ-content/20140729-ASEZ-prefeasibility-report-final.pdf>

<sup>18</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/ASEZ-feasibility-report-final.pdf>

- Proximity to key renewable energy markets.
- **A strong support base and existing relationships for investors to tap into**
  - Partnerships and relationships that will help facilitate investment and doing business are already in place with business, government and labour.
  - A large range of institutions will provide investor support.
  - International support from the <sup>19</sup>[International CleanTech Network](#), with strong connections to clean technology clusters across the globe.
- **A <sup>20</sup>[One-Stop-Shop \(OSS\)](#) for wide-ranging investor support**
  - The Cape Investor Centre provides a wide range of services to investors, and assists with information, and facilitates access to permits, licenses, planning and development approvals, incentives and finance. The Centre offers access to the following entities: CIPC (company registrations), SARS (tax), Home Affairs (visas), Wesgro & GreenCape (investment support), the City of Cape Town (permits, licenses), Western Cape Government (permits, licenses), Department of Trade and Industry (national investment support) and others.
- **Incentives for investors and tenants**
  - The ASEZ, The City of Cape and the national government will offer a range of attractive incentives for investors and tenants as outlined later in section 3 below.
- **Attractive, wide-ranging skills base to recruit from**
  - The City of Cape Town and the Western Cape province offer a large range of unskilled, semi-skilled, technical and professional candidates.
  - A skills development drive is underway in Atlantis through partnerships with youth organisations, local TVET colleges and high schools.

## 2.4. Types of industries that can be hosted

- Mixed industrial zone
- Heavy and light manufacturing industries
- Large scale user industrial activities
- Greentech manufacturing

## 2.5. How to access investor support

Through GreenCape, Wesgro and InvestSA, investors will have access to a wide range of institutions that can provide investment and business-related support.

### 2.5.1. One-stop-shop for investment support: InvestSA OSS

Established by the national Department of Trade and Industry (dti) and the Western Cape Government, the Cape Investor Centre is a one-stop shop for investors, offering a variety of

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<sup>19</sup> <http://www.internationalcleantechnetwork.com/>

<sup>20</sup> <http://www.investsa.gov.za/one-stop-shop/>

services to those interested in conducting business in the Western Cape and City of Cape Town.

## 2.5.2. Other institutions that will support the Atlantis SEZ and investors

### 2.5.2.1. GreenCape

<sup>21</sup>[GreenCape](https://www.greencape.co.za/) is a non-profit organisation that works at the interface of business, government and academia to identify and remove barriers to economically viable green economy infrastructure solutions. Working in developing countries, GreenCape catalyses the replication and large-scale uptake of these solutions to enable each country and its citizens to prosper. GreenCape also hosts the SEZ project management office.

GreenCape's sector desks (renewable energy, energy services, waste, sustainable agriculture and water) provide:

- Market information and insight that is free, credible and impartial.
- Access to networks of key players in government, industry, finance and academia.
- An advocacy platform to remove barriers to business opportunities.

### 2.5.2.2. Wesgro

<sup>22</sup>[Wesgro](http://www.wesgro.co.za/home_wesgro) is the official Tourism, Trade & Investment Promotion Agency for Cape Town and the Western Cape. Wesgro supports foreign buyers, local exporters and investors wishing to take advantage of the unlimited business potential in the region.

### 2.5.2.3. Atlantis Investment Facilitation Office (AIFO)

Established by the City of Cape Town's Department of Enterprise and Investment, which is located in the Directorate of the Mayor, the mandate of the AIFO is to create and enhance the enabling economic climate and business environment in the broader Atlantis area, in order to promote economic growth, job creation and wealth generation.

This is done by:

- Making it easy to do business in Atlantis (by cutting red tape and handling issues with urgency)
- Reducing the cost of doing business in Atlantis (through support on investment incentives)

The functions of the AIFO can be divided into the following broad areas:

- Investor, business and developer support services
  - Economic and business advice
  - Location or site selection
  - Business establishment assistance

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<sup>21</sup> <https://www.greencape.co.za/>

<sup>22</sup> [http://www.wesgro.co.za/home\\_wesgro](http://www.wesgro.co.za/home_wesgro)

- Aftercare
  - Liaison, communication and networking
  - Alignment, coordination and sharing of focused research, policy and strategy development information
  - Issue-driven project management, multi-stakeholder action planning and implementation

#### 2.5.2.4. South African Renewable Energy Business Incubator (SAREBI)

<sup>23</sup>[SAREBI](http://www.sarebi.co.za/), in Atlantis, is an initiative of the Small Enterprise Development Agency (SEDA). Its role is to incubate small, medium and micro-sized enterprises (SMMEs) in the renewable energy and energy efficiency space. SAREBI also works with entrepreneurs at different stages – from business idea/concept design stage to early stage start-ups as well as growth entrepreneurs.

