

## **uMHLATHUZE Development Update – Edition 8 (July 2008)**

Prepared by Garth Macartney

Past President of the Zululand Chamber of Commerce & Industry

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### **INTRODUCTION**

The Business Community of uMhlatuze welcomed the positive words of our Mayor Zakhele Mmqayi when he ushered in the 'Dawn of a New Era'.

To quote Mayor Mmqayi he said, "For the 2008/2009 financial year, we have outlined precisely how we intend to translate our City's vision into a workable plan that has a budget, time frames and monitoring mechanisms in order to achieve our five year strategic plan. It is the intention of the uMhlatuze Municipality to contribute to growth and development within the uThungulu District, Kwa-Zulu-Natal and to South Africa at large."

These are hugely encouraging words and an apt introduction to this document. Mr Mayor, we wish you and your council every success in your endeavours to act in the best interests of the citizens of uMhlatuze.

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**Frans van der Walt** has been recognised as one of the most proactive members of the Zululand Chamber of Commerce and Industries (ZCCI) and when he initiated the Uthungulu Strategic Development Committee (USDC) last year, it was embraced by the ZCCI, the AHI and the uMhlatuze Development Association. The USDC now forms part of the ZCCI structure as well as those of the AHI and its primary focus is in the monitoring of strategic planned development and any other development being implemented within the uThungulu District Municipal area in order to advance any inter relationship or inter dependence amongst them.

The **USDC** Roles are:

- To identify problems/impediments to development and then to attempt to assist to provide solutions
- To facilitate and be aware of all developments in the area in order to assist and support potential investors and existing business organizations
- To engage, encourage, mediate, facilitate and to ensure that all relevant parties network in order to address potential stumbling blocks to development
- Input to both the ZCCI and AHI

To this end the following champions have been identified:

**Electricity** – Paul Alvarez; Frans van der Walt (energy sufficiency committee)

**Skills and Education** – Paul Alvarez; Morag Meyer; Magugu Rapuleng

**Roads and Rail Links** – Mike Patterson;

**Harbour and Dry Dock** – John MacFarlane; Phiwo Thango; Frans van der Walt

**Legislation (SACCI)** – John MacFarlane;

**Water** – Albert du Toit; Vic Botes;

**Town Planning/Lums** – Johan Dafel;

**Dumps/Waste/Recycling** – Albert du Toit

**Coastal Development** – Johan Dafel

**Housing** – Johan Dafel

**Airport** – AHI Initiative;

**IDZ** – Sizwe Khumalo; A Bozas; F van der Walt

**Tourism** – Alec Bozas; Paul Alvarez

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To service information on any of the above, including the Terms of Reference for the **USDC** contact:  
Frans van der Walt - [frans@qs2000plus.co.za](mailto:frans@qs2000plus.co.za)

Recognized as the powerhouse of Northern KZN, uMhlathuze has ridden the crest of the wave often declaring itself to be growing at a rate much higher than the National economy. Richards Bay especially, through progressive municipal initiatives has succeeded in attracting huge, and at times controversial, local and foreign investments in the form of big industry. This has seen the City of uMhlathuze grow at a phenomenal rate as investors cash in on the opportunities provided by a huge deep water harbour, built only 32 years ago. The primary attraction was a large pool of labour and “the cheapest electricity in the world”.

However the current energy supply crisis could reverse this trend and we are likely to suffer as investors lose confidence in our national electricity supplier. To counter this innovative solutions have to be found and to this end we welcome the announcement of a private power station being made. The multibillion rand investment will go a long way to alleviating the problems caused by an unreliable supply from Eskom.

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**UMBANI POWER COMPANY**

The power station plans have changed significantly from their initial announcement nearly six years ago when the **Rainbow Millennium Power Company** was to build a waste coal fired 240 MW power station on the site adjacent to Mondi. At the time Richards Bay was consuming about 8% of South Africa’s 25000 MW electricity demands.

Today, Umbani propose to build a facility capable of providing either 270 MW or a massive 540 MW at the cost of R 8 billion. It is understood that this Circulating Fluidized Bed Power Plant will utilize discarded coal from existing and decommissioned mines in KZN and Mpumalanga to power 135 MW Circulating Fluidized Bed Boilers which will provide steam to traditional steam turbine generator units. The proposed power station will occupy an area of 40 ha and will comprise of:

- Fuel and Sorbent Handling systems
- Storage silos
- Turbine Hall with CFB combustors and turbine generators
- Bag filters and stack
- Water treatment centre
- Cooling towers
- Rail infrastructure and tippler

Electricity will be fed into a distribution system of the Eskom Imvubu Sub-Station and should result in a significant stabilization in electricity supply to the City of uMhlathuze.

