

**PART 5 – DEEP DIVE PARALLEL SESSIONS:
MANUFACTURING & INDUSTRIALISATION**

**KZN AUTOMOTIVE
SUPPLY PARK**

6 OCTOBER

THE PIPELINE SERIES

SIDSS  21

iNFRASTRUCTURE
South Africa

OUTLINE

The Presentation covers the following

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- 1 High Level Project Information
- 2 Investment Plan and Financing Gap
- 3 Capital Required
- 4 Project Risks and Mitigation
- 5 Project Implementation Milestones
- 6 Q&A



PROJECT

KZN AUTOMOTIVE SUPPLY PARK – DLH – PH1 and ILLOVO –PH2



Project Scope

The main objective is to achieve a Township Establishment Area with development rights to support the Automotive Sector mainly but also accommodate other industrial uses. The site extent in the Illovo area is about 1000 ha including wetlands.

Developmental Impact

- Support new investment in the automotive sector;
- Enhance localization, production and supplier capabilities;
- Support **Toyota SA Motors' s tier 1 & 2 suppliers and other Automotive supplier investors;**
- Attract other OEMs and advance the OEMs growth trajectory in eThekweni, KZN and RSA and Unlock investment;
- Support Export growth;
- Provide sustainable jobs (40 000 during construction, 270 000 direct full time equivalent jobs during full operation and about 200 000 indirect opportunities over the lifetime of the project.

Project Sponsor(s)

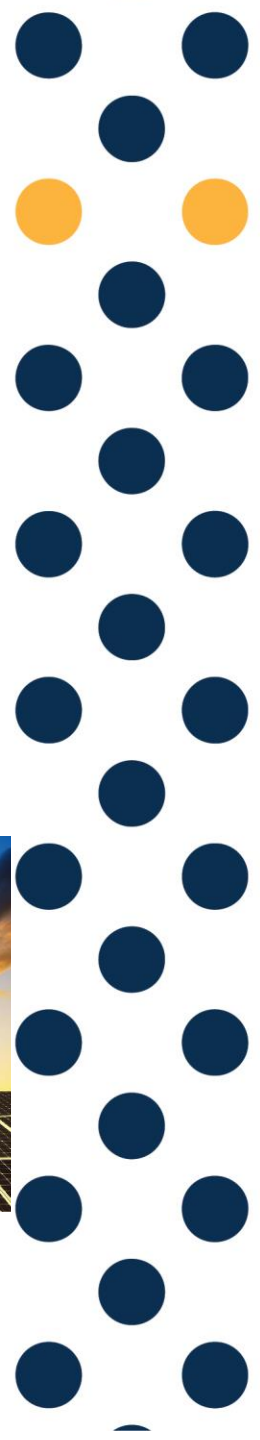
Department of Economic Development, Tourism and Environmental Affairs.

Implementing Agent

Dube Trade Port Corporation

Other Key Stakeholders

Department of Economic Development, Tourism and Environmental Affairs; EThekweni Municipality, South African Roads Agency Limited (SANRAL), Department of Transport
Toyota South Africa, Transnet, NAACAM, DTIC, etc



INVESTMENT PLAN AND FINANCING GAP

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Estimated Capital Cost R4.7 bn

Funding Gap

R4.7 bn

- The Project is adequately funded for pre-feasibility study for Phase 1 (DLH) and Phase 2 (Illovo Feasibility study in the amount of R21mil (excluding construction).
- The estimated Capital construction cost is R4.7bn over a 15 year period.
- It is a requirement for funding commitment letters to be provided as a trigger for construction procurement

Sources of Funding		Uses	
Equity	R'm	Project Identification	R'm
• EDTEA	R20m	Feasibility Study – Phase 2 Illovo South	
• Grant Funding	R1m	Pre-feasibility – Phase 1 - DLH	
TOTAL		TOTAL	

CAPITAL REQUIRED





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Budget Phasing	2025/26: R TBD	2026/27: R TBD	2027/228: R TBD
Utilisation of Funds			
<u>Construction Costs (Ex Vat Contingency, Esc)</u>			<u>TOTAL</u>
<u>Phase 1A</u> Platform , Services, roads N2 Interchange R102 link Sub Total (R'm)			R555m R863m R270m R1.6bn
<u>Phase 1B</u> Bulk Earthworks Engineering Services Roads Sub Total (R'm)			R146m R183 R'54m R383m
<u>Phase 1C</u> Bulk Earthworks Engineering Services Roads Sub Total (R'm)			R248m R285m R'43m R576m
<u>Phase 1D</u> Bulk Earthworks Engineering Services Roads Sub Total (R'm)			R277m R122m R'35 R434m