#### 2.5.2.5. Western Cape Government

The Western Cape province aims to become southern Africa’s renewable energy hub. The *Green Is Smart* and *110% Green* Programmes and the Green Economy Strategic Framework have been put in place to support the development and growth of the green economy in the province and to attract investment into the renewable energy sector.

#### 2.5.2.6. Business networks, universities and academic centres of excellence

Investors will also be linked to prominent business networks and academic institutions as outlined in Table below.

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<sup>23</sup> <http://www.sarebi.co.za/>

**Table 4: Business networks and institutions of relevance in the green economy**

Organisation	Type	Description
Business networks		
<sup>24</sup> <a href="https://www.businesswesterncape.co.za/">Business Western Cape</a>	Umbrella body	<sup>25</sup> <a href="https://www.smallbusinessinstitute.co.za/">Afrikaanse Handelsinstituut (AHI)</a> <sup>26</sup> <a href="http://capechamber.co.za/">Cape Chamber of Commerce and Industry (CCCI)</a> <sup>27</sup> <a href="http://www.sacci.org.za/">South African Chambers of Commerce and Industry (SACCI)</a> <sup>28</sup> <a href="http://wecbof.co.za/">Western Cape Business Opportunities Forum (WECBOF)</a>
<sup>29</sup> <a href="http://www.bmfonline.co.za/">Black Management Forum</a>		Promotes the development and empowerment of managerial leadership among black people within organisations.
<sup>30</sup> <a href="http://www.erc.uct.ac.za/">Energy Research Centre (University of Cape Town)</a>	Research Centre	Multidisciplinary energy research centre
<sup>31</sup> <a href="http://www.crses.sun.ac.za/">(CRSES) (Stellenbosch University)</a>	Research Centre	The Centre facilitates and stimulates research and capacity development activities relating to the renewable and sustainable energy sectors.
<sup>32</sup> <a href="https://www.saretec.org.za/">South African Renewable Energy Technology Centre (SARETEC)</a>	Cape Peninsula University of Technology	SARETEC offers specialised industry-related and accredited training for the entire renewable energy industry in wind and solar.
<sup>33</sup> <a href="https://www.mandela.ac.za/On-campus/Campuses/George-Campus">Nelson Mandela University</a>	University	The George campus of Nelson Mandela University aims to become a world class knowledge catalyst for the green economy and a more sustainable future. The university focuses on cutting edge research and engagement, quality teaching and learning, and on competitive innovation and entrepreneurship.

<sup>24</sup> <https://www.businesswesterncape.co.za/>

<sup>25</sup> <https://www.smallbusinessinstitute.co.za/>

<sup>26</sup> <http://capechamber.co.za/>

<sup>27</sup> <http://www.sacci.org.za/>

<sup>28</sup> <http://wecbof.co.za/>

<sup>29</sup> <http://www.bmfonline.co.za/>

<sup>30</sup> <http://www.erc.uct.ac.za/>

<sup>31</sup> <http://www.crses.sun.ac.za/>

<sup>32</sup> <https://www.saretec.org.za/>

<sup>33</sup> <https://www.mandela.ac.za/On-campus/Campuses/George-Campus>

### 3. Incentives

The ASEZ, City of Cape and the national government offer a range of attractive incentives for ASEZ investors and tenants. Some of the most relevant incentives are included below, but investors are encouraged to contact GreenCape or Wesgro for guidance on which will be available and most applicable. SEZ incentives will only be confirmed once the zone has received official designation, and relevant processes have been completed nationally.