The company is in the process of submitting a bid for the Eskom Pilot National Cogeneration Program. Should the project be accepted, construction should commence in 2009 with first power scheduled for mid 2012.

Proposed location:

Two alternative sites are under consideration in Kwambonambi /Nseleni area. Both sites are in close proximity to the rail transport system. Acer (Africa) Environmental Authorization is conducting the Environmental Authorization Process – [www.acerafrica.co.za](http://www.acerafrica.co.za). They will handle the public participation process whilst Umbani Power has appointed Golder & Associates as the Independent Environmental Assessment Practitioner.

The first site is currently under commercial timber plantations and occupies approximately 130 ha near Nseleni in an area which is to be rezoned to become part of the Richards Bay Industrial Development Zone (IDZ). The site is situated west of the National Route 2 (N2) and is in close proximity to the rail transportation system.

The second Site will occupy almost 200 ha in the Mabuyeni area of the Mbonambi Municipality. It is accessed from Empangeni from the Western Bypass road from the R 34. The site is currently being used for subsistence agriculture, livestock grazing and is characterized by scattered rural settlements.

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PROJECT SUMMARY  
NOVEMBER 2007

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**ABOUT UMBANI**



The Umbani Power Consortium (“Umbani”) has been pre-qualified by Eskom to participate in its National Pilot Co-generation Programme and is developing a waste coal fired power station to be located near Richards Bay (“the Project”). The Project will employ circulating fluidised bed (“CFB”) technology burning waste coal as a fuel source. CFB technology is recognised by the World Bank as a “clean coal technology”.

South Africa requires significant public and private sector investment over the next decade to overcome the country’s existing electricity supply shortage. By improving electricity supply in the strategic industrial zone of Richards Bay, the Project supports the country’s national economic growth objectives.

The Eskom timetable anticipates that bids will be awarded in June 2008 and that commercial operations will commence by April 2012.

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**PROJECT DETAILS**

<b>Size and Location</b>	<p>The Project is planned for installation in the area around Richards Bay with a size of either 270MW or 540MW (net). Richards Bay is a major industrialised area, situated on the north east coast of South Africa, some 400km from the nearest power station and consumes approximately 8% of the country’s electricity demand.</p> <p>The power station will either connect to the municipal 132kV electricity grid, or at a higher voltage on Eskom’s grid. Umbani has identified 4 potential locations, close to rail &amp; electricity networks and cooling water sources</p>
<b>Fuel Source</b>	<p>South Africa is the fifth largest coal producer in the world, exporting 21% of run-of-mine coal. The country has developed a sophisticated infrastructure system including a dedicated coal rail network from the large coal mines in the west to the world’s largest single coal terminal in Richards Bay.</p> <p>The beneficiation of South African coals generates more than 65 million tons of waste (discard) coal each year, which is already estimated to have accumulated to more than 1 billion tons. As coal production as a primary fuel source is expected to continue for some time, total surface discards may double to 2 billion tons by 2020. Discard coal has a relatively high calorific value (average 17MJ/kg), but is low in volatiles and high in sulphur and ash content.</p> <p>The potential negative impact from such significant amounts of carbonaceous material is a major environmental concern. As a result, projects utilising discard coal deliver significant environmental benefits. In addition to the waste coal mentioned above, biomass from the nearby timber and sugar industries may be burnt in the CFB boiler.</p>
<b>Technology</b>	<p>CFB technology is capable of combusting a wide range of fuels including discard coal. The coal is mixed with limestone (calcium carbonate) during combustion. As the discard coal combusts the limestone reacts with the sulphur oxides (SOx) produced absorbing them to form calcium sulphate. The calcium sulphate can then be removed with the ash. In addition, combustion in a CFB boiler occurs at a lower temperature than with traditional coal fired boilers. This lower temperature leads to a reduction in the formation of the oxides of Nitrogen (NOx). CFB technology is, therefore, classified as a ‘clean coal’ technology by the World Bank.</p> <p>Umbani procured a feasibility study from Black and Veatch in 2003 indicating that sufficient discard coal and sorbent is available to operate a station sized at 272 MW for 25 years.</p>
<b>Financing</b>	<p>The Project will be financed on a non-recourse project finance basis, with approximately 80-90% of the Project funded through debt, and the Project Sponsors subscribing for equity.</p>

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### PROJECT SUMMARY NOVEMBER 2007

#### PROJECT DETAILS

It is estimated that the 270MW plant will cost circa ZAR4 billion and the 540MW plant circa ZAR8billion.

