

FREE STATE PROVINCE INVESTMENT PROSPECTUS 2024



THE FREE STATE WELCOMES INVESTORS



FREE STATE PROVINCE



FSIC
FREE STATE
INVESTMENT CONFERENCE

FREE STATE PROVINCE INVESTMENT PROSPECTUS 2024

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FOREWORD THE FREE STATE LIES AT THE HEART OF SOUTH AFRICA, WHERE OPPORTUNITY BEATS

Bordered by five provinces and Lesotho, we are not just geographically central, but strategically positioned as a nexus of untapped potential and boundless possibilities.



OUR VEINS ARE THE NATION'S ARTERIES

This unique advantage holds the potential to transform the Free State into a thriving hub for commerce, trade and collaboration. We undoubtedly serve as a vital intersection that connects the economic arteries of our young nation.

OUR FERTILE PLAINS ARE A PRIZED RESOURCE...

How can we leverage this advantage to become an agricultural powerhouse, ensuring food security and creating thriving rural communities? Can we harness the majesty of the Drakensberg and the serenity of the plains to create unforgettable tourist destinations, drawing visitors from across South Africa and the globe?

The Free State has vast expanses and abundant resources, presenting intriguing investment possibilities. Farming offers fertile ground for growth and our province holds immense promise for a better tomorrow.

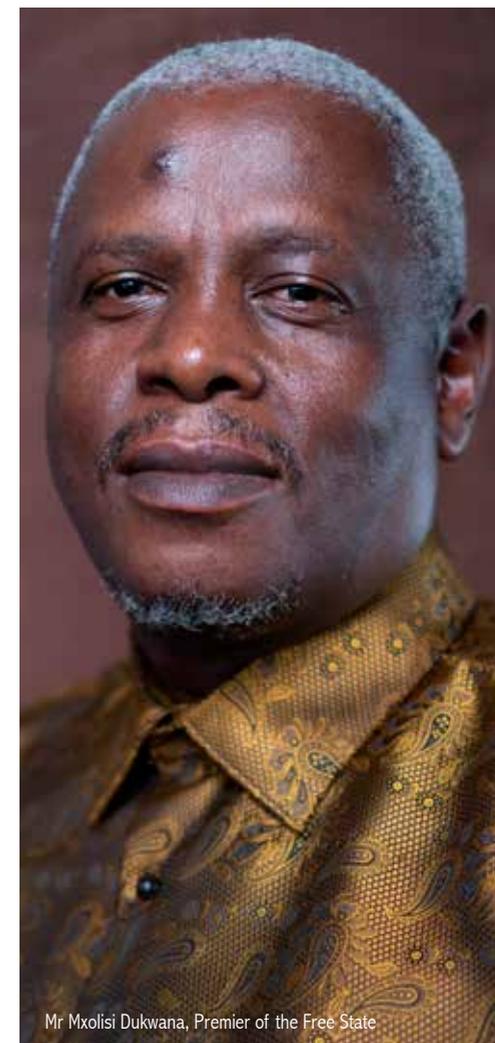
Beyond agriculture, the Free State's natural assets are our competitive advantage. The plentiful radiation in Xhariep is an invitation for large-scale solar projects, while the Gariep River promises to be a source of clean, hydrokinetic energy. These renewable energy options and our rich mineral deposits, including diamonds, gold and manganese, make us attractive for investment.

OUR SUCCESS IN EDUCATION IS ONLY THE BEGINNING

How can we leverage our top matric performance to become a magnet for universities and research institutions, cultivating a knowledge economy that fuels innovation and prosperity? Can we empower our youth to utilise our mineral wealth and renewable energy potential, creating a sustainable future for future generations?

The answer lies with the dreamers, the doers and the pioneers who will collectively and severally honour the invitation to our investment summit. In this investment summit, the seeds of our future shall be sown.

Let us work together, with boundless optimism and unwavering faith, to transform the Free State into a beacon of progress, a symbol of South Africa's vibrant spirit. God bless you!



Mr Mxolisi Dukwana, Premier of the Free State

MESSAGE

THE FREE STATE PROVINCE IS OPEN TO INVESTMENTS

The MEC for Economic, Small Business Development, Tourism and Environmental Affairs, Mr Thabo Meeko, welcomes investors to a province full of potential.

FREE STATE ECONOMY

The economy of the Free State grew by only 1.5% in 2022. Transport was the main contributor at 8.3% to this growth, followed by trade and agriculture at 2.8% and 2.7% respectively. The growth in the agriculture industry was as a result of increase in the production of field crops and horticultural products. The mining industry's contribution declined by 8.7% due to loadshedding, logistical constraints and subdued investor sentiment. The electricity industry declined by 3.3% and the construction industry by 2.3%. Most of the Free State's exports are to the Southern African Development Community (SADC), totalling R1.7-billion, and to Asia-Pacific Economic Cooperation (APEC), totalling R447.2-million. Most of the imports were from the APEC economies (R2.9-billion) and from the European Union (EU), totalling R2.1-billion in 2021.



Mr Thabo Piet Meeko,
MEC DESTEA

WORKING TIRELESSLY FOR GROWTH

The Free State economy was projected to contract by 0.1% in 2023 as a result of a projected contraction in mining by 5.0%, manufacturing by 2.4%, electricity by 2.0% and construction by 1.5%. Transport and agriculture were projected to expand by 3.2% and 2.1% respectively. In 2024 the Free State economy is projected to grow by 0.7% and 1.4% by 2026. This sluggish growth rate calls for a different and urgent intervention to ensure that there is improvement. It is for this reason that the Free State Provincial Government continues to work tirelessly in creating an environment that is welcoming to investors. As government, we are focussed on stimulating economic growth by harnessing part-

nerships for investments. It is expected that Fezile Dabi District Municipality will achieve the highest average annual growth rate of 2.3% from by 2026 while Mangaung Metropolitan Municipality is expected to grow at an average rate of 1.6% in the same period. The Free State economic growth is expected to be driven by growth in finance at an average annual rate of 2.9% by 2026 and transport at an average of 2.5%. The Community Services sector is estimated to be the largest sector within the Free State in 2026, with a total share of 29.8% of the total GVA (as measured in current prices). The mining industry is estimated to experience a negative growth at an average annual rate of -5.7% in the same period.