PROJECT RISKS AND MITIGATION

Risks

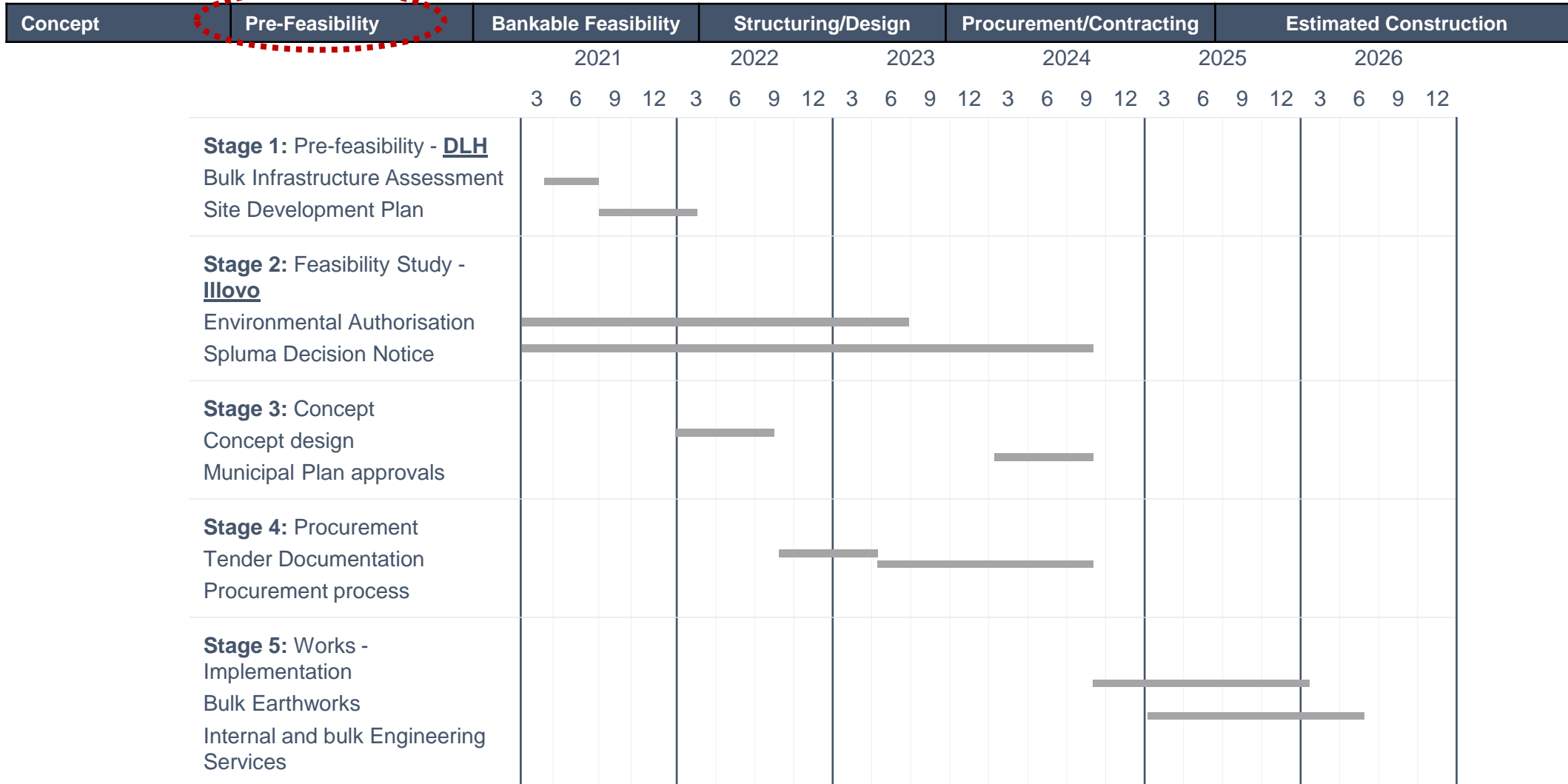
 <p>Consensus on TIA/TMP impacting DBAR submission</p>	<ul style="list-style-type: none"> • Transport authorities comments to be addressed. • The N2 interchange is to be addressed in a separate BAR
 <p>Rejection of wetland offset plan impacting Environmental Auth</p>	<ul style="list-style-type: none"> • Conduct additional estuarine ,wetland and sustainable drainage systems specialist studies to positively augment the wetland offset plan
 <p>Completion of Phase 1 A – Illovo platforms by Q3 2021</p>	<ul style="list-style-type: none"> • Phased approach to accommodate committed OEM and suppliers to include review of the DLH site
 <p>Project Funding for construction</p>	<ul style="list-style-type: none"> • Motivation for relaxation of submission timelines for application to the large infrastructure budget funding facility • Source alternate funding

Mitigation Strategy

Likelihood	Impact
	
	
	
	

 Low
  Medium
  High

PROJECT IMPLEMENTATION MILESTONES



It is estimated that Financial Close will be reached in (2035)



THANK YOU
Q&A

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