**Table 5: List of SEZ, National and City of Cape Town incentives**

Incentive	Description
<b><sup>34</sup>SEZ Incentives (national, subject to National Treasury approval)</b>	
Preferential 15% Corporate Tax and Tax Relief	Businesses (as prescribed in section 24(4) of the SEZ Act) that are located in a SEZ may be eligible for a tax relief, including the reduced rate of corporate income taxation. In addition to satisfying the requirement of the SEZ Act, further criteria for some of the available tax incentives are stipulated in the Income Tax Act, 1962 (Act No.58 of 1962)
Building Allowance	Businesses and operations (prescribed in section 1 of the SEZ Act) operating within a SEZ may be eligible for tax relief, including the building allowance, subject to requirements contained in the Income Tax Act
Employment Tax Incentive	Businesses and operations operating within a SEZ may be eligible for tax relief, including employment tax incentives subject to requirements contained in the Employment Tax Incentive Act, 2013 (Act No. 26 of 2013)
Customs Controlled Area Tax Relief	Businesses and operations located within a customs controlled area of a SEZ will be eligible for tax relief as per the Value-Added Tax Act, 1991 (Act No. 89 of 1991), the Customs and Excise Act, 1964 (Act No. 91 of 1964), the Customs Duty Act 2014 (Act No. 30 of 2014) and the Customs Control Act, 2014 (Act No.31 of 2014)
12I Tax Allowance	The 12I Tax Incentive is designed to support greenfield investments (i.e., new industrial projects that utilise only new and unused manufacturing assets), as well as brownfields investments (i.e., expansion or upgrades of existing industrial projects).
<b>City of Cape Town Incentives (accessed through AIFO; availability confirmed)</b>	
Fee exemption	Development application fee exemption
Development contribution deferral/write off	Development contribution deferral / debt write off (capped to a maximum of R1m)
Electricity tariff subsidy	Special medium voltage time-of-use tariff applicable to Atlantis.
Land lease arrangements	Attractive land lease arrangements for greenfield sites with environmental authorisations in place.
Site applications	A quick, clear, transparent application process for business sites.
Biodiversity offsets	Biodiversity offsets

<sup>34</sup> [http://www.thedti.gov.za/industrial\\_development/docs/SEZ\\_Tax.pdf](http://www.thedti.gov.za/industrial_development/docs/SEZ_Tax.pdf)

Resources in Table 6 below provide detail and contacts for investors to reach out when exploring application to both general and SEZ specific investment incentives.

**Table 6: List of resources outlining in detail the incentives available to investors in RSA and SEZs**

Source	Resource
Department of Trade and Industry (dti)	<sup>35</sup> <a href="http://www.investmentincentives.co.za/">Investment Incentives</a>
Department of Trade and Industry (dti)	<sup>36</sup> <a href="https://www.thedti.gov.za/industrial_development/docs/SEZ_Guide.pdf">SEZ Tax Incentive Guide</a>
Wesgro	<sup>37</sup> <a href="https://www.greencape.co.za/assets/Uploads/Incentive-Booklet.pdf">Dti Incentives Brochure</a>
City of Cape Town Investment Incentives Policy	<sup>38</sup> <a href="https://www.greencape.co.za/assets/Uploads/Atlantis-City-costs-201819.pdf">City incentives for Atlantis</a>

<sup>35</sup> <http://www.investmentincentives.co.za/>

<sup>36</sup> [https://www.thedti.gov.za/industrial\\_development/docs/SEZ\\_Guide.pdf](https://www.thedti.gov.za/industrial_development/docs/SEZ_Guide.pdf)

<sup>37</sup> <https://www.greencape.co.za/assets/Uploads/Incentive-Booklet.pdf>

<sup>38</sup> <https://www.greencape.co.za/assets/Uploads/Atlantis-City-costs-201819.pdf>

## 4. Property and land

### 4.1. Land and zoning

The land for the ASEZ encompasses parts of the Atlantis Industrial area. The designated area is shown in Figure 1 below. There are tracts of vacant land in this area made available for investment by the City of Cape Town. Investors will be guided by the SEZ team to potentially suitable areas, taking into account what areas are currently occupied and committed and the overarching intent for layout of types of industry.



**Figure 1: Officially designated Special Economic Zones in Atlantis (<sup>39</sup>[Please click here for a higher res image with a legend](#))**

**City of Cape Town greenfield sites:** The City of Cape Town has made three large greenfield sites available for greentech manufacturing enterprises.

**Privately held land and other City land:** If the growth of the SEZ exceeds the anticipated market demand, or the SEZ sites are fully allocated, there are options for investors to access privately held land in Atlantis. There is also ample City owned land that is available. The City of Cape Town

<sup>39</sup> <https://www.greencape.co.za/assets/Uploads/SEZ-sites-location-2018-final.pdf>

has indicated that, after a review, more land is available in the broader Atlantis area and could be made available, should existing land prove insufficient.

## 4.2. Zoning

The proposed ASEZ sites have been zoned as 'General Industrial Subzones'. In making the land available, specifically for the ASEZ, the City has further allocated use rights on the land for those companies that are engaged in greentech activities.

The Atlantis SEZ will process applications and review their status with respect to the definition of qualifying greentech activities that render them suitable as SEZ Enterprises. The City of Cape Town has an adjudication process that will process applications against qualification criteria.

In some cases, it may be that specific greentech activities may require deviation from the applicable zoning regulations; for example, in relation to building heights, setbacks, floor area, or coverage. In these cases, departures from the provisions of the zoning scheme could be applied for.

