



ASGISA (Eastern Cape)

Growth and Investment Leadership Programme

ASGISA EC Investment Opportunities

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Contents



- Brief background and rationale to ASGISA EC
- The resource potential
- Vision, Mission and Objectives
- High Impact Priority Programmes
- Investment Opportunities
- Conclusion

Brief background and rationale to ASGISA EC (Cont...)



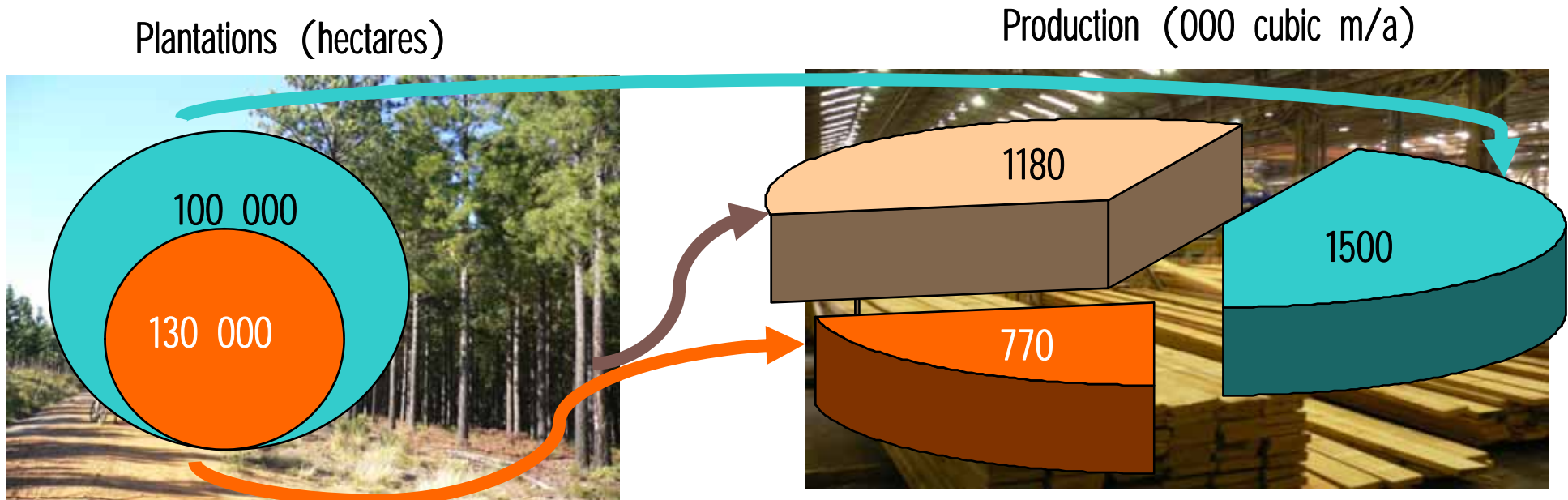
- Rural state of under development
- Limited (absence) of private sector investment in the eastern part of the Eastern Cape (the Transkei region)
- No viable coalitions
- Government mainly the mainstay of the rural economy

The resource potential



- Above average climatic conditions
- Higher than national average rainfall
- 500 000 ha arable land available
- 40 000 ha irrigation potential
- 100 000 ha forestry potential
- Over 20 000 ha suitable for fruit production
- Potential for bio-fuels industry in line with national strategy

The resource potential (Cont...)



Existing

- 66 wood processors
- 8000 employed
- Revenues of R900m/a

Optimisation

- 1.5 X more wood
- Spike in new jobs

Potential

- 80% more plantations
- 1.8 X more wood
- 4000 new direct forestry jobs

The resource potential (Cont...)



Water Resource Development

- Mzimvubu basin (catchment) one of the most under utilized
- Only 110 million m³ of the catchment's MAR of 2 572 million m³ (5%) is used
- Huge hydro and pump storage potential estimated at over 1 500 mw
- Research currently being undertaken to determine pre feasibility
- Development of water resources aimed at unlocking the development potential of the region – seen as an enabler

Vision, mission and HIPPs



Vision

To create viable, sustainable and competitive rural economic development zones of the Eastern Cape, concentrating initially in the Mzimvubu Economic Development Zone.

Vision, mission and HIPPs



Mission

Leverage significant public and private sector investments and interventions to unlock the dormant potential of the Province through partnerships, high level and focused integration and co-ordination. Play a catalytic role in building a sustainable, modern, rural-based economy linked to value chain processing, manufacturing and marketing in agriculture, forestry, tourism, water and power generation.