#### PROJECT BENEFITS

**Power Quality** The cost and availability of energy, including electricity, is a key determinant of the growth in economic activity and the current electricity supply shortage has been identified as an impediment to Government's Accelerated and Shared Growth Initiative - South Africa (ASGISA) program. The Project will improve the quality and security of electricity in the Richards Bay area and support regional investment initiatives. The Project tariff will also be less expensive than the new coal fired power plants being constructed by Eskom.

**Community** The Consortium is committed to be a responsible member of the Zululand community and recognizes the need for community development.

**Environmental** The Project will comply with South African requirements and World Health Organisation environmental standards.

Discard coal left to degrade in heaps has the potential to release methane (a harmful green house gas) into the atmosphere and to leech pollutants into the ground. By removing the discard coal for clean coal combustion this project represents a significant environmental improvement. In this context the project may be able to generate carbon credits in accordance with the Kyoto Protocol.

The Project will enable the productive use of a waste resource that currently poses significant environmental risk in-situ.

**Black Empowerment** Umbani will secure meaningful black economic empowerment participation in the ownership structure of the Project. The Project will be an ideal platform to grow black management in the energy industry. Umbani will also deliver tangible economic benefits by involving black enterprises in an extensive procurement program during the constructions and operations phases, including creating new opportunities for Small Medium and Micro Enterprises (SMMEs).

**Job Creation** During the peak construction phase, the Project could employ approximately 1000 people, with significant local job creation opportunities. The operation of the power station could employ up to 150 people full time. In addition, the use of discard coal will create down stream opportunities for new businesses to be established.

#### PROJECT SPONSORS

**Rainbow Millenium Power Company (Pty) Ltd ("RMPC")** RMPC is owned and managed by a group of South African engineers that have been active in the country's electricity supply industry for more than twenty years. RMPC developed the original Project concept and maintain an active involvement in all aspects of developing the Project, including advising on South African electricity network matters.

**The Industrial Development Corporation of South Africa Limited ("IDC")** The IDC is a self-financing wholly state-owned development finance institution established in 1940. The vision of the IDC is to be the primary driving force of commercially sustainable industrial development and innovation to the benefit of South Africa and the rest of the African continent. IDC's vision is realised through its participation in funding activity that generates balanced and sustainable economic growth, promotes entrepreneurship and the economic empowerment of the African continent and its people.

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### PROJECT SUMMARY NOVEMBER 2007

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<b>Aldwych International Limited</b>	Aldwych was established in 2004, for the purpose of developing, owning and operating power generation, transmission and distribution projects in the emerging economies, primarily of Africa and Asia, and is the Lead Developer in the Umbani Consortium.
("Aldwych")	Aldwych holds ownership interests in the Copperbelt Energy Corporation, Zambia and in the Kelvin Power station in Johannesburg, South Africa, which is operated by an Aldwych subsidiary. Aldwych is currently lead developer on established projects in Kenya, Senegal, Uganda and Tanzania and is in the early stages of exploring possibilities in other African countries.
<b>About African Infrastructure Investment Managers (Pty) Ltd</b>	AIIM was established in 2000 as a joint venture between Old Mutual Investment Group Managers (South Africa) and Macquarie Capital of Australia, as a specialist fund manager. AIIM participates in Umbani for and on behalf of three infrastructure funds, AIF, KIEF and IDEAS.
("AIIM")	<p>The R1.3 billion African Infrastructure Investment Fund (AIF) was established in 2003 to invest in infrastructure projects across Africa. AIF's nine investors are Old Mutual, Standard Bank, Nedbank, the Public Investment Corporation, Metropolitan Life, Capital Alliance, Eskom Pension Fund, Cape Joint Pension Fund and Liberty Group.</p> <p>The R649 million Kagiso Infrastructure Empowerment Fund (KIEF) was established in 2006 to invest in South African infrastructure projects. KIEF's investors including Kagiso Trust Investments, Remgro Limited, Old Mutual, Metropolitan Life, Capital Alliance and Liberty Group.</p> <p>The IDEAS Managed Fund is an investment vehicle offered by Setsing Financial Services (Pty) Ltd, a company jointly owned by Unity Incorporation and Old Mutual Investment Group (South Africa). IDEAS focuses predominantly on infrastructural and developmental investments that make a significant contribution to growth and empowerment.</p>

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#### CONTACT DETAILS

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#### PULP UNITED

One of the proposed investments which hang in the balance because of the problems that Eskom have experienced is the **Pulp United** project.