For more detailed information on General Industry SubZones, visit pp.67-70 of <sup>40</sup>[The City of Cape Town's Zoning Scheme Regulations](#)

## 4.3. Geo-technical considerations

A geotechnical desktop study of the two original ASEZ sites identified for greentech industry was undertaken. The study focused on site geology, site geohydrology, typical founding conditions, excavation conditions, and materials-utilisation potential.

Key conclusions of the study include:

- **Soil:** The site is most likely underlain by naturally deposited, generally sandy aeolian and alluvial soils. Generally, the near surface soils can be regarded as very loose to loose, improving in consistency with depth.
- **Groundwater** is likely to be located at depth at this site, due to the assumed thickness of the sandy 'permeable' soils at the site. Groundwater is not expected to be problematic at the site. Moisture within the respective soil horizons will fluctuate seasonally.
- **Excavation:** Hand labour and suitable earthmoving equipment can be used for excavation purposes. Suitable battering of the side slopes will be required for areas in cut. In terms of long term slope stability, all cut slopes should be constructed to gradients not greater than 1:2 and should allow for the inclusion of a suitable erosion blanket and planting. Suitable wind erosion measures will also be required in the drier summer periods during construction.

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<sup>40</sup> [https://oms.entegral.net/uploads/o97/CTZS\\_Regulations\\_Sept\\_2012\\_a.pdf](https://oms.entegral.net/uploads/o97/CTZS_Regulations_Sept_2012_a.pdf)

- **Material utilisation potential:** The sandy transported soils are suitable for use as structural fill and as G7 selected subgrade, once suitably compacted. Due to the variability in the clay/silt content within the transported soils, careful selection of suitable material may be required on site. Due to the fine grained nature of the site soils, soil moisture content needs to be carefully controlled.
- **Founding conditions:** In general, founding conditions for structures are regarded as unfavourable for conventional founding at shallow depth and will require improvement to ensure competent founding conditions. The naturally deposited transported soils at depth are suitable to support structures up to a minimum bearing pressure of 175 kPa.
- **Sub-soil characteristics:** The strength characteristics of the sub-soils can only be adequately assessed with a site-specific geotechnical investigation aimed at the assessment of the sub-soils using intrusive investigative techniques such as trial pitting. Should heavy structural loading of the sub-soils be anticipated, then investigation of the subsoil characteristics at depth will be required to assess the risk of adverse settlement. Small rotary diameter boreholes (with Standard Penetration Tests) would be recommended for a deeper assessment of the sub-soils.

Subject to the specific measures outlined above related to excavation, material utilisation, founding, and the strength characteristics of sub-soils, no significant geotechnical considerations were identified.

For the full report, click <sup>41</sup>[here](#)

#### 4.4. Environmental Impact Assessments (EIAs)

In parallel with General Industrial Zoning, a basic environmental authorisation has been given by the Western Cape Government, which allows companies to clear the land and upgrade electricity services on Zone 1 and Zone 3 (as shown in Figure 1). If developers trigger additional environmental requirements, these are to be at the cost of the investor.

<sup>42</sup>[Zone 1 environmental authorisation](#)

Zone 2 environmental authorisation - underway

<sup>43</sup>[Zone 3 environmental authorisation](#)

For further documentation related to the ASEZ zones, please contact the <sup>44</sup>[GreenCape SEZ team](#).

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<sup>41</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Atlantis-geotechnical-desk-study-final.pdf>

<sup>42</sup> <https://www.greencape.co.za/assets/Uploads/Amended-EA-Zone-1.pdf>

<sup>43</sup> <https://www.greencape.co.za/assets/Uploads/Amended-EA-Zone-4.pdf>

<sup>44</sup> Mail to: [jarrod@green-cape.co.za](mailto:jarrod@green-cape.co.za)

Zone 3 has been considered for a gas-to-power project. GreenCape and the City of Cape Town previously commissioned an EIA for the zone. The zone was awarded <sup>45</sup>[authorisation for the construction and operation of a gas-to-power facility on 23 October 2017](#).

#### 4.5. Land lease and rental processes and costs

Costs to the investor will include two components:

1. Overheads charged by the SEZ: these are to be established on a case by case basis between the SEZ and the qualifying enterprise and would take into account the need to cover overheads related to the management of the SEZ infrastructure and services to tenants.
2. Base land lease rates: as presently defined by the City of Cape Town's land disposal process, detailed below.