WHY INVEST IN THE FREE STATE?

The Free State Province lies in the heart of South Africa, with the Kingdom of Lesotho nestling in the hollow of its bean-like shape. Lying between the Vaal River in the north and the Orange River in the south, the region is one of flat, rolling grassland and crop fields, rising to lovely mountains in the north-east. The province is the breadbasket of South Africa, with agriculture central to its economy, while mining on the rich goldfields reefs was historically the largest employer. In May 2011, Mangaung, comprising Bloemfontein, Botshabelo and Thaba Nchu, became South Africa's newest metropolitan authority. It has an established institutional, educational and administrative infrastructure and houses the Supreme Court of Appeal, the University of the Free State and the Central University of Technology.

MINING, GAS EXTRACTION AND ENERGY

Although the mining sector is no longer dominant, coal, diamond and gold mining still make up an important part of the Free State economy. Natural gas was first discovered at the Virginia gold mine in 1947 and the mine has been producing combustible gas ever since. A massive amount of helium is produced as a byproduct of natural gas production. Helium is a vital, non-renewable natural resource that is mostly recovered from natural gas deposits found in uranium and thorium in granitic basement rocks of Virginia in the Free State. Lejweleputswa District Municipality dominates in terms of mineral composition and potential beneficiation opportunities in the mining industry. Some of the most promising opportunities comprise the export of jewellery to existing markets such as Canada, Norway, Switzerland and the US, to which South African manufacturers have access.



Dr M Nokweku,
DESTEA Head of
Department

NEW POWER SOURCES

The Free State province has become attractive for hydro, solar photovoltaic (PV) and wind renewable energy projects due to the existing transmission infrastructure in the province. There are currently five hydro projects in the province and several solar projects under development or operational. The vast flat, open landscape and good solar-radiation index makes the Free State an ideal destination for solar PV energy projects.

SPECIAL ECONOMIC ZONE AND INDUSTRIAL PARKS

The Maluti-a-Phofung Special Economic Zone (MAPSEZ) is strategically located on the key N5 and N3 logistics corridors which makes it an ideal investment destination. The MAPSEZ aims to attract R2-billion in new investments. Sectors prioritised in the zone are logistics, agro-processing, ICT, automotive, pharmaceuticals and manufacturing. The 1 000ha estate is divided into four zones: agro-processing, light industrial, heavy industrial and a container terminal area. The Free State, working with the Department of Trade, Industry and Competition (dtic), is upgrading the Industrial Parks in Botshabelo, Thaba Nchu and Phuthadijhaba to provide infrastructure to encourage manufacturing in these areas. The manufacturing and retail sectors provide attractive opportunities for investors in these industrial parks.

TOURISM INVESTMENT OPPORTUNITIES

The Free State Province is home to several strategic and unique natural and cultural assets that offer significant opportunities for tour-



ism investment through strategic partnerships. This approach, which has shown success in the Kruger National Park, can be replicated in the Free State by collaborating with private investors to develop high-end tourism facilities:

- Sterkfontein Dam and Gariep Dam: These large dams are not only engineering marvels but also scenic spots perfect for developing luxury resorts, water sports and fishing activities. Private investors can build exclusive lodges and organise guided tours, capitalising on the breathtaking views and serene environment.
- State resorts: Existing state resorts present opportunities for upgrades and modernisation. Private sector players can revitalise these resorts, introducing luxury accommodations, spa services and bespoke adventure activities tailored to discerning travellers.
- Clarens and Vredefort Dome: Known for its artistic community and geological wonders, Clarens, alongside the Vredefort Dome, a UNESCO World Heritage Site, presents opportunities for unique lodging experiences that blend luxury with natural and historical exploration. Boutique hotels and eco-lodges can offer guests a blend of comfort, art and heritage tours.
- Mangaung: As the provincial capital, Bloemfontein offers potential for urban tourism. Investing in upscale hotels, conference centres and cultural experiences like museum tours and city heritage walks will attract both leisure and business travellers.

PROFILE FREE STATE DEVELOPMENT CORPORATION



Driving enterprise development and investment in South Africa's most central province, the Free State.



Free State Development Corporation CEO, Mr ZE Lebelo

THE FDC CONTRIBUTES TO THE FREE STATE'S ECONOMIC DEVELOPMENT THROUGH FOUR SERVICE DELIVERY PILLARS:

SMME/CO-OPERATIVE FUNDING AND SUPPORT

The FDC provides products and services to SMMEs and co-operatives in the form of financial support (business loans) as well as business development support (facilitating training and mentoring service providers).

The principal loan products offered to Free State entrepreneurs by the FDC are:

- Start-up loans for recently established businesses that are mainly at formative stages.
- Expansion loans offering viable and existing businesses the capital needed to expand.
- Business take-over finance to assist potential clients to acquire a business as a going concern.
- Bridging finance for SMMEs with short-term cash-flow problems with contracts or tenders.

PROPERTY MANAGEMENT

The FDC administers a diverse property portfolio and can offer

small to medium enterprises suitable premises at affordable rates. The corporation has some 253 commercial properties, 290 industrial properties and a large amount of residential and vacant land for development. The corporation aims to use this to facilitate commercial and industrial activity, while assisting new investors looking for suitable premises.

The FDC offers advice and guidance in terms of the following incentives:

- Subsidised rental rates.
- Rental holidays of up to three months.
- Special incentives and discounts for BEE companies or individuals.

