



Introducing the Vaal SEZ

Localisation of green hydrogen industry in the Vaal
Radisson Hotel, Sandton

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Reigniting the birthplace of industrialisation in South Africa



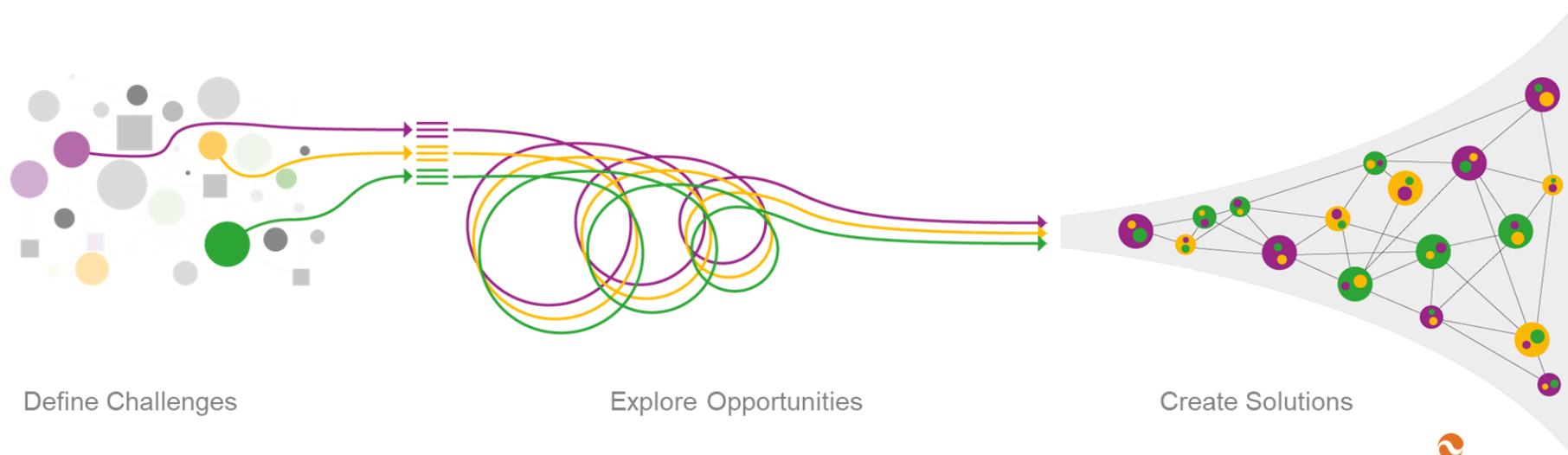
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Introduction

- Develop a **multi-sector, multi-site** Special Economic Zone in the Vaal Region (Sedibeng District), that attracts **suitable investments at scale** – transitioning the regional economy onto a **sustainable low carbon intensity path**
- Regenerate the area, support new economic activity, and **build on the historic competitive strengths and skills base of the area**
- Strategic **partnerships with major corporations** like Sasol and Arcelor Mittal as they embark on their decarbonisation journeys
- Build a socially cohesive society, with **sustained economic growth** that results in the **creation and retention of quality jobs**, and sustainable **opportunities for SMEs**