For the greentech manufacturing zones in Atlantis, there is an application process on a first-come, first-served basis available to those investors who qualify in terms of the greentech criteria established by The Greentech Manufacturing Evaluation Committee (GTMEC). Current qualifying criteria can be <sup>46</sup>[provided on request](#). These are updated from time to time.

In broad terms, the ASEZ will follow an adjudication process to qualify SEZ Enterprises. The City of Cape Town's land disposal process will govern the lease of a land portion according to the following process which can theoretically be concluded in approximately three to six months:

1. Submit completed application form to the Civic Centre. Forms are available from the offices of Sally Chambers at the City of Cape Town's Property Management and Development Division, on telephone 021 400 2236, as well as from The Project Management Unit housed within GreenCape.
2. Greentech Manufacturing Evaluation Committee (GTMEC) meets to evaluate application-recommends an award or not to award; or to request further particulars (approximately one month).
3. GTMEC evaluates further particulars and recommends an award or not to award (approximately one to three months).
4. Immovable Property Adjudication Committee (IPAC) considers recommendation of GTMEC and decides to award or not to award (approximately one month).
5. Lease agreement concluded (approximately one to two months depending on lessee).

The City of Cape Town has developed a comprehensive document outlining the costs of utilities and cost of leasing vacant land in the ASEZ. Upon appointing an operator, the process outlined will be reviewed, so this currently needs to be viewed as an interim process, until such time.

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<sup>45</sup> <https://www.greencape.co.za/assets/Uploads/Gas-to-power-Authorisation-Zone-3.pdf>

<sup>46</sup> Mail to: [jarrod@green-cape.co.za](mailto:jarrod@green-cape.co.za)

## 5. Infrastructure

### 5.1. Bulk infrastructure

Independent feasibility studies showed that most of the required bulk infrastructure to accommodate growth within in the ASEZ was already in place. It was also found that:

- **Bulk water availability** should be adequate to provide for both conservative and moderate development scenarios. Bulk waste water and storm water infrastructure should also be adequate.
- **Regional landfill facilities** catering for different waste classifications are situated in the vicinity of Atlantis and have sufficient capacity to accommodate demand under high and low growth scenarios.
- Roughly R114 million was spent by the City of Cape Town on electricity supply upgrades for Atlantis. These upgrades added to the Eskom upgrades will increase the power supply to the area by roughly 90 MVA, totalling 170 MVA supply in the area.

For more information, visit the links below.

Zone 1: <sup>47</sup>[G2 Services Infrastructure report](#)

Zone 2: Infrastructure report – to be completed

Zone 3: <sup>48</sup>[G2 Services infrastructure report](#)

### 5.2. Electricity

Until recently, Atlantis was served by a bulk intake substation with a capacity of 80 MVA. As indicated above in section 5.1, the capacity has been increased to 170MVA through the building and commissioning of a new sub-station in the industrial area.

The potential investor will have to cover part or all of the costs of providing the new sub-station depending on whether or not they will use part or all of the sub-station's capacity. A Development Capital Tariff will also be payable, based on the tariff schedule amended by Council on an annual basis. The City will build all new substations itself to its own specifications with the developer liable for the costs of this as determined by the tariff book. The costs are dependent on:

- The capacity required i.e. the size of the substation that is needed.
- The location of the proposed development in terms of its distance from the bulk intake and the length of network infrastructure needed to connect the bulk intake to the substation on the site.
- Development Capital Tariff in proportion to the size of the supply required.

For more information contact the <sup>49</sup>[City of Cape Town's electricity department](#) on 0860 103 089 (or +27 21 401 4701 from overseas).

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<sup>47</sup> <https://www.greencape.co.za/assets/Uploads/G2-Services-Report-Zone-1.pdf>

<sup>48</sup> <https://www.greencape.co.za/assets/Uploads/G2-Services-Report-Zone-3.pdf>

<sup>49</sup> <https://www.capetown.gov.za/City-Connect/Apply/Municipal-services/Electricity>

### 5.3. Water and wastewater

Water to the Atlantis Industrial area is supplied and managed by the <sup>50</sup>[City of Cape Town's Water and Sanitation Department](https://www.capetown.gov.za/Departments/Water%20and%20Sanitation%20Department). The water reticulation network in Atlantis has sufficient capacity to be able to accommodate most types of industrial development, although the bulk supply has capacity constraints of an operational nature. All water connections are required to be metered, and are supplied and installed by the Department.

In addition to providing water through its reticulation network, the department is also responsible for the management and treatment of wastewater. The wastewater treatment works that currently serves the Atlantis industrial area has some limited capacity but will be augmented by 2020. Depending on demand, the construction of this facility could be brought forward.

