



Trade &
Investment
KwaZulu-Natal
• South Africa

DRIVING THE BUSINESS OF TRADE AND INVESTMENT

TRADE & INVESTMENT KWAZULU-NATAL
Tourism Developments

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KwaZulu-Natal Investment Map



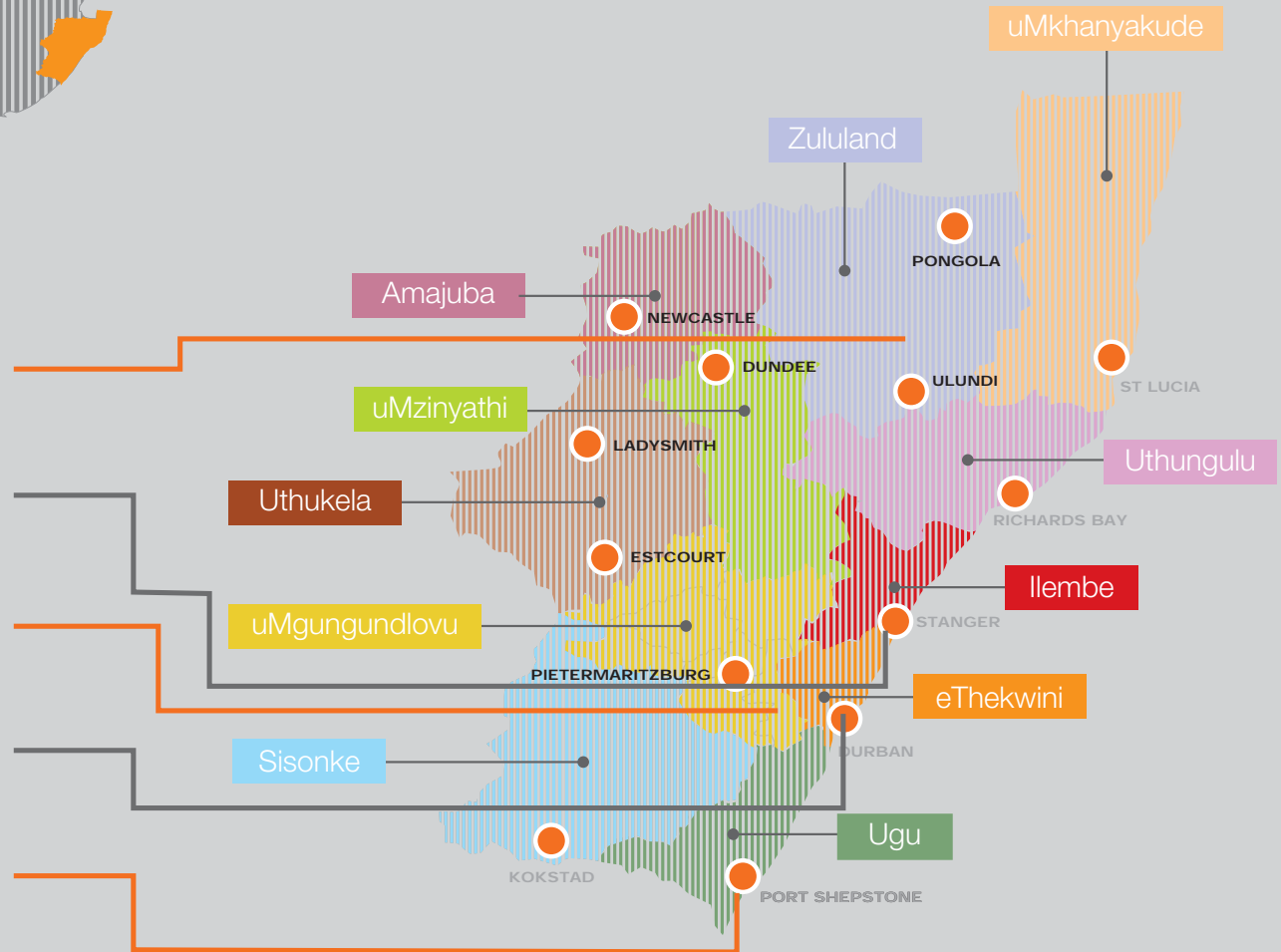
Cengeni Game Reserve

Nonoti Beach Development

Mkhambathini Game Reserve

The Bluff Headlands Project

Port Shepstone Beach-front Development



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MR ZAMO GWALA
Chief Executive Officer
Trade & Investment KwaZulu-Natal

Welcome to KwaZulu-Natal — the business destination.

Trade & Investment KwaZulu-Natal (TIKZN) is committed to creating a conducive growth and development business environment in KwaZulu-Natal which is attractive to international and local investors and traders.

