

EAST LONDON CONTRACTOR DEVELOPMENT OUTREACH ROADSHOW

*Eastern Cape economic development
perspective, infrastructure opportunities, and
contractor participation*



Province of the
EASTERN CAPE
ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS & TOURISM



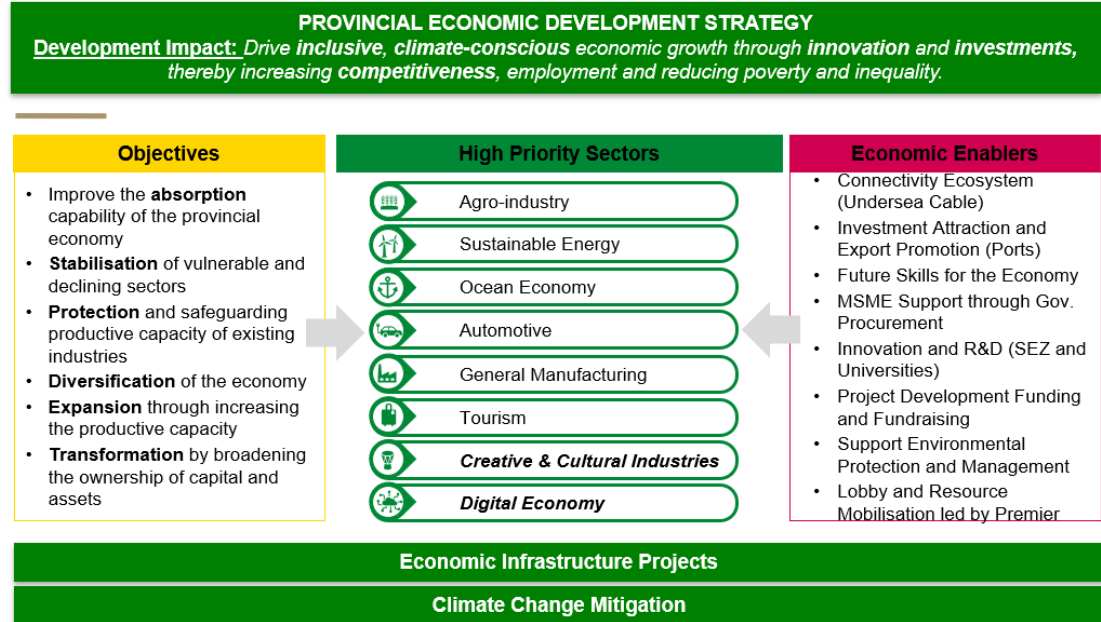
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PROVINCIAL ECONOMIC DEVELOPMENT STRATEGY (PEDS)

The Department developed the Provincial Economic Development Strategy (PEDS) to ensure focus is placed on sector-specific interventions and enablers

One fundamental enabler of the strategy is ***Economic Infrastructure Projects***



ECONOMIC INFRASTRUCTURE

- Investment in greenfield infrastructure and **maintenance** of existing infrastructure
- Build a **climate resilient**
- Binding Constraints:
 - Spatial inequality in provision
 - Budgetary limitations and project management challenges in implementation
 - Project packaging capacity
- **Selected key initiatives:**
 - Revitalisation of industrial parks
 - Port and SEZ developments (Coega, ELIDZ, WCSEZ)
 - Electricity Grid Infrastructure
 - E-Mobility Infrastructure i.e. charging stations
 - Catalytic interventions identified in EC Infrastructure Master Plan

STRATEGIC ECONOMIC INFRASTRUCTURE FOR COMPETITIVE, GREEN AND INCLUSIVE GROWTH

- ❑ Eastern Cape's growth challenge has shifted from whether to invest to how strategically infrastructure is aligned to unlock Tourism, Trade, Industrialisation, Exports.
- ❑ In a constrained public fiscus and competitive global environment, infrastructure must move beyond basic provision to strategic economic enablement, Reliability. Predictability, Alignment with transition-oriented sectors.
- ❑ The province's industrial ecosystem analysis highlights that growth in automotive transition industries, advanced manufacturing, the digital economy, sustainable energy, and tourism depends on:
 - Integrated industrial and economic infrastructure that supports value-chain development
 - Efficient logistics across ports, roads, rail, and strategic corridors to improve competitiveness and market access
 - Energy resilience, including sufficient grid capacity, reliable green energy availability, and long-term certainty