It is recommended that potential investors consult with the AIFO in order to confirm the availability of water and waste water capacity and to obtain advice on acceptable design standards for bulk or reticulation services.

Applicable service standards can be found on the department's website along with other useful information on services.

### 5.4. Telecoms

The City of Cape Town has installed fibre optic cables for broadband connectivity in the Atlantis Industrial Area. Communication network connectivity is provided through Telkom, Liquid Telecom and service providers such as Vodacom, Cell C and MTN.

### 5.5. Roads, travel and transport

Atlantis is well integrated for the movement of freight with the ports of Saldanha and Cape Town conveniently located. The MyCiti bus public transport route also services Atlantis.

#### 5.5.1. Road infrastructure

Atlantis is located between the N7 freeway route to Namibia and the R27 West Coast freeway. It is also connected to other routes through the R304 (Klein Dassenberg Road) and R307 access routes, primary arterials which provide access between Atlantis and the western and eastern freeways. The N7 has recently been upgraded and provides seamless access to Atlantis through the Atlantis-Melkbos interchange. The upgrading of the R27 up to Atlantis is completed, improving flow of traffic towards Atlantis and up the West Coast.

The Atlantis area is one of the key industrial freight centres within the Cape Town Metropolitan area and will be integrated with regional freight movement networks. Although traditionally dislocated from the rest of the city, Atlantis Industrial has locational advantages for manufacturing activities sensitive to urban transport movements (e.g. large vehicles not readily mixed with city traffic).

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<sup>50</sup> <https://www.capetown.gov.za/Departments/Water%20and%20Sanitation%20Department>

### 5.5.2. Public transport

In addition to an excellent road transport network for private transport, Atlantis is serviced by a number of public transport options – the MyCiti and Golden Arrow bus services, mini taxis and metred taxis.

The City is implementing its MyCiTi bus rapid transit service in phases. The west coast route has now been extended to include Atlantis, the informal settlements of Du Noon and Jo Slovo Park, and the industrial area of Montague Gardens. This route has considerably improved labour mobility in and out of Atlantis. MyCiTi bus stations are located in close proximity to the zones identified for the ASEZ.

Atlantis does not have a commuter rail service. The City is pursuing the increased responsibilities for the rail mode of public transport as provided for in the National Land Transport Act (NLTA). In parallel, the City is investigating the feasibility of a new rail commuter service from Cape Town CBD to Du Noon/Atlantis (on an existing freight line).

There are dedicated bus routes in the industrial area to support mobility in the area and connect different businesses who use the local labour pool.

### 5.5.3. Air travel

Cape Town International Airport is Africa's 3<sup>rd</sup> biggest airport, processing over 8 million passengers annually with over 50% of South Africa's air passengers passing through the airport. <sup>51</sup>[Wesgro's AirAccess programme](#) promotes further direct flights to Cape Town on an ongoing basis. The airport hosts local, regional and international flights with direct flights to numerous global destinations.

### 5.5.4. Ports

Atlantis is located between two busy ports, Saldanha Bay and Port of Cape Town. The Port of Cape Town is situated on one of the world's busiest trade routes. It caters for general cargo on a common user basis. It is handling a growing number of containers and has become an important repair facility, especially for the west coast oil and diamond mining industries. For more detailed information, the <sup>52</sup>[National Ports authority](#) can be consulted.

### 5.5.5. Skills and labour availability

The quality of the skills base in South Africa is reflected in the attraction of major foreign investors from all over the world in numerous business sectors and across a variety of business functions. Seven of the leading automotive equipment manufacturers have manufacturing plants in South Africa, namely BMW, Daimler Benz, Nissan, Ford, Toyota and Volkswagen. Most companies in South Africa will use a combination of permanent staff and labour brokers (for temporary staff).

### 5.5.6. The Atlantis skills base

The Atlantis community has provided skills to the industrial sector for many decades. Some specialist manufacturing companies such as Kaytech have operated from Atlantis since 1978.

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<sup>51</sup> [http://www.wesgro.co.za/special-projects\\_air-access?category\\_business\\_category=Air%20Access](http://www.wesgro.co.za/special-projects_air-access?category_business_category=Air%20Access)

<sup>52</sup> <http://www.transnetnationalportsauthority.net/OurPorts/Cape%20Town/Pages/Overview.aspx>

They recruit most of their advanced skilled machine operators from the local community. This trend is reflected in many other companies with the majority of skilled and unskilled labour residing in Atlantis. Specialist engineering functions might be provided by people from outside Atlantis, but through dedicated interventions to develop these skills locally, the aim is to soon have most, if not all, the required skills available in the community.