In essence, our goal is to impact significantly on the socio-economic development of the province and the eradication of poverty.

This, we believe as Trade and Investment KwaZulu-Natal, is best achieved by driving the business of trade and investment and in so doing, ensuring the exertion of a positive influence on the economy of KwaZulu-Natal to the benefit of all. Ultimately, our overriding goal is to increase inward business investment to and trade with KwaZulu-Natal, advancing economic growth, retaining and expanding existing business enterprises and stimulating new permanent employment opportunities within the province.

The province is in the enviable position of offering an extensive range of economic activities, including capital intensive manufacturing, transport, storage, communications, finance and business services, as well as highly active agricultural, forestry, fishing and tourism.

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Tourism is one of the fastest growing sectors in the KwaZulu-Natal economy. This province offers a wide range of primary tourism attractions. The list includes wildlife with Big Five experience, beaches in the warm Indian Ocean, mountains which offer the tranquillity and history of the Sans and battlefields where most of the South African battles were fought. KwaZulu-Natal has 2 World Heritage Sites namely the Isimangaliso Wetlands Park (St. Lucia) and the uKhahlamba-Drakensberg Park. TIKZN has identified a number of investment opportunities that exist within most of our primary attractions, including the World Heritage Sites. Over the past few years the number of international tourists visiting the province has been growing steadily. Most of the investment studies that have been conducted show a shortage of facilities for accommodation, night life, shopping experience and wellness centres. Some of these opportunities are mentioned in this brochure. Furthermore, KZN is getting ready to accommodate the influx of tourists that will be visiting South Africa before, during and after FIFA Soccer World Cup in 2010. In preparation for this, the province is spending a lot of money towards the development of infrastructure. These developments include:

- ¥ The new King Shaka International Airport that is currently being built approximately 35 km north of the City of Durban;
- ¥ The Moses Mabhida Stadium and upgrading of existing stadiums in preparation of 2010 World Cup and
- ¥ Upgrading of the roads infrastructure.

TIKZN invites you to be a part of the economic transformation of KwaZulu-Natal.

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An opportunity to invest in the establishment of a game reserve sited between the cities of Pietermaritzburg and Durban. Investment in a game reserve so close to urban centres is an opportunity not to be missed. This is a concept reminiscent of the Nairobi National Park in Kenya — an iconic game reserve in very close proximity to Nairobi and easily accessible to visitors and residents alike.

The area is located immediately to the north-east of the N3 motorway linking Durban and Pietermaritzburg. In fact, the western extent of the proposed reserve actually abuts on Pietermaritzburg's eastern suburbs. A limb of the area crosses the N3 at the Mkhondeni River and may enable the established Bizley Nature Reserve in Pietermaritzburg to link with the new park.

A major feature for the reserve will be the Msunduzi River which meanders along its northern boundary. In addition, there are a number of smaller rivers running through the reserve draining into the Msunduzi. The terrain itself is eminently suitable for the variety of game species planned.

Planned Facilities: The reserve, which will be eleven thousand hectares in extent, is currently undeveloped. Promoters plan a network of rest camps, exclusive lodges, exclusive bush camps, conference facilities, restaurants and game viewing roads. A few upmarket houses on sectional titles are planned. Notwithstanding that the park will be easily accessible; all accommodation facilities will be sited to create the illusion of wilderness.

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Business Activities: Income streams will be from park entrance fees, sale of accommodation, lease on sectional titles and conferencing facilities as well as rearing and sale of rare or endangered game species such as black rhino.

Feasibility Study Status: A feasibility study has been completed.

Financials: A total capital outlay of R135 million (US\$ 17 million) has been estimated.

Should all saleable facilities be sold total capital inflow should be approximately R151 million (US\$ 19 million)

Employment Opportunities: Not established as yet.

An investor is sought to develop, operate and manage the facilities in partnership with the project owners.

Project Manager:

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A multi-purpose development sited on the Bluff headland adjacent to the Durban Harbour. The area is currently zoned as a military base and, with the exception of the military installations and a disused whaling station, is undeveloped.

The locality of the development is exquisite and boasts 360° views including those over the City of Durban, north and south along the coastline as well as out to sea.

Planned developments within the 950 000 square metre complex include:

- ¥ A core business district
- ¥ A residential district
- ¥ Hotel and retail districts
- ¥ Recreation and heritage centre districts
- ¥ Landmark building districts

The Bluff Headlands Project will provide the Province of KwaZulu-Natal with a high-end tourist and business destination. Its development will have a major impact on the City of Durban as it strives to become a world-class African city.