INVESTOR SERVICES

The FDC offers a range of services to investors and businesses looking to trade in the Free State. These include the following:

- Project appraisal and packaging.
- Promotion and facilitation of investment projects and facilitation of access to finance.
- Providing access to business and government networks and assistance with business retention and expansion.
- Information on statutory requirements, investment advice

and assistance with investment incentive applications and business permits.

- Assisting with the development of local and international markets and facilitating joint ventures/equity partnerships through identification of local partners.

EXPORT-RELATED SERVICES

The FDC services to exporters include the Export Promotion Programme, which aims to grow demand for Free State products in global markets through capacity-building workshops, the dissemination of trade leads, networking opportunities with inbound trade missions, product promotion through participation in outbound group missions and on national and international exhibitions, access to national export-incentive programmes, market access information and technical advice on exporting procedures.

CONTACT DETAILS

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INTRODUCTION THE FREE STATE PROVINCE



The Free State Province is South Africa's most centrally located province, with easy access along major national highways to all of the country's other major centres.

That central position was the reason behind the decision of African leaders to meet in what is now the provincial capital, Bloemfontein, when they decided to establish the African National Congress in 1912. The Free State is blessed with abundant natural resources and tourism assets. Agriculture and gold mining have long been the mainstays of the Free State economy, together with the chemicals complex centred on the operations of Sasol and related companies in the northern section of the province. Another abundant resource is solar power, and several companies are taking advantages of incentives to establish solar parks in the province.

A number of measures are being undertaken to make sure that these advantages are recognised by potential investors. Among the things that investors like to see is good infrastructure and more than one body is working to deliver that in the province. While mining is declining as mines are worked out, a new kind of liquid gold has been discovered in the form of liquid natural gas and helium. The Free State's farmers continue to feed the nation and export in large quantities. More than half the nation's sorghum comes from the province, as does more than 30% of maize, wheat, potatoes and groundnuts. Bothaville is home to one of the biggest annual agricultural markets of its kind, NAMPO Harvest Day. Two of South Africa's great rivers form the north-eastern (Vaal River) and southern (Orange River) boundaries of the province. Bloemfontein is the capital of the province and South Africa's judicial capital. The Vredefort Dome, 10km in diameter, in the Fezile Dabi District Municipality, is a UNESCO World Heritage Site.

The Free State is divided into one metropolitan municipality (Mangaung Metropolitan Municipality which includes Bloemfontein), four district municipalities and 18 local municipalities.

THE DISTRICT MUNICIPALITIES ARE:

- Fezile Dabi District Municipality, principal towns: Deneysville, Frankfort, Heilbron, Kroonstad, Parys, Sasolburg, Steynsrus, Viljoenskroon, Vredefort
- Lejweleputswa District Municipality: Allanridge, Bothaville, Brandfort, Hennenman, Odendaalsrus, Theunissen, Ventersburg, Virginia, Welkom, Wesselsbron, Winburg
- Thabo Mofutsanyana District Municipality: Bethlehem, Clarens, Clocolan, Ficksburg, Fouriesburg, Golden Gate Highlands National Park, Harrismith, Ladybrand, Phuthaditjhaba, Reitz, Rosendal, Senekal, Warden
- Xhariep District Municipality: Bethulie, Fauresmith, Gariep Dam, Jacobsdal, Koffiefontein, Petrusburg, Philippolis, Reddersburg, Rouxville, Smithfield, Trompsburg, Zastron

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS (DESTEA)

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THE FREE STATE AT A GLANCE THE FREE STATE PROVINCE IN STATISTICS

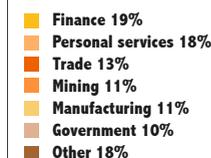


FREE STATE GROSS DOMESTIC PRODUCT (GDP)

2012: R177-billion

2022: R327-billion (4.93% of RSA GDP)

FREE STATE GDP BREAKDOWN STATS SA, 2022



GDP BY FREE STATE MUNICIPALITY

Mangaung Metro	41.2%
Fezile Dabi	24.8%
Thabo Mofutsanyane	17.7%
Lejweleputswa	13.1%
Xhariep	3.2%

GROSS VALUE ADDED (GVA)

The community sector, which includes the government services, is generally a large contributor towards gross value added (GVA) in smaller and more rural local municipalities. When looking at the regions within the province, Mangaung Metropolitan Municipality made the largest contribution to the community services sector at 54.02% of the province. As a whole, Mangaung Metropolitan Municipality contributed R121-billion or 41.02% to the GVA of the Free State Province, making it the largest contributor to the overall GVA of the Free State Province.

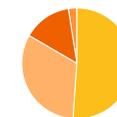
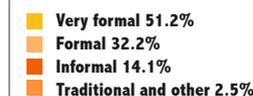
POPULATION

2022	2.9-million
2027 (projection)	3.0-million

EMPLOYMENT

A total of 754 000 people are employed in the Free State Province with 194 000 employed in the community services sector (25.7%). The trade sector with 176 000 (23.4%) is the second-largest employment sector in the province.

HOUSING BY DWELLING UNITS



Very formal dwellings: built according to approved plans, eg. houses on a separate stand, flats, townhouses, rooms in backyards that have running water and flush toilets.

Formal dwellings: built according to approved plans but without running water or a flush toilet on premises.

Informal dwellings: shacks in informal settlements, serviced stands or proclaimed townships, as well as shacks in backyards.

Traditional dwellings: structures made of clay, mud, reeds or other locally available material.

Other dwelling units: tents, caravans, etc.

TOURISM

Number of trips to Free State Province by purpose of trips, 2022

Visit friends, relatives	1-million
Leisure, holiday	497 000
Other (medical, religious)	227 000
Business	226 000
TOTAL	1.95-MILLION

INVESTMENT OPPORTUNITIES TOURISM

Growing a sustainable and high-quality tourism sector.