This joint venture between Natal Forestry Co-operative (NCT) and Rottneros of Sweden was to commence in the first quarter of 2008 but has now been delayed with a final decision pending.

Pulp United announced plans to start building its new Pulp Mill in Richards Bay on 1<sup>st</sup> April 2008. The Project has an E.I.A. on the 60 ha site which it purchased next to Mondi in Site 1D of the IDZ. A huge obstacle was overcome when the city successfully arranged for the relocation of the endangered 'Kwambonambi Grass' also known as Maputaland Woody Grasslands from the site.

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Pulp United has negotiated its electricity needs with Eskom and has purchased the wood chip plant Silvacel. They already own a substantial share in C.T.C. and it is envisaged that wood chips will make up the bulk supply of raw material for the Pulp Mill. Trevor Manual suggested that exports fall short of imports in South Africa and Pulp United will play a significant role in benefiting the wood chips that would otherwise be shipped from our harbour, presently the largest wood-chip exporting port in the world.

Added advantage is that the mills chemical process is virtually pollution free.

**NOTES:**

Rottneros has commenced the dismantling of one of its mills at Utanjso Sweden with the intention of moving the production plant to Richards Bay.

The proposed co-operation will move core equipment installed at the Utanjso Mill to Richards Bay

The consortium plans a R3 billion investment with a capacity of up to 300 000 tons.

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**TATA NEWS**

It was with great joy that the City witnessed the commissioning of Furnace 1 of TATA Steel KZN. This ferrochrome plant based on site IE of the IDZ in Alton North was officially switched on in April which was a significant milestone in the first brown field project that TATA Steel has attempted outside of India.

The ever positive Managing Director of TATA KZN, **Somdeb Banerjee**, reminded us that the company comes from a power deficient country so everything about his new plant was designed to be energy efficient. Further TATA Steel KZN made provision for 14% of this smelter's electricity to be co generated using Co gas emissions as a fuel. This not only helps the smelter generate electricity without having to burn fossil fuels, but it also ensures that environmentally unfriendly Co gas emissions from the smelter will not be released into the Richards Bay atmosphere. And because the smelter will be producing 14% of its required electricity it will always be able to run on full capacity even during Eskom's load shedding period!

Managing Director **Somdeb Banerjee** says:

The formal inauguration ceremony of the Ferrochrome Plant will take place in August.

Despite construction having progressed for more than 12 months the project has not had a single complaint received on the environmental front. This is a first for Richards Bay

Over 100 000 accident free man hours have been achieved

The briquette plant commenced in June

The aim is to make this City 14000 accredited

Approximately 80% of the total cost incurred so far is on purchases from South Africa, with furnace transformers from Italy, the briquette plant from Germany and India and fabricated steel and sleeting from India being imported.

Mechanical erection on the furnace front is well advanced

Structural erection of the briquette plant and mechanical installation for the dryer building are at an advanced stage

The 132 KV switch yard electrical installation is completed – 33 KV and 11 KV switch gear are in place and 80 MV, 10 MV and 2.5 MV transformers are installed

The crushing and screening plant civils work is well advanced

Commissioning of Furnace 2 has been completed on schedule.

Phase One of the plant will have a production capacity of 134,000 metric tonnes per annum

At the completion of Phase Two the projected production capacity will translate into revenue of R 700 million per annum

Finally Mr Banerjee states that with the tag of being 'the cleanest in the world' its construction of the state of the art high carbon ferrochrome plant will plough an estimated R 670 million into the local economy.

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**UTHUNGULU DISTRICT MUNICIPALITY**

**2010 WORLD CUP FOCUS**

**Multi-purpose Sports Stadium**

**Project Goal**

The project goal is to provide a multi purpose sports facility with a FIFA specification soccer field with at least 8000 seats at the Veld en Vlei Sports Complex in readiness for Soccer 2010. This will be done in conjunction with a synthetic Athletics Track and Indoor Sports facility that can double up as a conference centre.

