

# INVESTMENT AND TRADE OPPORTUNITIES

Free State Province  
Republic of South Africa



# Overview of the Province

South Africa has a mandate to drive radical economic transformation – Unemployment, inequality and poverty.

Identified potential sectors to :

• **Increase Productivity and enhance trade and investment:**

- Mining
- Manufacturing
- Tourism
- Agriculture
- Transport

• Endowed with substantial opportunities waiting to be explored.

# South Africa/ Free State Fact Sheet



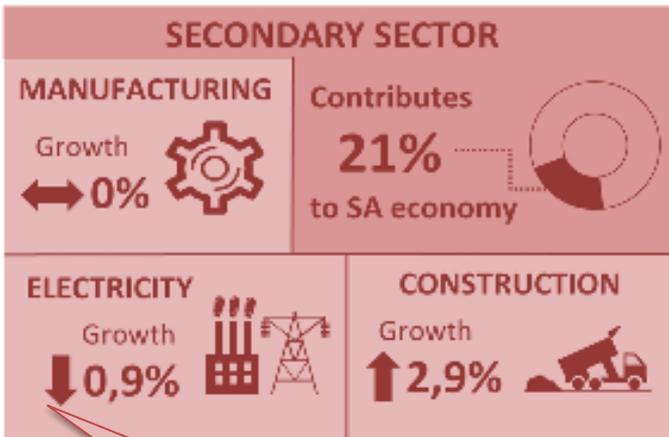
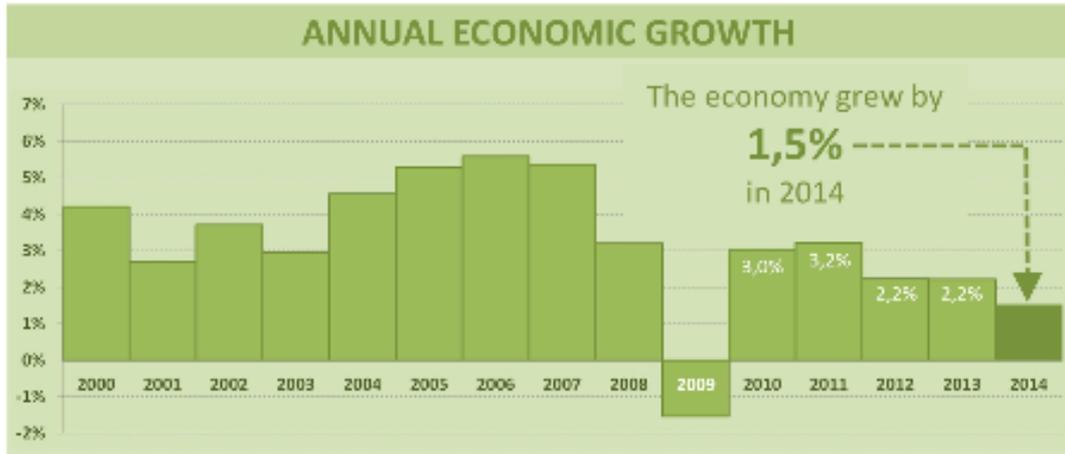
FREE STATE PROVINCE

Item/indicator	South Africa	Free State
Official name	Republic of South Africa	Province of the Free State
Head of State	President Jacob Zuma	
Provincial Premier		Premier E S Magashule
Population	54 million	2,8 million
Area	1 220 813 km <sup>2</sup>	129 825 km <sup>2</sup>
Total GDP	R3 534 billion	R180 billion
GDP growth	2,2%	1,7%
GDP per capita	ZAR 65444	ZAR 64590
Inflation (CPI)	5%	5%
Exports values (R1000)	1,003,825,998	9,662,395
Import values (R1000)	1,072,463,997	4,236,986