KEY ENABLING INFRASTRUCTURE

SEZ INFRASTRUCTURE



- ❑ Focus on Bulk and To Structures
- ❑ R3.5 billion spent on infrastructure DTIC on the two SEZs

LOGISTIC INFRASTRUCTURE



- ❑ TNPA investment plan into central region ports centered –Growth Initiatives & Major Developments

ENERGY INFRASTRUCTURE



- ❑ To date, 18 large-scale wind and 1 solar farms have been constructed. involving R40,7 billion in investment value have been constructed in the province

INDUSTRIAL PARK



- ❑ Focus on Bulk and Top Structures
- ❑ DTIC- and PESF allocation for the past 5 years, between 2019 and 2024, funding of more than R 500million secured

ENABLING INFRASTRUCTURE



- ❑ Early momentum in ICT services, data hosting and digital infrastructure
- ❑ The digital economy in the Eastern Cape is emerging and structurally underdeveloped
- ❑ R809 million investments in ICT during the 2023 provincial conference, inclusive of R500 million investment from Vodacom
- ❑ New undersea cable investment progressing (EIA underway; Sales Agreement concluded)

FOCUS ON INDUSTRIAL PARKS

- ❑ Industrial Parks in the Eastern Cape continue to serve as key drivers of industrial growth, enterprise development, and employment creation.
- ❑ Collectively, these parks support approximately 1,625 employees, underscoring their significant contribution to the provincial economy.
- ❑ While these assets remain strategically important, a number of facilities require refurbishment and upgrading to improve occupancy levels, enhance competitiveness, and better meet the needs of MSMEs and cooperatives.
- ❑ Addressing challenges faced by industrial parks is critical to restoring the functionality and sustainability of these assets.

BROAD SMME SUPPORT

- ❑ Roll out Provincial MSME Strategy 2022–2025 & Township/Rural Economies Polic
- ❑ DEDEAT coordinates enterprise policy, incubation, cooperative development & red tape reduction
- ❑ Eastern Cape Development Corporation (ECDC) leads MSME across the province



SMME FINANCIAL SUPPORT

**+R138 Million issued
through ECDC for the past
3 years**

**+210 MSMEs funded from
2023-2025**

FUNDING TOOLS

- ☐ Contract-based (construction loans & supply of goods and service)
- ☐ Invaba Co-operative Fund
- ☐ LRED Fund
- ☐ Term Loans (Business Finance
- ☐ Business Finance Loan Guarantee Scheme

NON-FINANCIAL SUPPORT

- ❑ Integrated MSME support services.
- ❑ Facilitate support for the designated groups through collaboration with strategic partners (Youth, Women, People With Disability, Military Veterans).
- ❑ Cooperative development support (partnership with DGRV, SEDA, ECDC, DEFF).
- ❑ Business registrations and company-related interventions in partnership with CIPC
- ❑ Training and capacity building interventions with key stakeholders



SEZs BROADENING SMME PARTICIPATION

- ❑ Procurement spend and SMME participation are key indicators in the provincial SEZs
- ❑ Prioritization of designated groups (Women, Youth, People Living with Disability and Military Veterans)
- ❑ Improve SMME access to public procurement - Creation of opportunities through identification of SMME work packages.
- ❑ Build SMME capacity, fast track growth and ensure sustainability of SMME's – Training, Mentorship and Incubator
- ❑ Coega Small Business Finance Solution offers finance and non-finance solutions to SMMEs in the construction sector working on EC, KZN and national projects
- ❑ ELIDZ-STP supports the development of innovators and SMMEs with a specific focus on science and innovation



BUILDING SECTORAL VALUE CHAINS

- ❑ Infrastructure quality, access and reliability to support tourism and agro-processing
- ❑ Opportunities linked to investment in digital-ready infrastructure i.e broadband
- ❑ Leverage the momentum of investment in embedded renewables, storage and grid-support infrastructure
- ❑ Urgent need to invest in reliable water systems, energy security, cold-chain logistics, rural and secondary road networks to unlock agriculture and agro-processing.



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