The Stadium will consist of:

- Irrigated grassed soccer pitch (to FIFA standard) with sub-surface drainage for soccer and hockey
- Flood lights
- At least 4000 open seats that can be upgraded to have roof cover and an additional 9000 open seats
- A separate synthetic athletics track and irrigated sports field for soccer, rugby, athletics and hockey under flood lights and grassed embankment seating 2000 spectators
- Indoor sports facility that contains four basketball courts which would also be suitable for the following sports codes: basketball, volleyball, badminton, gymnastics, wrestling, amateur boxing
- This will double as a conference centre that can cater for 2000 people



Project Champion: UDM (Stadium Developer)  
Project Owner: City of uMhlathuze (Land owner)  
Design: Sifiso Sibisi Consortium

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### **PHASE ONE – R 130 million**

- Minimum Facility – Irrigated and grassed soccer stadium with 4000 open seats, change rooms, ablutions and offices
- Synthetic Track
- Embankment seating for 2000

### **PHASE TWO – R 59 million**

- Preferred Facility to include 4000 covered seats, 9000 open seats, lighting, irrigation and sub-surface drainage.
- Indoor sports facility/conference centre
- Additional parking

### **TIME LINE:**

Detailed design May 2008- Completion of land survey February 2008- Tender documents and specifications submitted for approval May 2008 -Completion of Basic Environmental Report June 2008 - Award of Main Stadium contract by July 2008 - Completion and hand over of minimum facility – December 2009

Completion and handover of Athletics track – December 2009

Award of indoor sports facility contract August 2010

Completion and hand over of Indoor Sports facility – June 2012

### **PROJECT LEO**

Your Chamber, lead by **President Phiwo Thango**, has met with potential developers in the form of **AB Mauri** and have agree to be fully supportive of this exciting development to be known as Project Leo.

**AB Mauri** was formed in October 2004 as a new operating division of Associated British Foods PLC (ABF) -ABF has a turnover of 6, 8 billion pounds and employs 85,000 people in 43 countries.

AB Mauri is a yeast and bakery ingredients manufacturer and has operations throughout the world.

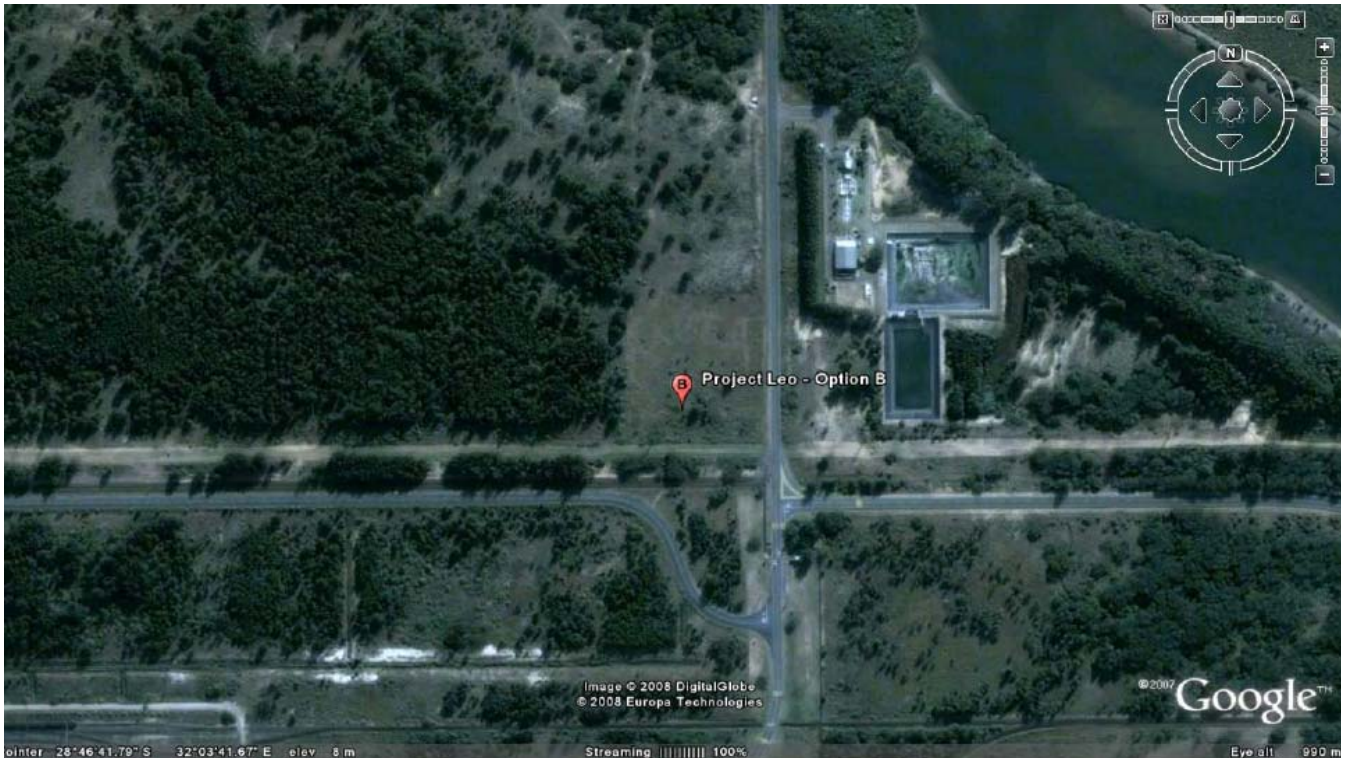
This is AB Mauri's first venture on the African Continent as they had identified the need to expand its Dry Yeast business to counter the Vietnam and Chinese plants.