# Free State Sector Contribution to the GDP

How did South Africa's economy perform in 2014?\*

**17.6%**

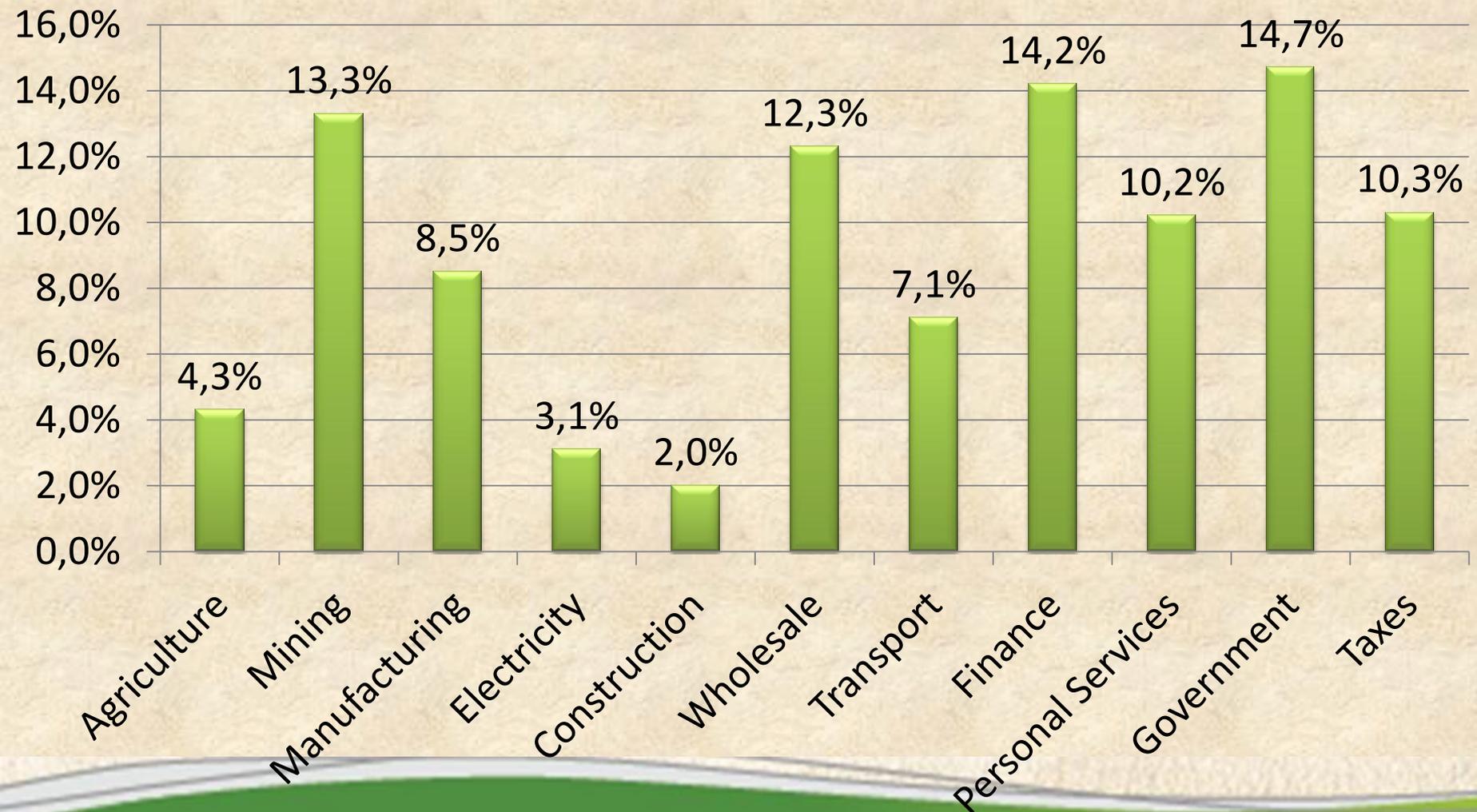


**13.6%**

**68.8%**

\* Preliminary results Source: Gross Domestic Product, 4<sup>th</sup> quarter 2014 <http://www.statssa.gov.za>