Currently, the project area is only accessible from the Durban City Centre by a circuitous route around the harbour. Developers are proposing a linking of the CBD and the Project site with a suspension bridge or, if deemed a better economic option, a tunnel passing under the harbour entrance. Once constructed a link to the City centre will bring the development to within minutes of Durban's Ushaka Marine and Point Road developments as well as the port precinct, the CBD and beaches.

The development is likely to be thoroughly world class in terms of its positioning and the scope and scale of the planned development.

Study Status: As at 30 April 2008 developers have completed a high level Environmental Impact Study (EIA), a Valuation, Concept Design High Level as well as legal work. Within a short period, developers will complete the more detailed EIA and Geotech Assessment, Architectural Site Concept Design as well as further legal work, Town Planning and commission a Project Manager.

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Financials: Currently estimated investment, excluding the construction of a bridge or tunnel to access the site, is R13 billion.

Employment Opportunities: Not established as yet.

The developers, comprising three broad based empowered entities, are seeking investment partners to develop this unique project

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Develop area for tourism. A land claim on the site, adjacent to Blythdale, was settled in 2003. The 500ha of prime beachfront land, valued at R105 million, with lagoon frontage has been transferred into the Inqaba Community Trust. Approximately a quarter of the land is to be kept for human settlement and the other half developed within the broad framework of tourism. This land is earmarked for the development of upmarket hotels (5-7 stars) with a mix of Zulu cultural activities. Conference and restaurant facilities are planned. There is a designed concept valued at R2.5 billion.

Location: Ilembe District Municipality: KwaDukuza (Stanger) Local Municipality. 69 km NE of Durban, KwaZulu-Natal

Feasibility Study Status: A feasibility study has not been completed

Budget: +R2.5billion (USD\$ 370 Million)

Employment Opportunities: 100 people

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A proposed project located adjacent to the KwaZulu-Natal's flagship game reserve, Hluhluwe-Umfolozi Park. The plan is to develop a multi-purpose zone that would directly benefit the local inhabitants who are, by and large, poverty stricken and highly dependent on initiatives such as this as they strive for a better life.

The large concession area will enable the investor and partners to build a unique destination with a competitive array of products and attractions; thereby enhancing viability and ultimately profitability. The relatively large size of the reserve allows for an increased capacity for rooms and hospitality facilities. In terms of size, the reserve could possibly provide for two sensitively designed medium-sized lodges of approximately 40 beds each without detracting from the wilderness of the area. Alternatively, in addition to one main lodge, a leisure residential eco-estate could be developed in the reserve and be placed far enough from the lodge to not have any impact on it.

One of the major impacts of establishing a suitably large reserve is that it becomes a destination in which a whole package of exclusive eco-tourism activities can be undertaken. The following activities are eminently possible:

- ¥ Game Reserve with holiday accommodation
- ¥ Arts and craft facility
- ¥ Cultural village
- ¥ Game viewing & bird watching
- ¥ Conferencing
- ¥ Soft adventure experiences: hiking, mountain biking, bike park, horse riding
- ¥ Adventure sports events
- ¥ Vulture restaurant
- ¥ Leisure residential homes/ timeshare in Game Reserve

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These activities add enormously to the competitiveness of the destination and ultimately to the tourism spend and job creation in the area.

The opportunities above all fit within the overall product development theme of culture and wildlife matches which itself is aligned with the product development strategies of Zululand District Municipality and Tourism KwaZulu-Natal.

Feasibility Study Status: Has been completed. It examines the concept of establishing a tourism hub rather than the potential viability of individual businesses.

Business Plan: Also available.

Scope of investment: This is currently estimated at R73 750 million.

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The project includes the development of an inner harbour, canal, pier and boardwalk. The canal will link the CBD and the beachfront by using the Umzimkhulu River.

Hibiscus Coast Development Agency is leading the initiative to develop the Port Shepstone Beachfront. The project is expected to generate an additional 300 000m² of bulk space (i.e. vertical volume) for residential, office and retail purposes.

Location: Port Shepstone, Hibiscus Coast Local Municipality 120 km SW of Durban, KwaZulu-Natal

Feasibility Study Status: A feasibility study and traffic impact assessment and environmental impact assessment have been undertaken for the project. Infrastructure development will cost about R210 million.

Budget: Construction costs are estimated at R82.5million (US\$12.19 Million) and bulk service infrastructure is estimated at R76.6million (US\$11.32 Million)

Investor's Role: The investment/business opportunities will be available after the infrastructure development has been completed. The beachfront development is not looking for investors at this stage but is looking for investors who can make use of the opportunities that will be created by the facility.

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