



FDC PRESENTATION TO NCOP



28 March 2022

1. Role of the FDC
2. FDC Structure and Governance
3. FDC Developmental Mandate
4. Overview of the FDC Industrial Parks
5. Incentives Provided
6. Initiatives to Maintain Current Jobs & Create New Jobs
7. Major Infrastructure Projects
8. FDC Operational Statistics

DEVELOPMENTAL

Initiate economic empowerment projects that would benefit the Free State

Assist Free State based small, medium and micro enterprises in financial distress

FINANCIAL

Provide funding to Free State based small, medium and micro enterprises

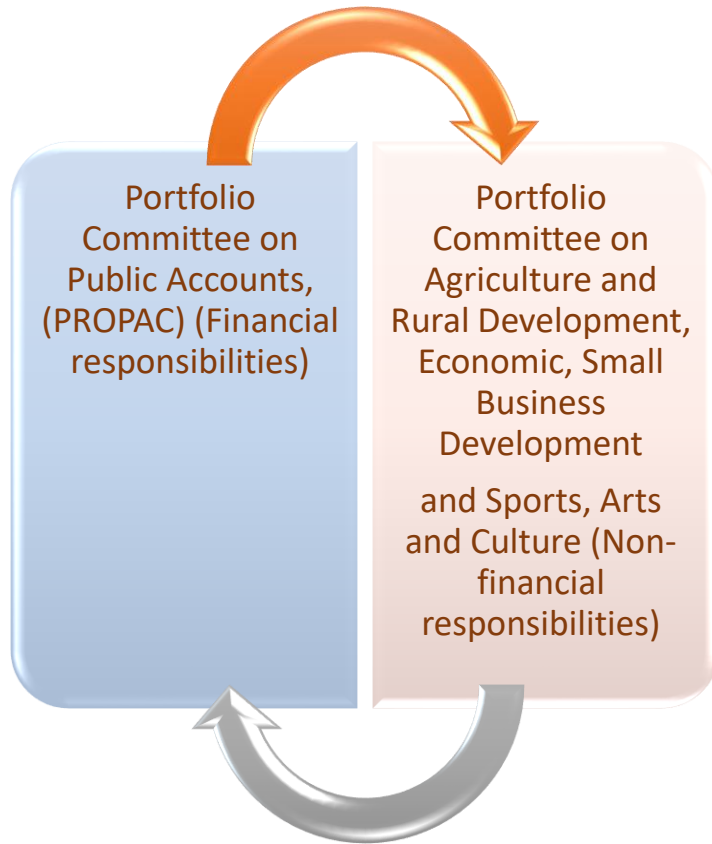
Initiate economic empowerment projects that would benefit the Free State

PROMOTIONAL

Identify, analyse, develop, package & publicize investment opportunities

Promotion and development of small, medium and micro enterprises

*Free State Legislature
Committees that facilitate its
oversight role over the FDC:*



- ❑ The FDC is a public business enterprise established in terms of Free State Development Corporation Act No.6 of 1995.
- ❑ It is listed as a Schedule 3D in terms of the Public Finance Management Act No.1 of 1999 (PFMA)
- ❑ The Board of Directors is the accounting authority in terms Section 55 of the PFMA, has governance responsibilities and must account to the Provincial Member of the Executive Council for Economic, Small Business Development, Tourism and Environment Affairs.
- ❑ In terms of section 63 to 65 of the PFMA, the MEC is the Executive Authority

The Corporation's Developmental Approach to Promoting SMMEs, Creating Jobs and Growing the Provincial Economy

PROPERTY LEASES

Commercial Properties

- Reduced rental rates per square meter (R10,00/sq.m instead of R40,00/sq.m)
- Work with tenants in financial distress instead of outright eviction when they default on rent and utilities. This is part of our mandate in terms of the FDC Act but its unfunded.

MUNICIPAL SERVICES

Utilities (Water only)

- No mark-up on utility bills
- FDC out of the electricity sale and cost recovery business. Municipalities supply directly to the FDC tenants in its industrial parks and other commercial properties.