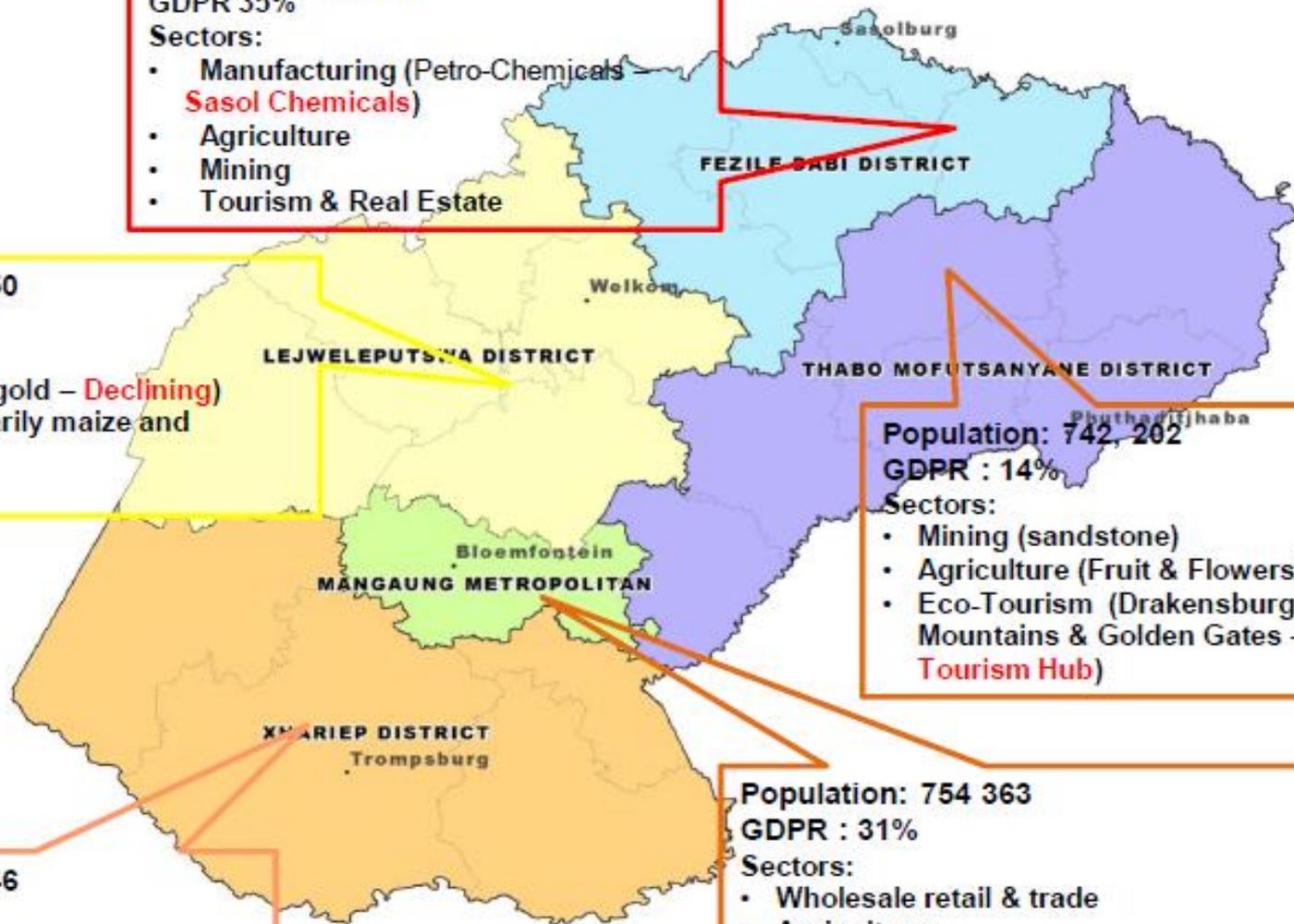
# Free State Sector Contribution to GDP



# FS Regional Profile



FREE STATE PROVINCE



**Population: 491,304**  
**GDPR 35%**  
**Sectors:**

- Manufacturing (Petro-Chemicals **Sasol Chemicals**)
- Agriculture
- Mining
- Tourism & Real Estate

**Population: 633, 150**  
**GDPR : 17%**  
**Sectors:**

- Mining (primarily gold – **Declining**)
- Agriculture (primarily maize and Sunflower)

**Population: 742, 202**  
**GDPR : 14%**  
**Sectors:**

- Mining (sandstone)
- Agriculture (Fruit & Flowers)
- Eco-Tourism (Drakensburg, Maluti Mountains & Golden Gates – **Eco-Tourism Hub**)

