



**economic development
& tourism**

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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FOR IMMEDIATE RELEASE

NKOMAZI SPECIAL ECONOMIC ZONE GIVEN THUMBS UP – MEC KHOLWANE

Mbombela – Mpumalanga MEC for Finance, Economic Development and Tourism, Mr Sikhumbuzo Eric Kholwane has announced that it is all systems go for the establishment of the Nkomazi Special Economic Zone (SEZ), following the positive results of the feasibility study conducted.

“We are happy that the results of the feasibility study have shown that the establishment of an SEZ in Nkomazi is viable. This will be a serious boost to the economy of the Municipality and the Province at large, as quite a number of jobs will be created as a result”, indicated MEC Kholwane.

The results of the study indicated that an SEZ would be viable as a Logistics and Trade Hub within the Nkomazi Local Municipality due to its proximity to some of the major mining and agricultural production areas of the country’s Northern Provinces, and access to good transport infrastructure provides it with an advantage as a logistics and distribution hub.

“SEZs are established and funded by the Department of Trade and Industry after considering applications from Provinces. We have seized this opportunity and applied because this will give us a better chance to wage a war towards eradicating poverty and unemployment. The establishment of the SEZ will translate into business opportunities and employment creation for the people of Nkomazi”, added Mr Kholwane.

The proposed SEZ offers a unique opportunity to reduce the costs of freight by creating an inland port that can handle cargo containers and bulk material transport through the trans-shipment of road cargo to rail, thereby reducing the truck congestion on the roads between Gauteng and the Maputo Port.



In terms of the study, the proximity of Nkomazi to the Mozambican natural gas resources has a potential to develop electricity for the proposed industrial activities, as well as other energy intensive mineral processing industries.

The Nkomazi Local Municipality has already earmarked the land where the SEZ will be established. SEZs are established in terms of the Special Economic Zones Act of 2014 (Act 16 of 2014) and are defined as geographically designated areas of the country that are set aside for specifically targeted economic activities, and supported through special arrangements and systems that are often different from those that apply to the rest of the country. They are established in order to:

- Develop infrastructure to support the development of targeted industrial activities;
- Attract foreign and domestic direct investment;
- Provide location for targeted investment;
- Enable beneficiation of mineral and natural resources;
- Promote regional development; and
- Create decent work and other socio-economic benefits whilst also promoting skills and technology transfer.

#ENDS#

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Department of Economic Development and Tourism

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