The Free State Province is home to several strategic and unique natural and cultural assets that offer significant opportunities for tourism investment through strategic partnerships.

This approach, which has shown success in the Kruger National Park, can be replicated in the Free State by collaborating with private investors to develop high-end tourism facilities within the state-owned nature reserves: Sterkfontein Nature Reserve (Harrismith), Willem Pretorius Nature Reserve (Ventersburg), Gariep Dam Nature Reserve (Gariep Dam) and Philip Sanders Resort (Bloemfontein).

By investing in these areas, private sector players can partner with government to not only enhance the existing tourism infrastructure but also create new, sustainable and high-quality tourism experiences.

These developments will not only attract local and international tourists but also contribute to the economic growth and cultural preservation of the Free State Province.



FSGLTA CEO, Mr Kenny Dichabe

DESTINATION FREE STATE

The tourism sector in the Free State Province is in recovery mode following a hard-hitting pandemic. The provincial government has developed plans to boost recovery and the feedback received indicates that there is a turn for the better. Comparison between arrivals in Q2 of 2019 and 2023 indicate that the province is on a recovery path, but the road ahead needs collaborative partnerships with all economic sectors to enhance all endeavours that are geared towards the total recovery of the sector, which includes the management, development and promotion of Destination Free State.

In 2023 the province saw a jump to 10.0-million arrivals, which generated 685 916 trips. During Q2 of 2023 the world was fully opened

with none of the countries imposing any restrictions. The euphoria of travelling and enjoying the open spaces that the province has to offer made it possible for the province to see a growth of 11.3% during this quarter. Statistics indicate that in 2019 the Free State recorded 241 600 international arrivals and 229 100 in Q2 of 2023, which also indicated that there has been growth post the hard lockdown.

INVESTMENT OPPORTUNITIES AHEAD

Known for its unique blend of natural beauty, cultural richness and untapped potential, the Free State offers unparalleled opportunities for growth and success in the tourism sector. "Tourism is a dynamic sector that has the power to unlock significant economic opportunities. By prioritising tourism development, we are not only investing in infrastructure but also in the cultural richness and natural beauty that make Free State a unique destination," states Mr Kenny Dichabe, CEO of the Free State Gambling, Liquor and Tourism Authority (FSGLTA).

CAPTIVATING NATURAL LANDSCAPES

The Free State boasts an array of breathtaking landscapes, from the vast expanses of the Golden Gate Highlands National Park to the picturesque Maloti Route. Investors have the opportunity to develop and showcase eco-friendly resorts, adventure tourism and wellness retreats amid these stunning natural settings.

CULTURAL HERITAGE AND DIVERSITY

According to the conclusions of the UNESCO Convention on the Safeguarding of Intangible Cultural Heritage, it is critical to encourage the roles of local cultural communities, particularly their participation in safeguarding, which refers to various activities such as identification, research, preservation, promotion, enhancement and revitalisation of various aspects of intangible cultural heritage. Rich in cultural heritage, the Free State is home to diverse communities, each with its own unique traditions and history. Tourism investors can contribute to the preservation and promotion of this cultural wealth, creating immersive experiences that educate and captivate visitors.

STRATEGIC LOCATION

The province is known for its broad sky, fields, mountains and widely spaced settlements. The Free State Province's capital city is Bloemfontein, which is also South Africa's judicial capital and the birthplace of the ruling African National Congress (ANC). Situated at the heart of South Africa, the Free State serves as a strategic hub for travellers exploring South Africa. Tourism investors can benefit from the region's accessibility, making it an ideal location for transit-oriented developments, conference facilities and stopover destinations.

UNTAPPED POTENTIAL FOR SMMEs

Investors in the Free State have the opportunity to play a pivotal role in the development of small, medium and micro enterprises (SMMEs). By supporting local entrepreneurs, tourism investors can contribute to job creation, economic empowerment and the overall growth of the province.

PROVINCIAL GOVERNMENT COMMITMENT

The Free State Provincial Government is committed to creating an enabling environment for tourism investors. With streamlined processes, incentives and support programmes, investors can navigate the business landscape with confidence and ease.

UNEXPLORED BUSINESS OPPORTUNITIES

The Free State presents a canvas of unexplored business opportunities in niche markets such as agri-tourism, cultural festivals and educational tourism. Tourism investors can pioneer innovative ventures and shape the tourism landscape in collaboration with local communities.

COMMUNITY ENGAGEMENT AND INCLUSIVITY

Engagement in community stewardship initiatives may strengthen ties to a place and engender pride. Sustainability initiatives assist primary and secondary educational objectives, foster social learning and relationships, increase ecological literacy and foster trust in young people. Sustainability may play a significant role in strengthening relationships between communities and particular places as part of an enlarged idea of recreation. Fostering a local experience of responsibility and encouraging community engagement in resource management may be two of the most critical approaches for building community support for protected areas.



In addition, a community member's altruistic behaviour towards other members of the community, active participation in group activities and voluntary actions in support of the community's endorsed initiatives to enhance community value "for oneself as well as others" are all indicators of community engagement. Investing in the Free State means actively participating in community engagement initiatives. Tourism investors can build partnerships with local communities, ensuring that economic benefits are shared equitably and that tourism development aligns with community needs and aspirations. As FSGLTA we encourage and support tourism investment in the Free State. We invite investors, stakeholders and industry players to explore the untapped potential of this remarkable province. Together, let's build a future where the Free State stands as a beacon of sustainable tourism, economic prosperity and cultural vibrancy.





INVESTMENT ZONE MALUTI-A-PHOFUNG SPECIAL ECONOMIC ZONE



A diamond waiting to be unearthed in the Free State.