**Population: 754 363**  
**GDPR : 31%**  
**Sectors:**

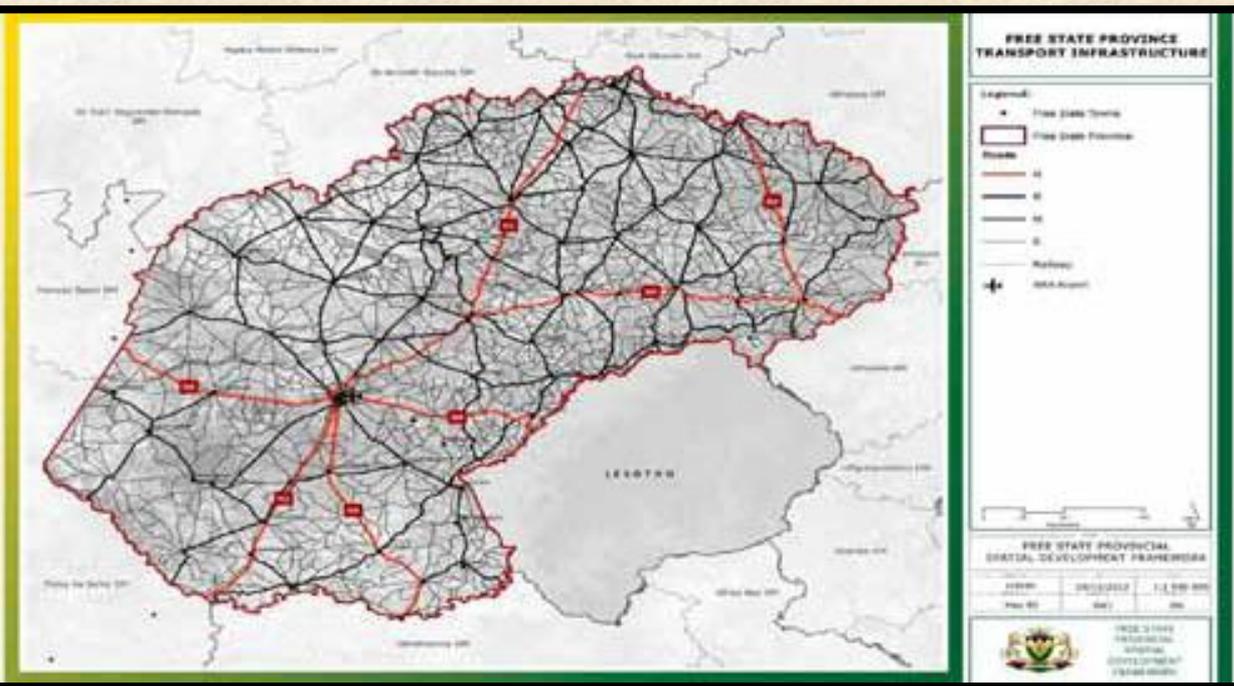
- Wholesale retail & trade
- Agriculture
- Finance
- Hospitality, Real Estate & business services
- Transport & communication
- **Community & social services (Public Sector)**

**Population: 148, 046**  
**GDPR : 3%**  
**Sectors:**

- Mining (diamond),
- Eco-Tourism ( Xhariep Dam),
- Agriculture
- **Renewable Energy (Xhariep Solar Hub**