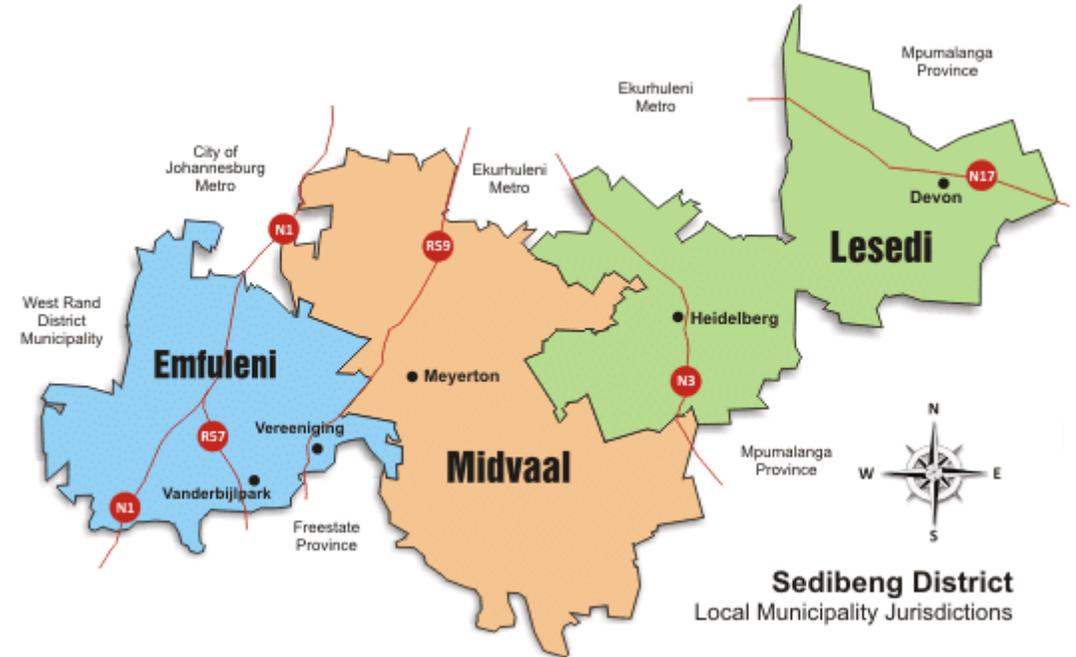


Location



GGT2030
GROWING GAUTENG TOGETHER

The Vaal in this context refers to the Sedibeng District Municipality which consists of the following three local municipalities: **Emfuleni, Midvaal, and Lesedi**. The District constitutes one of the five Development Corridors within the Gauteng Province and is referred to in the Growing Gauteng Together 2030 Economic Plan of the province as the **Southern Corridor**.



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Strategic rationale for the Vaal SEZ

- Vaal region is a **historic cluster of steel** related industries and **mining**
- Marked steel industry decline since the 1990's resulting in **economic decay and intractable social ills**
- Sustainable growth for the region requires a focus on **both reducing carbon intensity of production, and embracing the economic potential of new green technologies**
- These interventions will mitigate the impact of **climate change**, enhance **competitiveness**, and drive **industrial development, innovation** and **economic diversification**

Decarbonisation

Support existing businesses in transitioning to a low carbon path, thus becoming more competitive

New Green Technologies

Take advantage of the economic opportunities that green hydrogen and other green technologies offer

The Vaal is home to several large export-oriented manufacturers, including two of the most recognisable South African-born multinationals



Sectoral focus

- A **green energy-fuelled re-industrialisation of the Vaal region**, transforming this industrial basin into the country's pre-eminent hub for **low-carbon manufacturing and renewable energy production**;
- High impact investments into the **food, agriculture and agro-industries value chain**;
- Investment in **gateway logistics (air, road, rail, river)** to exploit the locational advantages of the Sedibeng District;
- Investment in the **Blue Economy and the Tourism Sector on the back of the Vaal River**;
- Building a **Smart City along the Vaal River and an Aerotropolis** to drive urban development; and
- Building strong **local linkages between township / rural economies** with the value chains that the Vaal SEZ will develop and strengthen



Key enablers of investment

- **Vaal Energy Transition Industrial Cluster** – Commitment to the decarbonisation of industry, mobility, and energy sectors in the pursuit of net zero carbon emission by 2050
- South Africa's structural **competitive advantages in the production of green H2** – high quality renewables potential, sufficient land, PGM resources etc
- Plethora of recently promulgated **enabling electricity sector structural reforms**, including:
 - Municipal capacity to procure electricity from IPPs
 - Power wheeling arrangements
 - Lifting of licensing caps for IPPs and embedded generation facilities
- **Benefits of SEZs and other investment attraction measures**
- **Just Energy Transition Investment Plan (JET IP)**

There's no better time than now for investors to take advantage of the green energy-fuelled economic opportunities presented by the need to resolve energy challenges and the transition to net zero carbon emissions

Priority investment areas



- Hydrogen Valley Innovation Hub
- Manufacturing of renewable energy components
- Boat Building Park
- Vaal Aerotropolis / Vaal River City
- Microgrid Systems / New Energy Vehicles / Battery Energy Storage Systems