The Maluti-a-Phofung Special Economic Zone (MAPSEZ) is located in Harrismith, a town nestled in the Maluti-A-Phofung Local Municipality, in the eastern part of the Free State. MAPSEZ is a multi-sector Special Economic Zone dedicated to both light and heavy manufacturing, logistics and warehousing operations. MAPSEZ has undertaken to establish manufacturing opportunities and to create a conducive regional and international trade environment.

The SEZ aims to accelerate the generation of new and innovative economic activities and to encourage beneficiation activities that promote value-added benefits, thus creating a prosperous trade city and functional trade ecosystem. As a value proposition, the MAPSEZ offers investors the benefits from tax and VAT incentives and an ideal location.



MAPSEZ CEO: Mpho Mgemane



STRATEGIC LOCATION

The Free State Province, which is where the SEZ is situated, borders six of the nine provinces in South Africa, which provides an added benefit for investors seeking to service domestic markets. It is centrally located on the N3 commercial road corridor between Johannesburg (the economic heartland of South Africa) and Durban, the busiest port in Sub-Saharan Africa.

The SEZ's location in relation to the major metropolitan economies of the country as well as other Southern African Development Community (SADC) countries makes it an ideal choice for investors seeking cost-effective location for import and export oriented operations.

The SEZ also has excellent logistics links to the southern Bloemfontein-Cape Town route via the N5 corridor. This linkage also provides a direct route to the Kingdom of Lesotho. Its proximity to some of the major agricultural areas of the country makes it an attractive investment destination for food producers and processors.

TAX INCENTIVES

Several incentives are available to ensure investor growth, revenue generation and international competitiveness. These incentives include a reduction of the corporate tax from 28% to 15% for all qualifying businesses operating within the SEZ. This is among the many incentives developed by the national government for the benefit of Special Economic Zones and enterprises operating within them.

SMME SUPPORT

MAPSEZ recognises the important role that SMMEs play in contributing to South Africa's economic development. SMMEs are diverse businesses operating in the trade, agri-business and manufacturing sectors. As such, the SEZ promotes their participation in the value chain of new investors through value-added benefits, ie by-products for beneficiation and services. Additionally, the SEZ has established a block of smaller factories, in the 200m² to 400m² range, dedicated strictly to SMMEs in the trade and manufacturing sectors. MAPSEZ continues to gain momentum in terms of attracting local and foreign investors.

Get in touch with our team and let's explore how we can help your business reach further heights.



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INVESTMENT OPPORTUNITIES CATALYTIC PROJECTS

The Free State Province is a forward-looking entity, eager to attract investments to boost development, raise employment levels and take advantage of the province's wonderful natural resources.

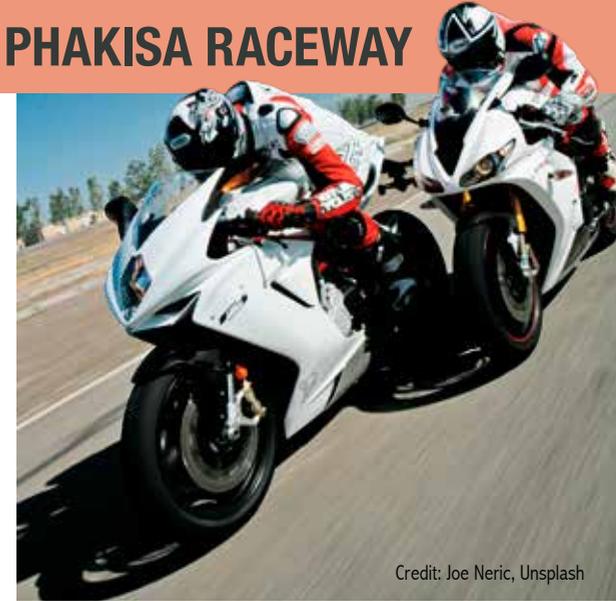
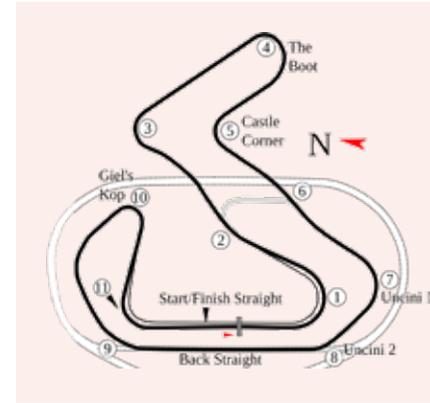
A number of catalytic projects are at various stages of development in the Free State Province. These range from industrial parks, tourism and agroprocessing to urban regeneration and the creation of a mini-city on the site of Bloemfontein's airport. The following pages detail the progress being made on projects, and outline where interested investors can participate and share in economic growth.

Hamilton Industrial Park	
Well-located area suited to light industry.	
Location	Near Vista Park 1 and 2, Bloemfontein, Mangaung Metropolitan Municipality
Developer	Mangaung Metropolitan Municipality
Project description	The area is close to residential areas and is well served by transport routes. Intended zonings include General Industrial. The land is situated in an area consisting predominantly of light industries including the Coca-Cola bottling plant, Ram Couriers and Triton Express. A variety of uses is intended: warehousing, factory shops, light manufacturing, recreational, motor-vehicle workshops, truck and heavy equipment hire, food production, recycling depot, plant nursery.
Project status	Industrial properties are available adjoining the existing Coca-Cola depot for the parties who can enter into a renewable 10-year lease with the municipality while providing their own reticulation infrastructure.
Project stakeholders	Mangaung Metropolitan Municipality, private investors
Issues to be addressed	Funding for engineering infrastructure upgrading (bulk and link)
Interventions	Incremental budgeting for infrastructure upgrading
Project development cost	R2-billion
Jobs to be created	1 000

Bloemindustria Industrial Park	
Excellent development potential on the N8.	
23km from Bloemfontein CBD on the N8 to Botshabelo, Thaba-Nchu and Lesotho	
Mangaung Metropolitan Municipality	
The site is a formal planned township which is partially serviced. Only six stands are currently developed or occupied. The municipality partly installed services such as water, sanitation, electricity and one tarred road on the first row of the development facing the N8. The municipality further erected nine factory shells which were later rented out.	
The township, as approved by the Surveyor General, includes 138 stands and measures approximately 212.7ha in extent. Various land-use zones are provided for but the earmarked area is primarily industrial, with some stands zoned as parks and a few commercial stands.	
Mangaung Metropolitan Municipality, Free State Provincial Government, national government, private sector	
Funding of bulk and link infrastructure and funding of top-structure (factory shells) development	
Upgrading of bulk infrastructure	
R4-billion	
1 000	

INVESTMENT OPPORTUNITY REDEVELOPMENT OF PHAKISA RACEWAY

Getting racing back on track.