Portfolio's (High Impact Priority Programmes – HIPPs)

- Agriculture and Agro-processing
- Tourism
- Forestry Development
- Water Resource Development
- Hydro and Alternative energies
- Human Settlement and Planning

Core strategies



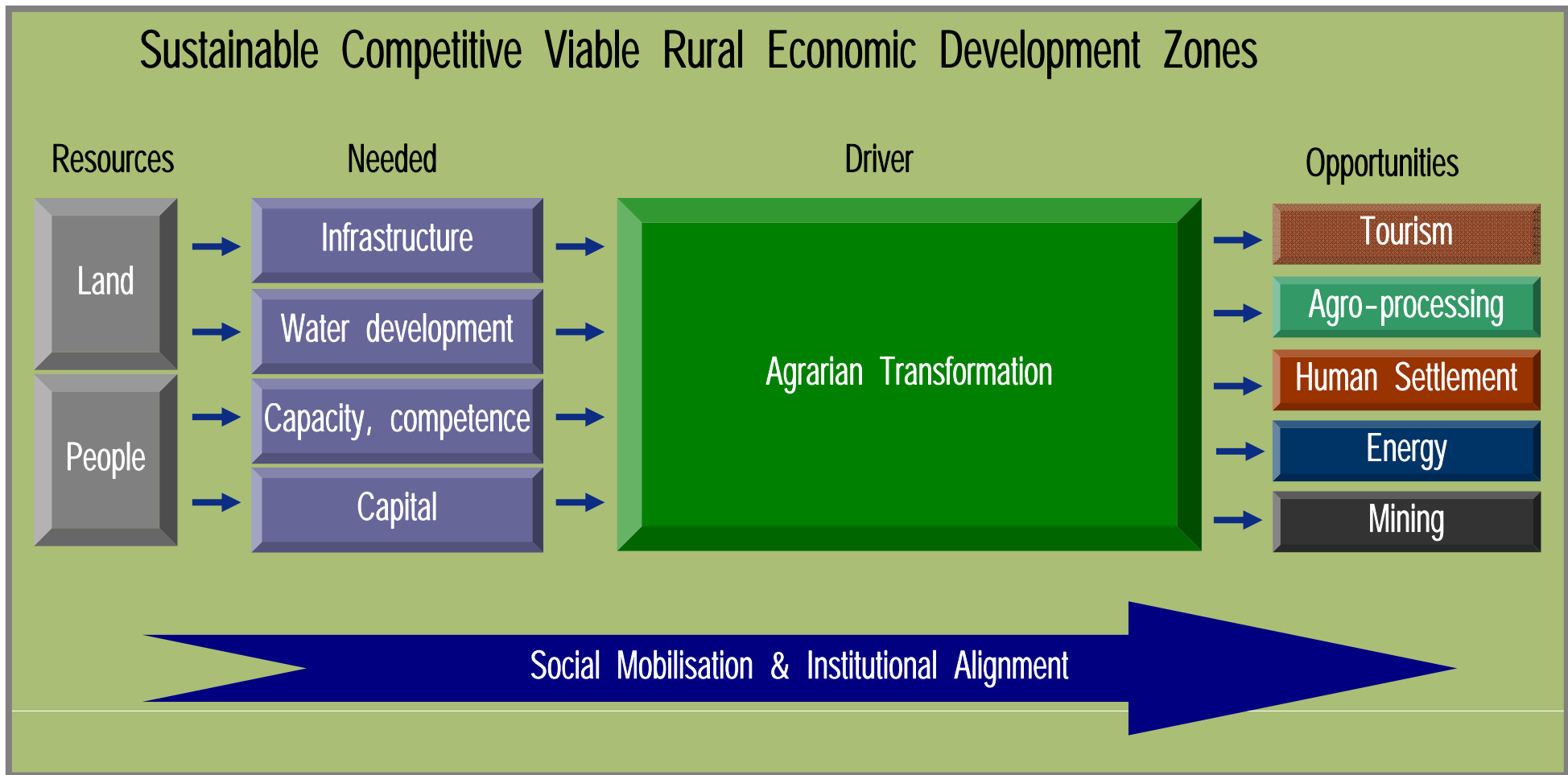
- a) Identify bottlenecks that inhibit accelerated growth and development;
- b) Facilitate spatial planning, resource mapping, collaboration and stakeholder engagement;
- c) Conceptualise, design and package high impact (catalytic) projects embedded in the communities;
- d) Leverage creative and mutually beneficial public and private partnerships;
- e) Ensure effective and seamless project implementation and support integrated with relevant government departments, municipality and community priorities; and
- f) Conduit of development finance (co-financer), leveraging technical capability and compact mechanisms.