SUPPORT SERVICES

Financial & Non-Financial Support

- We undertake investment promotions and facilitation at our cost.
- We provide SMME financing who ordinarily would not get funding from the bank with generous payment terms.
- We provide bridging finance to SMMEs based on the government orders and we sign cessions with departments and municipalities

- Free State Development Corporation (FDC) has three Industrial Parks and one Special Economic Zone in Harrismth – Maluti A Phofung in the province.
- The Industrial Parks consist of small (50-499 sqm) and large units(+500 sqm).
- Phuthaditjhaba Industrial Park is strategically located in the Eastern Free State and 40km away from N5 and N3 highway. The Park falls along the border between Gauteng and Kwazulu-Natal Province.
- The Botshabelo Industrial Area is situated approximately 53 Km from Bloemfontein on the N8 towards Lesotho. The Botshabelo Industrial Area is one of the main drivers of the economy of the Mangaung Metropolitan Municipality.
- Our tenants profile consists of the following various sectors; Textile , Plastic Products, Poly Propylene Bags, Poultry, Food and snacks, Packaging, Paraffin Stoves/Hot plates, Plastic packaging, electrical transformer manufacturing. Etc.

➤ **Botshabelo Revitalization phase 1 - Completed**

- Security fencing
- High mask lights
- Roller shutter doors
- Boom gates
- **Value of the project R21,9m**

➤ **Botshabelo Revitalization phase 2 – Almost Complete**

- CCTV cameras
- ICT hub
- Refurbishing of roofs
- Refurbishing of seven (7) factories
- Electrical upgrades
- Upgrade of entrance / façade
- **Value of the project R40,4m**

➤ Phuthaditjhaba Revitalization phase 1 – Completed

- Phuthaditjhaba Industrial Park was approved for phase 1 Revitalisation at an amount of **R32,3 million**.
- installation of parameter fencing
- CCTV Cameras,
- Installation of gates
- guard rooms.

➤ Phuthaditjhaba Revitalization phase 2 – DBSA on site 17 November 2021 scoping the project

- Application submitted to DTIC;
 - Address occupational compliance for 16 factories including roofing, plumbing and electrical upgrades
 - 3 substations Upgrade.
 - MAP TVET College in partnership with SEDA is housing the digital hub which is in the FDC factory.

❑ The property department aims to utilize property space in order to facilitate commercial and industrial activity, while assisting new investors who are seeking suitable rental premises.

❑ **The following incentives are provided:**

- Subsidized rental rates
- Rental holidays of up to three months,
- Other special Incentives – e.g. amortising tenant capital investment over the lease term.