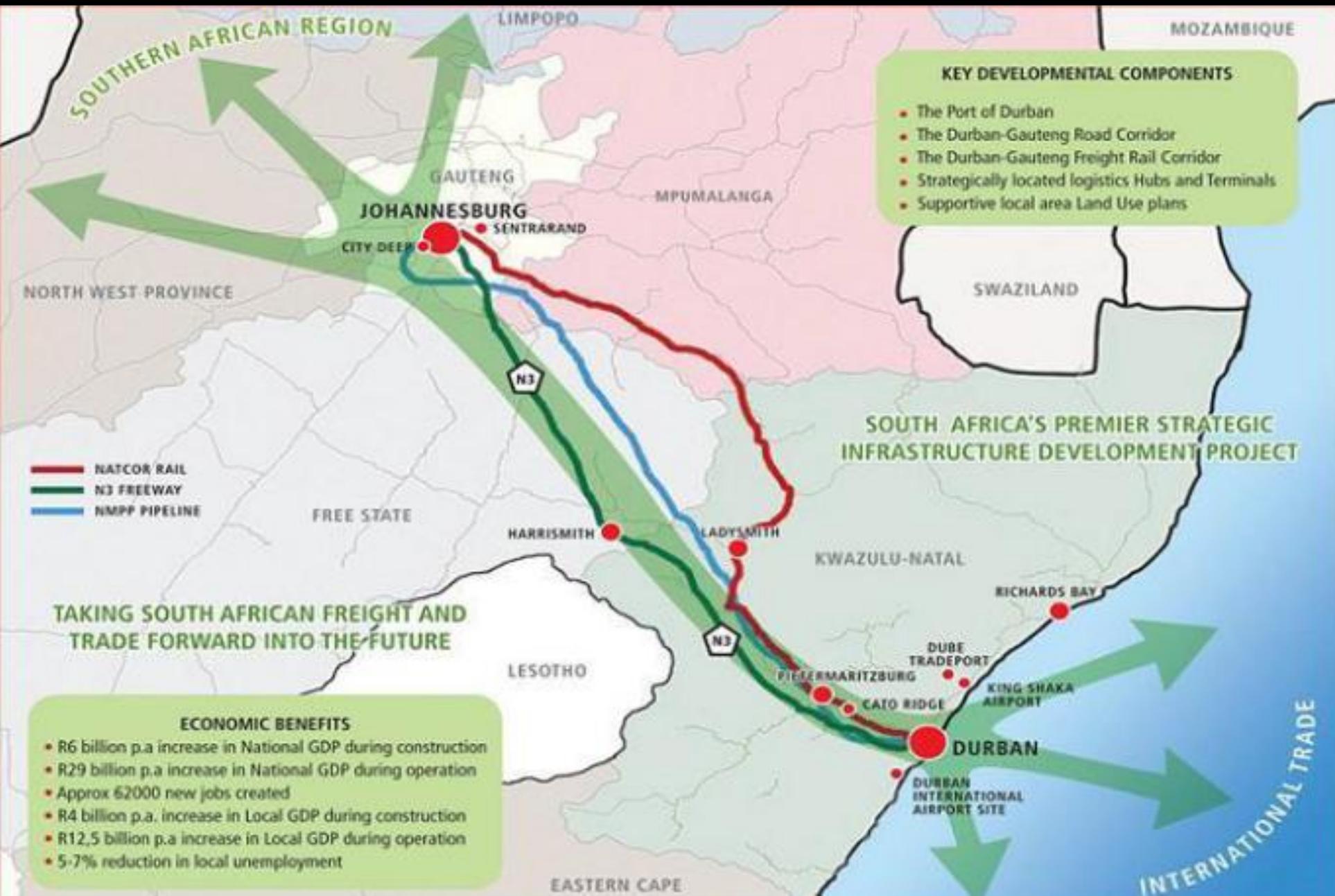
# Why Invest in the Free State

## Sophisticated Infrastructure

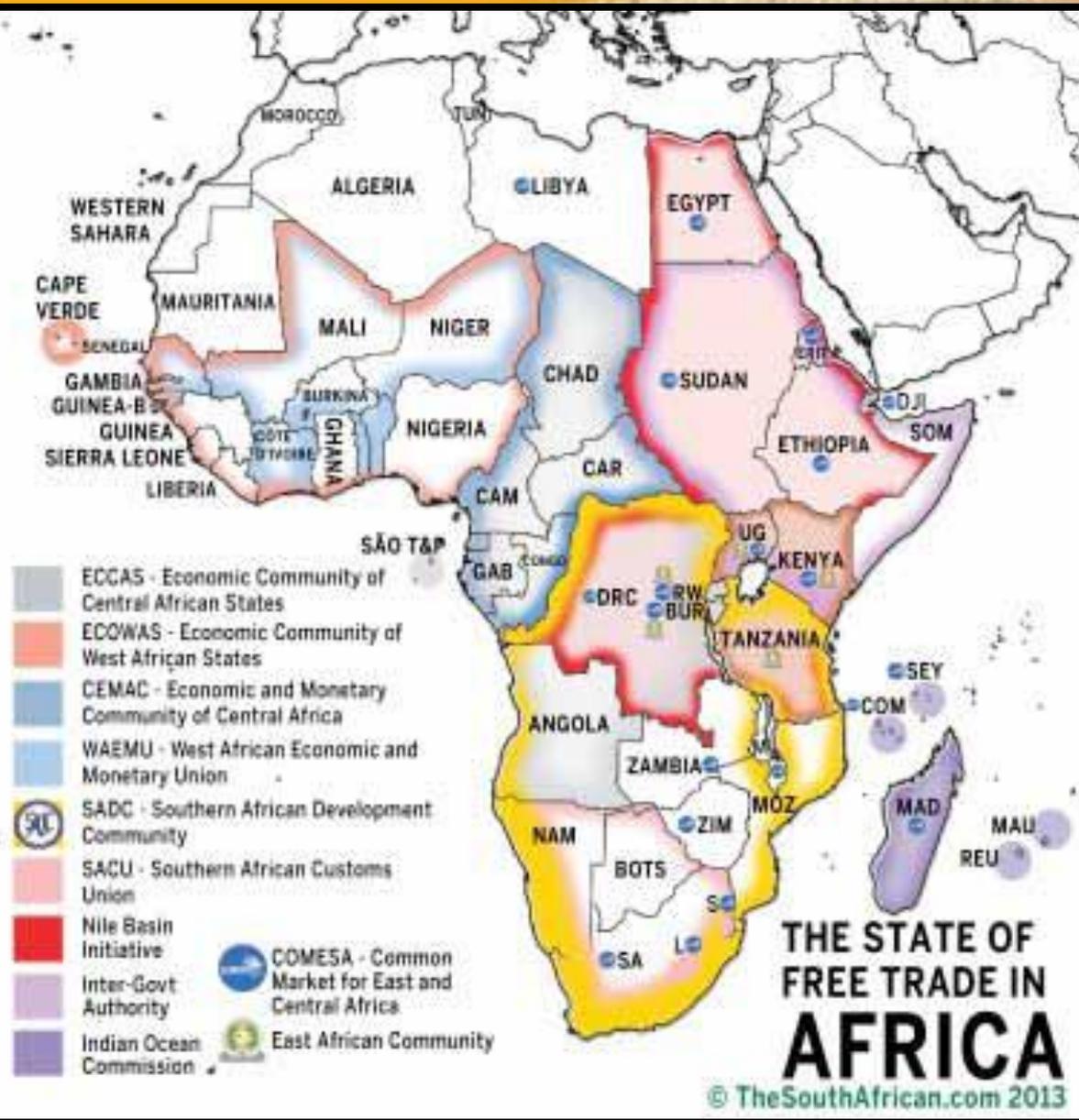


- Road Infrastructure
- Airport
- Rail Infrastructure
- Water Distribution Network

# Strategic Central Location



# Market Access



**Free Trade Agreements, as follows:**

- Southern African Customs Union (SACU) & Southern African Development Community (SADC)
- Economic Community of West African States (ECOWAS)
- Common Market for East and Central Africa (COMESA)

# Government Incentives for Foreign Investment

## Manufacturing Investment Programme (EIP)



- Support private sector investment in manufacturing sector
- 15-30% grant for investment in land, buildings, machinery, equipment and customised commercial vehicles
- 15% transportation cost for production machinery and equipment by investor

## Foreign Investment Grant (FIG)



- Incentivises the actual transport costs of relocating qualifying new machinery and equipment
- Foreign investors setting up manufacturing facilities in South Africa
- 15% of the value of qualifying imported production machinery and equipment to a maximum of R10m

# Government Incentives for Foreign Investment

## Investment and training allowance



- To promote industrial upgrading and new investment in manufacturing
- Medium to large manufacturers with investments of between R30m and R1,5B
- Maximum 55% of qualifying investment costs in machinery and equipment, training allowance to a maximum of R36 000 per person per annum

## Export Marketing and Investment Assistance (EMIA)



- Provide marketing assistance to develop new export markets and grow existing export markets;
- Assist with the identification of new export markets through market research;
- Assist companies to increase their competitive by supporting patent registrations, quality marks and product marks;
- Assist with facilitation to grow FDI through missions and FDI research; and
- Increase the contribution of black-owned businesses and SMMEs to South Africa's economy.