Strategy consideration



Long-term strategy



ASGISA EC Targets



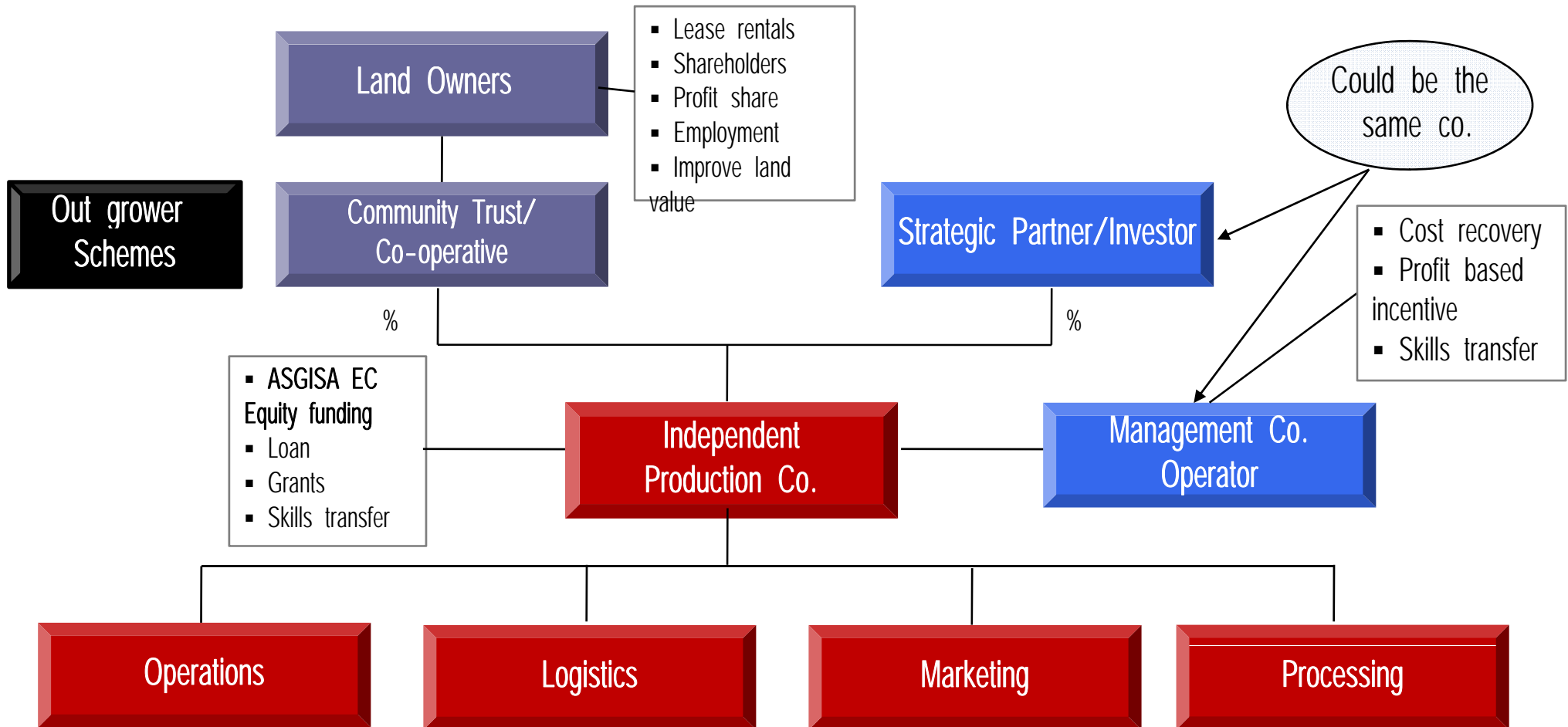
- a) Leverage R1, 6 billion private and public sector investment in new forestry development
- b) Leverage R4, 5 billion private and public sector investment in agriculture
- c) Facilitate rural economic infrastructure investment aimed mainly at improving logistics and market access
- d) Facilitate creation of 55 000 sustainable jobs over the next five years
- e) Facilitate investment in the development of 1 500 mw renewable energy
- f) Facilitate the development of local community capacity

Investment Opportunities



- Agriculture and agro-processing
 - Livestock production – value chain participation
 - Integrated cropping – maize, soya, canola and sunflower – 500 000ha target
 - Fruit production – 1000 ha
- Forestry development
 - New forestry development 100 000 ha target
 - Timber processing
- Alternative energy
 - Hydro power

Generic Community Investment Model (Cont...)



Conclusion



- Most projects currently being scoped and researched
- 50 000 ha on integrated cropping has been identified and currently looking for strategic partners
- 1 000 ha fruit production feasibility study research
- Hydro potential with potential between 16mw and 40mw
- 10 000ha forestry have been scoped and identified
- Irrigation strategic plan has been undertaken and a detailed study focusing on viable crop enterprises
- ASGISA EC open to constant engagement on investment opportunities



Thank You