They reviewed 12 sites in the Durban Metro area and settled on Umbogintweni, before they visited Richards Bay and evaluated their options here. The decision is to establish in the IDZ Phase 1A area on the corner stand immediately outside the port security entrance in the west. Opposite the existing effluent pump station (note attached picture)

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### Some indicative plant statistics

- Production will commence on Q 2 2010 for phase one
- Phase Two due 2013/2014
- They will employ around 80 people
- 60% of production for export
- Generation of about 5000 containers per year (Phase One)
- 0.5 hectare plot

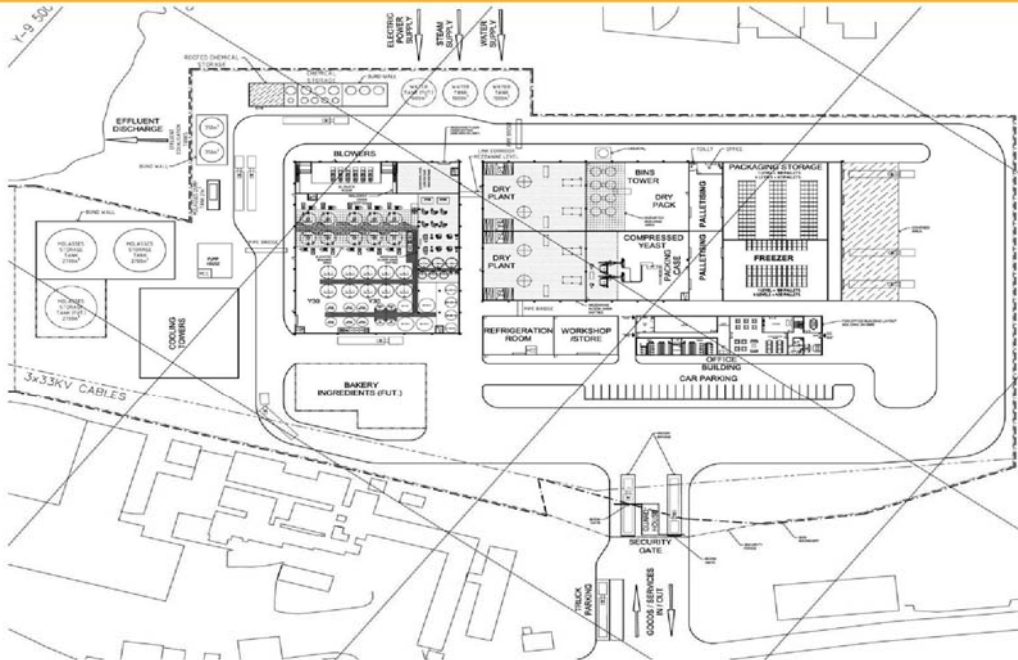
### Estimates

- Gas – 47,7 MBTu/hr
- Electricity – 9,5 MW
- Water – 215 t/hr
- Effluent – 160 t/hr
- Vehicle movements – 30 per day
- 24/9 operation x 365 days per year
- Key Equipment imported from Europe.
- 20 Km of pipe work