For more info on Incentives visit: [www.thedti.gov.za](http://www.thedti.gov.za)

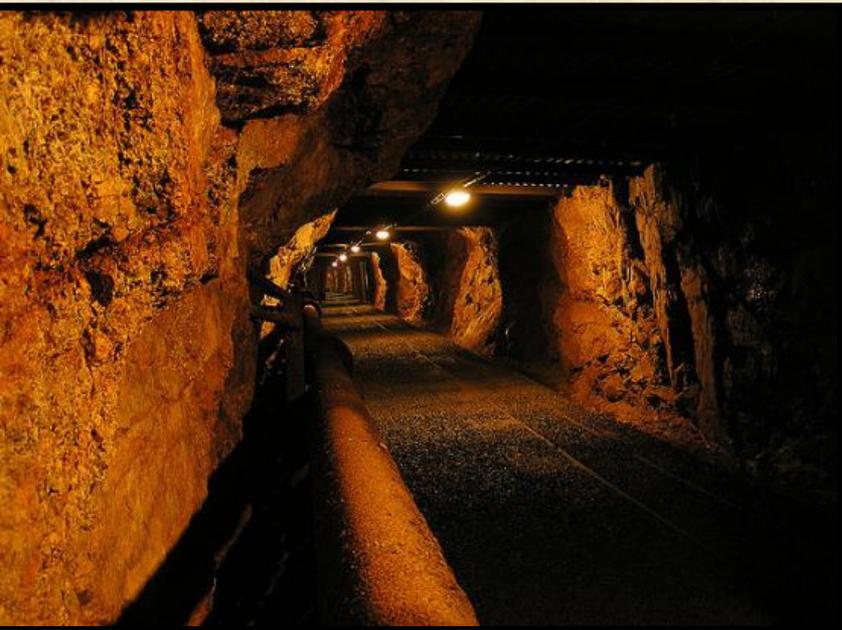
# Mining & Mineral Resources



The province is richly endowed in raw minerals

Minerals mined in the Free State include:

- Gold and its by- products (uranium, silver, platinum, group metals and sulphuric acid)
- Diamonds
- Coal and Bentonite



Other important minerals such as:

- Sand
- Sandstone
- Gypsum
- Granite and limestone

# Agriculture

## Free State Agri Parks



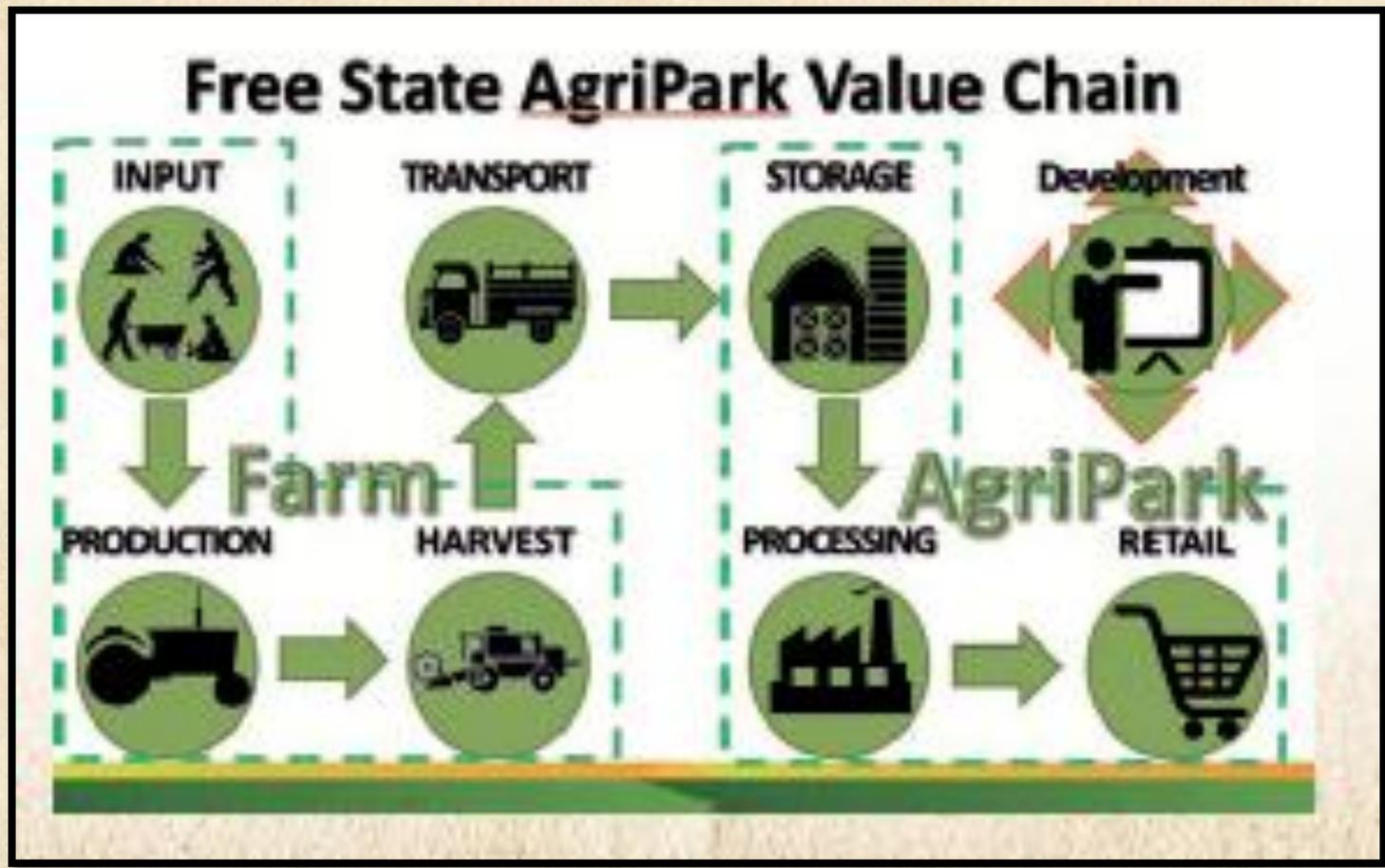
**4 Districts + 1 Metro AgriParks**



**FREE STATE**



# Agriculture & Agro Processing



# Investment Opportunities

## MAP IDZ / SEZ Development

Targeted Sectors: Top Priority and Others

Top  
Priority

 <p><b>Automotive</b></p>	 <p><b>Agro-Processing</b></p>	 <p><b>Pharmaceuticals</b></p>	 <p><b>ICT &amp; BPO</b></p>
<ul style="list-style-type: none"> <li>- 1<sup>st</sup>-tier Suppliers</li> <li>- 2<sup>nd</sup>-tier Suppliers</li> <li>- Related industries</li> <li>- Warehousing</li> <li>- VDC and P&amp;A Centre</li> <li>- Farming implements</li> <li>- Yellow equipment</li> </ul>	<ul style="list-style-type: none"> <li>- Bio-fuels</li> <li>- Forestry &amp; Wood</li> <li>- Dairy Products</li> <li>- Meats, Vegetables, fruits</li> <li>- Wool, hides</li> <li>- HIVE developments</li> <li>- Animal Feeds, hay</li> </ul>	<ul style="list-style-type: none"> <li>- Generics</li> <li>- Cosmetics</li> <li>- Natural Remedies</li> <li>- Medicinal plants (herbs)</li> <li>- General product processing</li> </ul>	<ul style="list-style-type: none"> <li>- Call Centers</li> <li>- Software engineering</li> <li>- Programming</li> <li>- Computer &amp; mobile phone</li> <li>- Data Centre</li> <li>- Broadband</li> </ul>
 <p><b>Food-Processing</b></p>	 <p><b>Logistics</b></p>	 <p><b>Aqua-Culture</b></p>	 <p><b>General Processing</b></p>
<ul style="list-style-type: none"> <li>- Fruit Concentrates</li> <li>- Meat Processing</li> <li>- Packaging</li> <li>- Potatoes</li> <li>- Apples</li> </ul>	<ul style="list-style-type: none"> <li>- Logistic Service Providers</li> <li>- Warehousing facilities</li> <li>- Distribution Centers</li> <li>- Cross-docking facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Fish Farming</li> <li>- Fish processing</li> <li>- Recreational (dam)</li> <li>- Staple food</li> </ul>	<ul style="list-style-type: none"> <li>- Light industries</li> <li>- Plastic Conversion</li> <li>- Assembly / fabrication</li> <li>- Electrical / electronics</li> <li>- Appliances</li> <li>- Garments, textiles</li> </ul>

# Projects & Business Profiles

- Agriculture
- Business process outsourcing
- Energy , Renewable Energy and Recycling
- Mining
- Transport
- Industrial Development Zone
- Tourism

***Email / handouts of all projects in detail including the required capital investment in ZAR***

# Projects & Business Profiles

Please contact :

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[www.freestateonline.fs.gov.za](http://www.freestateonline.fs.gov.za)

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# Thank you



*Gariep Dam – Free State Province*