Credit: Joe Neric, Unsplash



Credit: Michael Weir, Unsplash



LOCATION

ERF 3410 and 3411 Odendaalsrus, Matjhabeng Local Municipality, Lejweleputswa District Municipality

PROJECT DEVELOPERS

DESTE, through its entities (FDC and FSLTA) and Matjhabeng Local Municipality. The intended project will redevelop the Phakisa Raceway and improve its standard in line with Motorsport South Africa (MSA) regulations. The Phakisa Freeway/Raceway is a motor-racing circuit located between the towns of Welkom and Odendaalsrus. It is the only oval speedway in Africa. The Phakisa Freeway/Raceway consists of a 4.242km road course and a 2.414km oval course. The road course uses the oval's pit lane as its back-straight and crosses the oval's backstretch twice.

HISTORY

The Phakisa Freeway hosted the penultimate leg of the 1999 Federation of International Motorcycling Grand Prix in 1999, just a few months after it opened. Regarded as very demanding on riders, the oval course is an exact replica of the Las Vegas Motor Speedway.

Built on the site of the old Goldfields Raceway which hosted Springbok Series sports car racing from the 1970s, the modern track hosted three consecutive FIM World Motorcycle Championship Grand Prix, culminating in 2001. The last one was held in 2004. Although a return was promised in 2014, this did not happen.

Testing and track day events are sometimes held at the venue, but regular racing such as used to draw large crowds is something that new investment will hopefully bring back. The Phakisa Freeway has a possible capacity for 60 000 spectators.

INVESTMENT OPPORTUNITY VIRGINIA GAS PROJECT

Creating a totally new sector to power the green economy.

The towns of Welkom, Virginia and Theunissen in the northern Free State used to be known as gold-mining towns. These settlements along the R30 road that runs north from Bloemfontein used to support a thriving gold extraction industry, but today it is natural gas that has brought investors to the area. Exploration rights to the Virginia area were granted to a company which later became Tetra4, a wholly-owned subsidiary of Renergen.

The production right area covers 187 000 hectares and was first issued in 2007. As of 2024, this remains the only onshore petroleum production licence so far issued by the Department of Mineral Resources and Energy through Petroleum Agency South Africa (PASA). Liquid natural gas for the domestic market and helium for export from this project will create an entirely new stream of energy options and represents an exciting future avenue for downstream economic sectors and employment. In 2012 a full onshore petroleum production right was awarded and a full Environmental Impact Assessment was completed in 2017. In July 2022 a milestone called "natural gas to plant" was achieved. Later in 2022, commercial operations of the company's LNG plant began

and in January 2023 the announcement was made that helium production had begun.

INVESTMENT MOMENTUM

In the early stages of the project, it took nine years to find the R1.2-billion needed to fund the first phase of Virginia Project. More recently, an amount of R3.6-billion has been invested by Ivanhoe Mines to secure some offtake rights and the Central Energy Fund has purchased a 10% stake in Tetra4 for R1-billion.

Sproule, a resources accreditation agency, has given an updated report on the helium and methane reserves in the Virginia gas field. The results were even more positive than previous estimates, with helium reserves up by 620% and methane reserves by 427%. Every computer microchip in the world is produced in the presence of helium and the world uses 85 tons of it every day.

Bulk Hauliers International Transport (BHIT) was among the first logistics companies to sign an agreement to take LNG from Tetra4. With the transport sector contributing significantly to pollution, the potential for transformation through these measures is enormous.

Renergen has signed an agreement with TotalEnergies for distribution and sales of LNG. One station is planned for the eastern Free State logistics hub of Harrismith on the busy N3 highway which links these two cities. Other manufacturing concerns such as SA Breweries and Ardagh Glass Packaging have also signed up to take LNG. Bespoke depots will be developed to cater to industrial clients such as the glass company. The total allocated to gas-to-power in the national power plan is 3 726MW, of which 3 000MW is for LNG.



A new dawn is in sight for a new economic sector, helium. Credit: Renergen



Filling up will never be the same again. The transport and logistics sector is choosing liquid natural gas. Credit: Renergen

INVESTMENT OPPORTUNITY UMKHOMBE SOLAR FACILITY

Bringing clean power to the Free State.

Location: Dealesville, Tokologo Local Municipality, Lejweleputswa District Municipality

Economic sector: Renewable energy, photovoltaic (PV) solar

Company name: Umkhombe Solar Pty (Ltd)

Project description: Develop, build, finance, own and operate a renewable energy PV solar facility with a total capacity of 56MWac to supply energy to a private off-taker.

Investment value: R9-million

Funding sources: Commercial banks and DFIs

Funding gap: Negotiations underway with funders

Incentive required: R2-million

Jobs to be created: 560

Project schedule: Financial close planned for end of July 2024

Project status: Pre-implementation

Regulatory requirements: Completed

Unblocking issues: Agricultural rezoning; water rights; spatial planning with municipality (SPLUMA)

Partnerships: IB Vogt GmbH, a German independent power producer

Return on investment: Internal Rate of Return capped at 12%

Project Manager: Mr Nico Siyabulela Afrika

Tel: 078 904 3938

Email: siyabu@newtechcs.co.za

Credit: Scatec



Credit: Zbynek Burival/Unsplash

INVESTMENT OPPORTUNITY BETHLEHEM APPLE-JUICE PLANT



Free State MECs Thabo Meeke (Department of Small Business Development, Tourism and Environmental Affairs) and Saki Mokoena (Agriculture and Rural Development) inspected produce during the Apple Harvest Day in Bethlehem. Photo: DARD

Adding value to agricultural resources.