700ha of land in Vanderbijlpark approximately 3km from the Arcelor Mittal plant



- Medical cannabis
- Agro-processing
- Waste-to-energy
- Agrivoltaics

A total of **800ha** of land in **5 land parcels** across the Midvaal Local Municipality



- Aerospace and defence manufacturing
- Light manufacturing
- Agro-processing
- Logistics
- Waste-to-energy

A total of **180ha** of land in **2 land parcels** across the Lesedi Local Municipality

Investment pipeline

Category 1

4 shovel-ready high priority investments

Sectors	Fuel cells, composite LPG cylinders, Chlor-Alkali Plant, GH2 Programme of Projects
Investment value	R8.9 billion over 4 years
Timeframe	Ready to break ground in 2024

Category 2

3 investments at an advanced stage of the BFS

Sectors	Manufacturing of defence equipment, concrete materials, starch
Investment value	R2.9 billion
Timeframe	Expected to reach financial close in 2024 and ready to break ground in 2025

Category 3

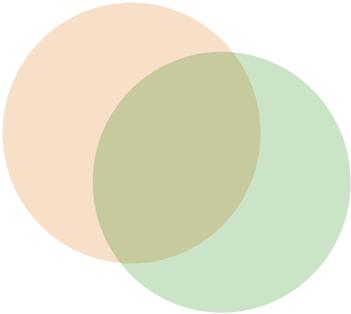
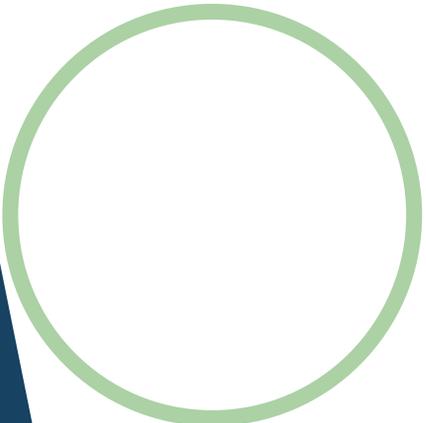
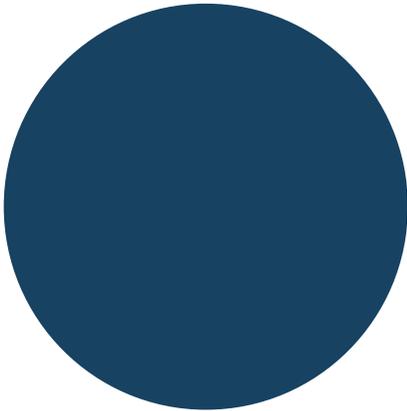
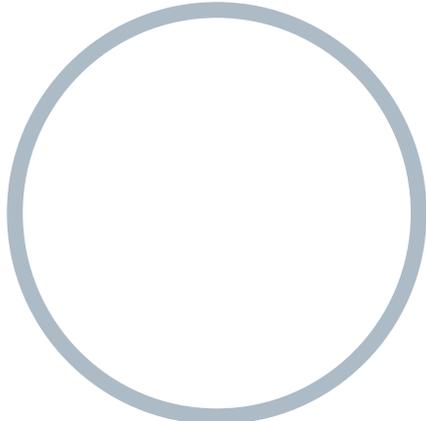
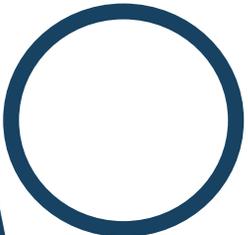
8 investments at an early stage of the BFS

Sectors	Agrivoltaics, battery storage, waste-to-energy, boat building, solar PV, green hydrogen / ammonia / methanol, agro-processing,
Investment value	Estimated to be in excess of R20 billion
Timeframe	Expected to reach financial close from 2025 and ready to break ground from 2026

Conclusion

- The energy challenges facing South Africa present **massive opportunities for local and international investors**
- The **investment environment is conducive** and the structural reforms that have been introduced are enabling
- Developing SEZs in this environment requires innovative ideas, and **strategic partnerships between the public and private sectors**
- The **Vaal SEZ** invites local and international investors to take advantage of the drive **to reignite the birthplace of industrialisation in South Africa**





Thank you

Reigniting the birthplace of industrialisation in South Africa