### Chemicals used:

- Urea – Magnesium Chloride
- Phosphoric Acid – Liquid Nitrogen
- Nitric Acid – Copper Sulphate
- Pscoric Acid – Zinc Sulphate
- Vits B2,5,6 – Potato Starch
- Sodium Chloride /Carbonate/Hydroxide/Hypochlorite

## Site Layout Concept



**NB: AB Mauri has given its commitment to use local suppliers wherever possible**

### **Reasons why Richards Bay is attractive to Project Leo:**

- The process requires molasses and they have formed a partnership with Illovo Sugar and intend to import from Swaziland
- The cost of electricity and land is attractive
- The close proximity of the Port for export – use of local labour
- IDZ and the proximity of the Port for export
- Easy access to the gas pipeline
- IDZ Phase 1A will be almost emission free
- Availability of a clean water supply
- And the support of the Zululand Chamber of Commerce and Industries

Contact details: **Paul McGinn** – Project Manager  
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### **NEWS FLASH**

- The growth of demand for power in Richards Bay has made it necessary for the Council to reinforce the existing Richards Bay power supply of 132 K by the construction of a new 132 KV substation
- The 132 KV Neptune Substation will cater for the bulk loads of industry such as TATA Steel and Pulp United
- Motla Engineering (Pty) Ltd. Are the consulting engineers compiling the specification and will manage the project.
- Alstom Electrical SA (Pty) Ltd. Have been awarded the contract to construct the substation
- Total cost of Neptune is R 67 million

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- **NB To Facilitate the construction of Neptune the area of Meerensee-Mzingazi-Small Craft Harbour and sections of the Port will have outages from 06.30 to 18.30 on four consecutive Wednesdays in August**

### UMFOLOZI CASINO, HOTEL AND CONFERENCE CENTRE

Location – Portion 83 of Rem of Erf 5333 (Southern corner of John Ross Parkway, Richards Bay) between the John Ross, Bayview Boulevard and the Mzingazi canal which is 15 hectares in extent

The proposed initial development, which will cover about 4 ha, will provide for the establishment of a casino, hotel and conference centre.

Approval was obtained in 1999 on the same site however the ROD lapsed during and appeal process. During this time the developers established a temporary casino in Empangeni.

Architectural plans for the site include:

- A 6 storey hotel including a casino and conference centre
- A small amphitheatre and cultural village
- A conference tent platform
- Parking area
- Retail centre with apartments above it

#### NOTES:

- Future plans include an area of 45 hectares
- A second hotel and a residential estate of 34 single and double storey homes and an office component
- Initial cost of 15 ha will be R 17 million
- Total project cost is over R 1,6 billion
- Construction is expected to commence during the forth quarter of 2008 with the resort to open in 2010
- Much of the development will face the Mzingazi Canal and street canals will be built to give water access to the residential properties

Access links will mean that the Steel Bridge will be upgraded

Figure 1: Location of proposed casino, hotel and conference centre development in Richards Bay.