LOCATION

Bethlehem, Dihlabeng Local Municipality, Thabo Mofutsanyane District Municipality

ECONOMIC SECTOR

Agriculture and agroprocessing

COMPANY NAME

Remmoho Capital Investments (Pty) Ltd. RCI is a 100% black-owned entity which seeks to drive transformation in the apple industry in the Eastern Free State by establishing a greenfield apple-juice concentrate plant. Remmoho Investments in Agriculture is the main business of RCI, being the production of apples through a 74% equity acquisition of Stead Fruit Growers. Remmoho Apple Juice Concentrate was established for the production of apple-juice concentrate which is currently in the project development phase.

PROJECT DESCRIPTION

Production of apples. Manufacturing of apple-juice concentrate

INVESTMENT VALUE

R396.6-million

FUNDING SOURCES

Debt and equity finance, grants and new blended finance from select development finance institutions (DFIs)

FUNDING GAP

R118.9-million

INCENTIVE REQUIRED

No less than 30% of total development costs or 50% of capex (estimate)

JOBS TO BE CREATED

About 2 500 over the project development cycle

EMPOWERMENT

Of jobs at primary production level, more than 70% will be women with average age of 25. A quota system of 55% in favour of unemployed graduates during construction and post-construction phases plus in-service training opportunities for TVET college students. A set aside of 5% of skilled and specialised skills for youth with disabilities.

PROJECT SCHEDULE

In progress, awaiting technical stream of feasibility study

PROJECT STATUS

Primary agriculture: implementation phase is currently at 12ha, with plans to scale up to 100ha over the next three years. Concentrate plant: feasibility phase, bankable business case in place

REGULATORY REQUIREMENTS

None required

ISSUES TO BE RESOLVED

Water rights, market-related regulation, council permits

PARTNERSHIPS

Thabo Mofutsanyane District farmers, Heineken Beverages

PROJECT MANAGER

Phuti Kubushi

TEL: 083 325 8193

EMAIL: phuti.kubushi@remmoho-ci.co.za

INVESTMENT OPPORTUNITY MOSAMANE TOURISM AND INTELLIGENT SHEEP FARMING PROJECT

Boosting local employment through tourism and agriculture.

LOCATION:

Rosendal, Dihlabeng Local Municipality, Thabo Mofutsanyane District

ECONOMIC SECTOR:

Tourism and agriculture

COMPANY NAME:

Mosamane Holdings

PROJECT DESCRIPTION:

On a 395-hectare farm

the following projects are to be developed:

- Tourism and game farming: 150ha mountainous area for small game; self-catering backpackers lodge, a four-star lodge and family chalets
- Intelligent sheep farming: will deliver 12 500 sheep for local and overseas markets
- World-class training centre
- Solar-energy plant

INVESTMENT VALUE:

R550-million

FUNDING SOURCES:

Impact Empowerment Ventures committed R80-million in 2021 and have so far invested R14.2-million. We intend attracting venture capitalists, private investors and public investors and entities

FUNDING GAP:

R470-million

INCENTIVE REQUIRED:

Yes

JOBS TO BE CREATED:

650

EMPOWERMENT:

Women, 55% of workforce; youth, 45%; people with disabilities, 5%

PROJECT SCHEDULE:

Five-year timeline, with phase one in the first quarter of 2024

PROJECT STATUS:

Currently at pre-implementation phase, funding required to go into full implementation. Intelligent Sheep Farming has been in operation for two years and it is ready to scale up.

REGULATORY REQUIREMENTS:

EIA process has begun. More funding is needed for this phase.

ISSUES TO BE RESOLVED:

None

PARTNERSHIPS:

Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA), Impact Empowerment Ventures, Agri All Africa, Agri X, Department of Agricultural Economics at University of Pretoria, Bengu Farm

RETURN ON INVESTMENT:

Investors will get a full benefit on their investment

PROJECT MANAGER:

Terence Nkhwashu, Director

EMAIL: terence@mosamane.com

TEL: 082 521 2006



INVESTMENT OPPORTUNITY AIRPORT DEVELOPMENT NODE

Building a mini-city around a transit hub.

LOCATION: Bloemfontein, Mangaung Metropolitan Municipality

PROJECT DESCRIPTION: The Airport Development Node site is a mixed-use development precinct, focused on both office/commercial precincts and residential opportunities. It is located adjacent to the N8 highway that runs between Bloemfontein and Botshabelo. The study area is apportioned on land north and south of the N8. It consists of approximately 700 hectares in extent and is approximately 6.5km to the east of Bloemfontein.

The Bloemfontein Airport is located directly north across the N8. The node has been categorised into two phases as follows:

PHASE 1: This phase focusses on the development of the business node, international conference centre and hotel, regional shopping mall, tertiary facilities, mixed use, commercial stands, medium-to-high density residential apartment blocks with integrated mixed-use stands and townhouses.

PHASE 2: The focus is on developing an industry where an industrial node will be established and be integrated with the future cargo terminal of the Bram Fischer International Airport. Phase 2 will also provide mixed-use areas to encourage interest from private developers.