With three academic high schools, one technical high school and one school of skills in the area, the practical skills within Atlantis are in abundance.

The Atlantis campus of the West Coast College, situated in the heart of the industrial area, provides further training in areas such as fitting and turning, electrical and construction technicians. Artisans from this college are often placed within local industries to gain workplace experience.

## 6. Cost of doing business

For general indicative costs of doing business in South Africa visit:

<sup>53</sup>[Doing Business in the Western Cape, 2015](#) guide produced by Wesgro.

### 6.1. Electricity

Electricity tariffs are defined for different categories of service by the City of Cape Town, based on type of service required, level of consumption, type of connection and time of use. Depending on the authorised capacity of the proposed investment, the tariffs outlined in here apply for Atlantis industrial. Electricity tariffs for the Atlantis industrial zone are updated and presented to investors in the <sup>54</sup>[following document](#).

### 6.2. Petroleum and gas prices

For updated information on the cost of gas and other fuels visit the <sup>55</sup>[Department of Energy's fuel price page](#).

### 6.3. Solid waste management and charges

The City of Cape Town has the legislative mandate to be the sole provider of solid waste services to the residential sector. The City also has the capacity to extend solid waste services to the commercial sector, depending on the types of waste which require collection and/or disposal. Certain solid waste services, particularly those relating to certain grades of hazardous waste, are only serviced through certified private sector solid waste service providers as the City is not necessarily equipped to handle all types of solid waste.

Further information on the City's solid waste services can be found on the Department's <sup>56</sup>[website](#). In addition, it is recommended that potential investors consult the Department directly in order to establish the availability and type of solid waste services in Atlantis.

The tariffs which apply to the disposal of solid waste are classified according to a number of different categories.

The solid waste disposal tariffs applicable to 2018/19 can be viewed <sup>57</sup>[here](#).

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<sup>53</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Wesgro-2015-Doing-Business-in-WC.pdf>

<sup>54</sup> <https://www.greencape.co.za/assets/Uploads/Atlantis-City-costs-201819.pdf>

<sup>55</sup> [http://www.energy.gov.za/files/esources/petroleum/petroleum\\_fuelprices.html](http://www.energy.gov.za/files/esources/petroleum/petroleum_fuelprices.html)

<sup>56</sup> <http://www.capetown.gov.za/Departments/Solid%20Waste%20Management%20Department>

<sup>57</sup> <https://www.greencape.co.za/assets/Uploads/CCT-Solid-Waste-Disposal-Tariff-Letter-June-2018.pdf>

## 6.4. Water and sanitation charges

Sanitation tariffs are based on the estimated volume of wastewater discharged by a facility. This is estimated as 95% of monthly metered water consumption. Additional charges are also levied for industrial effluent.

Water tariffs have a consumptive component and a miscellaneous component. The consumptive component relates to the volume of water consumed, while the miscellaneous component covers a variety of user-requested services such as connection fees and the installation of water meters.

Current tariff information can be <sup>58</sup>[downloaded here](#).

Other tariffs may be applicable depending on the type and scale of the proposed development. The latest tariff book should be consulted to ensure that all relevant tariffs are identified and for the most up to date rates applied. It should also be noted that these are the “regular” tariffs and a different set of (higher) tariffs are applicable if water restrictions are in place.

## 6.5. Logistics costs

### 6.5.1. Sea freight and courier costs

For sea freight and courier, please consult, <sup>59</sup>[Doing Business in the Western Cape, 2015](#) guide produced by Wesgro

### 6.5.2. Public transport costs

For the latest information on public transport supplied by the City of Cape Town, please consult the City of Cape Town’s transport and vehicles guide <sup>60</sup>[here](#).

## 6.6. Remuneration in the Western Cape

Table 7 below provides a snapshot of salaries for employee categories that may be relevant for potential investors. (The figures are for 2015 – for 2017, they have been adjusted by +11% to account for salary inflation.)

For comprehensive information please consult <sup>61</sup>[Doing business in the Western Cape, 2015](#) produced by Wesgro.