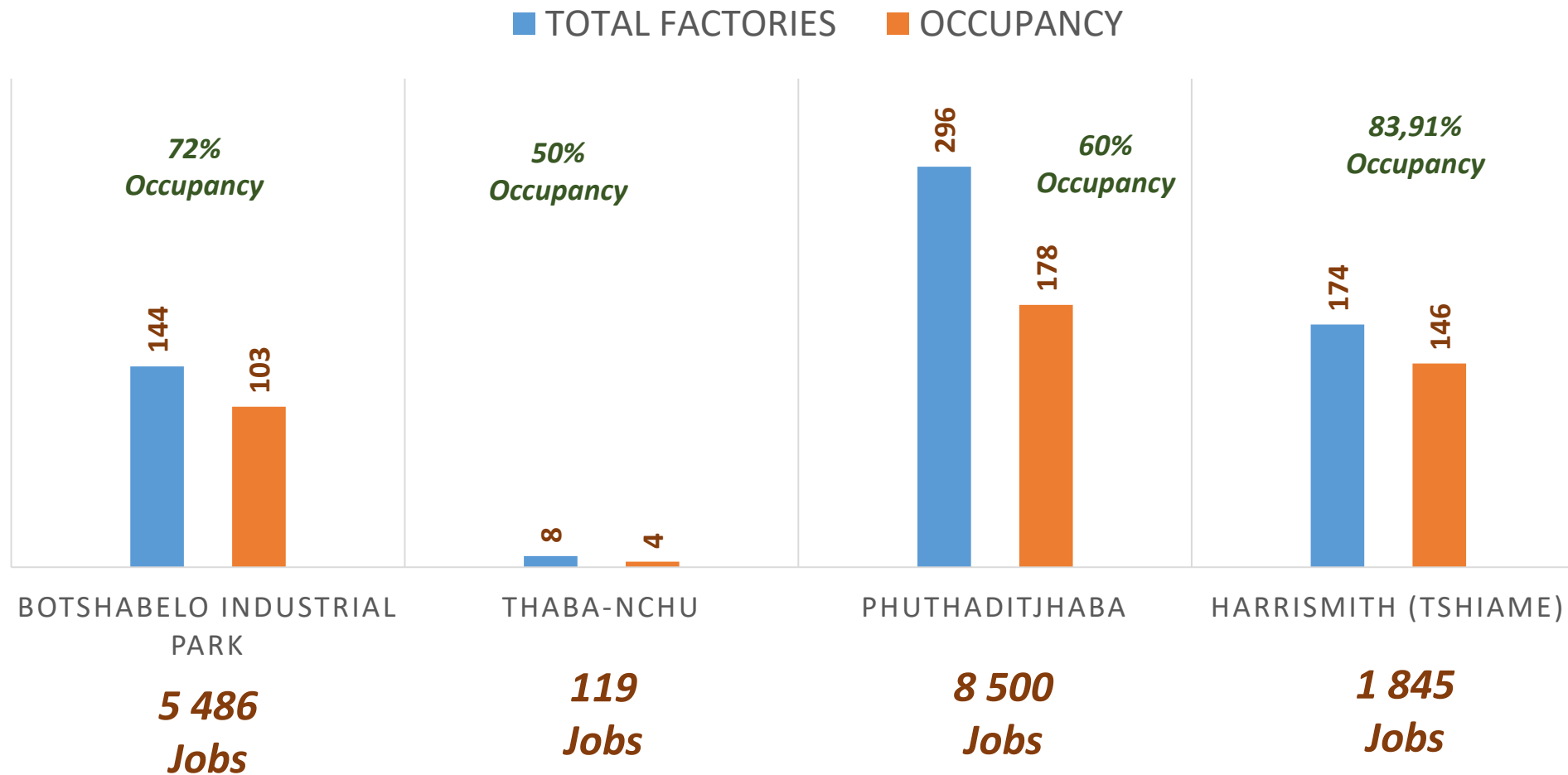
❑ **Strategic Objectives :**

- Increase Rental Revenue
- Increase Rental Occupancy
- Increase the number of private sector partnerships to utilize vacant/vandalized properties to facilitate job creation. Private sector has funding and expertise to

- Revitalization of three (3) Industrial Parks i.e. Botshabelo, Thaba Nchu, and Phuthaditjhaba parks
- Revive AgiParks partnership with the Department of Rural Development (Phuthas, Tshiame, and Thaba Nchu)
- ICT Digital Hub – In partnership **with DTIC, MMM and SEDA** in progress;
- Collective training for Industrial sectors in the park on Textile manufacturing skills.
- Student Accommodation in Phuthaditjhaba Industrial Park.
- Revitalization of Shopping Centers with Private Partnerships.
- Partnership with Maluti Tvet College and SEDA in establishing Centre for Entrepreneurial Rapid Incubator in the Phuthaditjhaba Industrial Park.
- Phase three roads reticulation upgrades within Botshabelo and Phuthaditjhaba industrial parks assisted by the DTiC through the DBSA as an implementing agent.

- Steel Smelter Projects – R300m (ThabaNchu)
- Development of the N8/Mahungra Node (project in planning stage)
- Revitalisation of the Bloem Industria with the Mangaung Metro (project in planning stage)
- Redevelopment of the Welkom Airport as an air cargo hub
- Rail wagon manufacturing in the Transnet Engineering Managung depot by a consortium comprising South African company and a German original equipment manufacturer;
- Significant public private partnerships

STATISTICAL INFORMATION OF FDC INDUSTRIAL PARKS



Thabo Lebelo | Chief Executive Officer : Free State Development Corporation
Tel: +27 51 4000 812 | E-mail (w): thabo.lebelo@fdc.co.za

Free State Development Corporation

33 Kellner Street, Corner Kellner & Markgraaff Street
PO Box 989 | Bloemfontein | 9300

Website: <http://www.fdc.co.za/>