Credit: ACSA



An air cargo terminal is planned in the development. Credit: Turkish Airlines

CURRENT STATUS:

- Township establishment approved on 18 August 2017
- Bulk engineering infrastructure available: water, sanitation and electricity
- Interchange constructed by SANRAL leading into the development

PROJECT STAKEHOLDERS:

- Mangaung Metropolitan Municipality
- Free State Provincial Government
- National Human Settlements Department
- South African National Roads Agency Limited (SANRAL)
- Airports Company South Africa (ACSA)
- Private sector investors and developers

ISSUES TO BE RESOLVED:

- Capital injection is needed for the provision of reticulation and link infrastructure
- Investments required into the programme
- Inadequate marketing of the development area
- Any unblocking matters to be resolved as investors identify specific opportunity

INTERVENTIONS:

- Municipal land secured
- Concept plan and urban designs are completed and approved
- Civil and electricity works for bulk infrastructure completed
- EIA approved
- The diagrams and general plan are approved
- Land rezoned

PROJECT DEVELOPMENT COST: R 10.3-billion

JOB OPPORTUNITIES: Possible 11 000 direct and indirect job opportunities

Airport Development Phase 1 Opportunities		
Typology	Area	Units
Residential: townhouses	18 Ha	900 units
Residential: apartments/flats	64ha	3 500 units
Commercial: office	60ha	58 700m ²
Commercial: retail	7ha	192 400m ²
Hotel and hospitality	11ha	167 300m ²
Mixed use	39ha	382 900m ²
Public services/public benefit	202ha	N/A
Other	208ha	N/A
Vacant	0ha	N/A
Projected development total:	610ha	



A typical high-density housing project. Credit: Calgro M3

INVESTMENT OPPORTUNITY VISTA PARK TWO AND THREE

Serviced and accessible mixed-use developments on Bloemfontein's urban edge.



Vista Park 2	
Location	South of Bloemfontein CBD, Mangaung Metropolitan Municipality
Economic sector	Mixed-use property and services
Developer	Mangaung Metropolitan Municipality
Project description	The 150ha site is south of the Bloemfontein CBD within the municipal urban edge. The development adjoins the existing commercial area off Oliver Tambo street and there are nearby residential suburbs and an existing industrial area. The multiyear project (10-15 years) focusses on a mixed-use programme with high employment prospects linked to construction phases and permanent employment during operation. Vista Park 2 will provide 4 730 various property investment opportunities, residential and non-residential.
Project development cost	R5.7-billion
Interventions	Upgrading of bulk infrastructure including relocation of bulk water and sewer line. Upgrading of Vereeniging Road. Construction of Vereeniging Road Bridge.
Jobs to be created	14 000 potential job opportunities
Project status	Gazetted in 2020 as Strategic Integrated Projects. Planning approvals completed.
Issues to be resolved	Project funding
Project stakeholders	Mangaung Metropolitan Municipality, Free State Department of Human Settlements, National Department of Human Settlement, private sector.

Vista Park 3	
Location	South of Bloemfontein CBD adjacent to Vista University, Mangaung Metropolitan Municipality
Economic sector	Mixed-use property and services
Developer	Mangaung Metropolitan Municipality
Project description	A multi-use construction and property development is planned for the site that is traversed by the M10 and is accessible to the N1 highway. OR Tambo Street (M30) connects the development with the CBD to the north. There is an existing residential suburb on the northern edge of the site and a large existing industrial area to the east. A total of 6 073 opportunities (residential and non-residential) opportunities will be created.
Project development cost	R6.8-billion
Interventions	Construction of link road was completed in 2023, budget R196-million. Civil and electrical infrastructure in Ext 257 is underway in FY 2023/24, budget R43.6-million.
Jobs to be created	14 000 direct and indirect job opportunities
Project status	Gazetted in 2020 as Strategic Integrated Project. Services agreements for engineering infrastructure concluded.
Issues to be resolved	Project funding
Project stakeholders	Mangaung Metropolitan Municipality, Free State Department of Human Settlements, National Department of Human Settlement, private sector

INVESTMENT OPPORTUNITY WAAIHOEK PRECINCT REDEVELOPMENT



Waihoek: reviving the inner city	
Location	Immediately to the south of Bloemfontein CBD, Mangaung Metropolitan Municipality
Economic sector	Urban regeneration
Developer	Mangaung Metropolitan Municipality
Project description	Waihoek precinct is near the Bloemfontein CBD and to interchange zones. Its significant heritage value will unlock tourism potential if it is redeveloped: an urban park, restoration of the Old Fort Estate, an amphitheatre, pedestrian walkways and links between nodes, hawkker trading zone, conversion of old power station into accommodation, galleries and offices.
Project status	R20-million spent on planning and designs of Phase 1 (St Georges Bridge)
Stakeholders	Mangaung Metropolitan Municipality, Free State Provincial Government, national government departments, private sector
Issues to be resolved	Project funding
Interventions	Design completed for Phase 1, final precinct plan completed and presented to National Treasury
Project cost	R5.7-billion
Jobs to be created	5 000 possible job opportunities

Naval Hill Redevelopment: enhancing a tourism gem	
Location	Bloemfontein, Mangaung Metropolitan Municipality
Economic sector	Tourism
Developer	Mangaung Metropolitan Municipality
Project description	Naval Hill is a popular leisure and recreation spot providing exceptional views of the city and includes the 250ha Franklin Game Reserve. The park is an extremely popular spot and is valued for its natural beauty, biodiversity and historical significance. It is one of only two nature reserves in the world to be located in a city centre. Investment opportunities: • Cableway • Accommodation: lodge or hotel
Project status	The Naval Hill Redevelopment Masterplan completed and approved. Bulk infrastructure available
Stakeholders	Mangaung Metropolitan Municipality, Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA), private sector
Issues to be resolved	Project funding
Interventions	• Majestic 8m Nelson Mandela statue erected • The Edge Restaurant developed • Parking area and pedestrian walkways paved • Planetarium developed
Project cost	R2-billion
Jobs to be created	1 000 job opportunities could be created

FREE STATE DEVELOPMENT CORPORATION

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