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<sup>58</sup> <https://www.capetown.gov.za/Family%20and%20home/residential-utility-services/residential-water-and-sanitation-services/Residential-water-restrictions-explained>

<sup>59</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Wesgro-2015-Doing-Business-in-WC.pdf>

<sup>60</sup> <https://www.capetown.gov.za/Family%20and%20home/transport-and-vehicles/public-transport-services>

<sup>61</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Wesgro-2015-Doing-Business-in-WC.pdf>

**Table 7: Snapshot of average gross salary bands in Cape Town and the Western Cape (Source: <sup>62</sup>[Wesgro Doing Business in Cape Town, 2015](#))**

Employee Category	Monthly gross wage Min. (ZAR)	Monthly gross wage Max. (ZAR)	Remarks
Skilled Worker	8000	14000	For manufacturing: technical skill required
Highly-Skilled Worker	18000	22000	For manufacturing: high level of technical skills required
Administrative Assistance	6000	12000	Secretarial school / 4 years of experience / English skill
Quality Control Specialist	9118	36384	Quality control of well-defined procedures
Technician	11000	22000	Technical degree / 2 years of experience / English skill
Engineer	24000	52000	Sound technical knowledge, but working under close supervision / 3 years of experience
Senior engineer	30000	52000	May supervisor more junior staff / 7 years of experience
R & D Manager	50k+		Overall control of the R & D function / 10 years of experience
Production manager	50k+		For manufacturing activities with a limited range of products / supervision of direct workforce through production supervisors and foreman / Co-ordination of methods, cost accounting, maintenance and other related operations.

## 6.7. Unemployment Insurance Fund

Employers must pay unemployment insurance (UIF) to the government in order to support workers who may become unemployed due to operational requirements. Employers must pay unemployment insurance contributions of 2% of the value of each worker's pay per month. Of this, 1% comes from the employer and the other 1% is deducted from the worker's salary. Employers not registered for PAYE or Skills Development Levy (SDL) purposes must pay the contributions to the Unemployment Insurance Commissioner. The UIF provisions do not apply to the following:

- Workers working less than 24 hours a month for an employer
- Learners
- Public servants
- Foreigners working on contract
- Workers who get a monthly state (old age) pension
- Workers who only earn commission

A very useful resource outlining the labour law in South Africa can be found <sup>63</sup>[here](#).

<sup>62</sup> <https://greencape.co.za/assets/Atlantis-SEZ-tech-brochure/Wesgro-2015-Doing-Business-in-WC.pdf>

<sup>63</sup> <https://www.labourguide.co.za/>

## 7. Useful contacts

**Table 8: Useful list of general contacts in addition to contacts referenced throughout this document**

Organisation	Website	Telephone number
Department of Trade and Industry	<a href="http://www.thedti.gov.za">www.thedti.gov.za</a>	+27 (12) 394 9500
Investment South Africa	<a href="http://www.investsa.gov.za/">www.investsa.gov.za/</a>	+2721 023 0900
Department of Environmental Affairs	<a href="http://www.environment.gov.za">www.environment.gov.za</a>	086 111 2468 OR +27 12 310 3123
Small Enterprise Development Agency (SEDA)	<a href="http://www.seda.org.za">www.seda.org.za</a>	0860 103703 OR +27 12 441 1000
SA Chamber of Commerce	<a href="http://www.sacob.co.za">www.sacob.co.za</a>	+27 11 446 3800
Companies and Intellectual Property Commission (CIPC)	<a href="http://www.cipc.gov.za">www.cipc.gov.za</a>	+27 12 394 9500
Industrial Development Corporation (IDC)	<a href="http://www.idc.co.za">www.idc.co.za</a>	+27 21 421 4794
Cape Regional Chamber Commerce	<a href="http://www.capechamber.co.za">www.capechamber.co.za</a>	+27 21 403 4200 OR +27 21 402 4300
South African Revenue Service (SARS)	<a href="http://www.sars.gov.za">www.sars.gov.za</a>	+27 11 602 2093
Department of Labour	<a href="http://www.labour.gov.za">www.labour.gov.za</a>	+27 12 309 4000
Department of Home Affairs	<a href="http://www.hha.gov.za">www.hha.gov.za</a> <a href="http://www.home-affairs.pwv.gov.za/">http://www.home-affairs.pwv.gov.za/</a>	+27 21 465 3456/7
Eskom	<a href="http://www.eskom.co.za">www.eskom.co.za</a>	0860 037 566
City of Cape Town – Electricity	<a href="http://www.capetown.gov.za">www.capetown.gov.za</a>	+27 918 7111/50/58
Telkom (Cape Town Branch)	<a href="http://www.telkom.co.za">www.telkom.co.za</a>	+27 21 425 9304
Cape Metro Rail	<a href="http://www.capemetrorail.co.za">www.capemetrorail.co.za</a>	+27 21 449 6430
Airport Company South Africa (ACSA)	<a href="http://www.acsa.co.za">www.acsa.co.za</a>	+27 11 723 1400
Banking Association of South Africa	<a href="http://www.banking.org.za">www.banking.org.za</a>	+27 11 645 6700
Department of Labour	<a href="http://www.labour.gov.za">www.labour.gov.za</a>	+27 12 309 4000