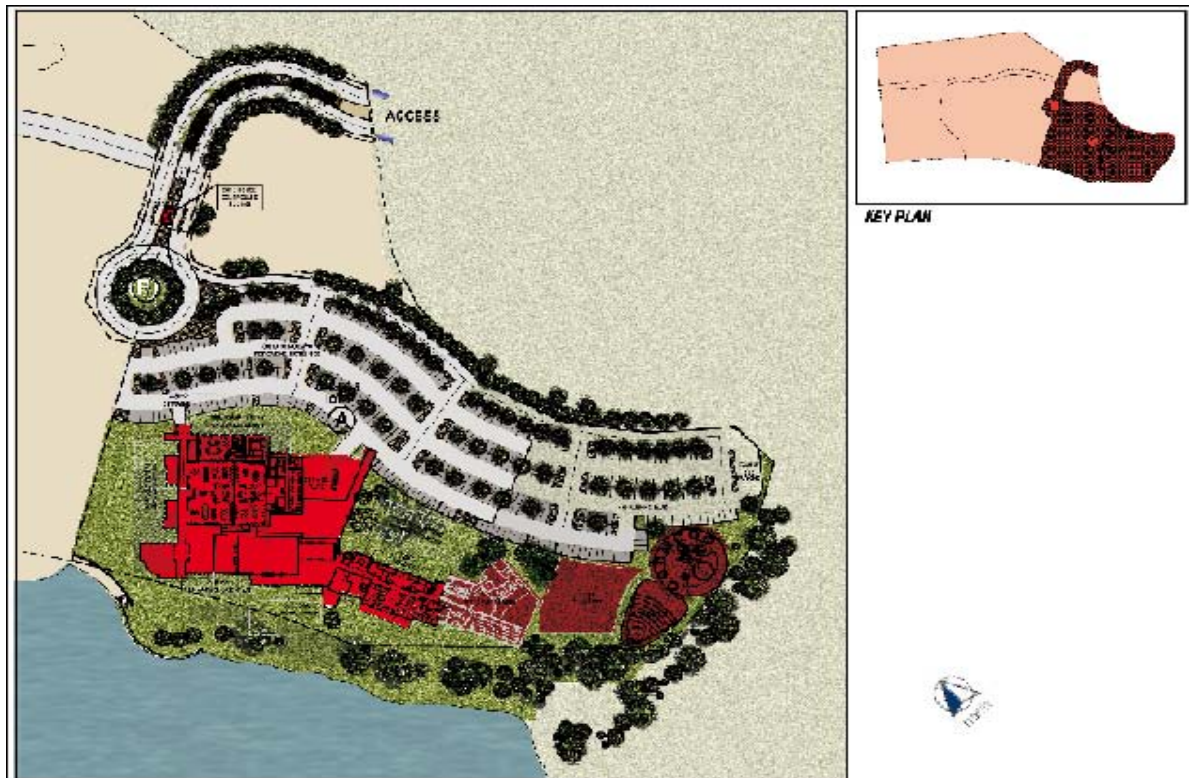


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Figure 2: Development proposal in relation to entire site (inset). Red shaded section is hotel, casino and conference centre, brown shaded section is cultural theme park and the remainder is parking provision.



### **UPDATE ON THE ALFLUORCO PROJECT**

This Aluminium Fluoride Production Facility which was reported on in the 7<sup>th</sup> Edition is to include a Sulphuric Acid, Hydrogen Fluoride and Aluminium Fluoride Manufacturing Plant in the Richards Bay area.

A total of 14 potential sites were identified and considered – [Note Fig 2](#)

The site proposed for further investigation during the assessment phase is the Nseleni Site. Namely Subs 9,14,17 and 19 of Lot K26 Farm No 12453. The site is situated adjacent to the N2 Highway and the Nseleni Railway Siding within the Mbonambi Municipality.

A Final Scoping Report has been compiled and submitted to the KZN Dept of Agriculture and Environmental Affairs for which formal acceptance has been given. It includes all comments made during the EIA and details site identification process undertaken, the environmental issues identified and the Plan of Study for Assessment which provides information on the Specialist studies to be undertaken in the Assessment phase of the EIA. The Final Plan of Study for Assessment, being the Assessment Phase of the EIA, will now commence

The Draft Environmental Impact Report should be available for public comment in October 2008.

### **STOP PRESS**

#### **NOTIFICATION OF ALFLUORCO'S NEW INTERNATIONAL PARTNER**

**Environmental Impact Assessment for the proposed Alfluorco (Pty) Ltd. Aluminium Fluoride Production Facility, to include a Sulphuric Acid, Hydrogen Fluoride and Aluminium Fluoride Manufacturing Plant in the Mbonambi Municipal Area, KwaZulu-Natal (EIA No. DC28/0017/07)**

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A strategic change in the partners and future shareholders of Alfluorco (Pty) Ltd. has taken place. Minersa, an existing shareholder of Vergenoeg Mining Company, which owns and operates one of the largest hydrofluoric and aluminium fluoride processing facilities in Europe, will replace Industries Chimiques du Fluor (ICF) of Tunisia as the major shareholder and technology partner. The other shareholders remain Vergenoeg Mining Co Pty Ltd and the Industrial Development Corporation of South Africa Ltd (IDC).

Should you want to access a copy of the Final Scoping Report go to [www.skr.co.za](http://www.skr.co.za) under Public Documents/Alfluorco EIA or

From the SRK Consulting Offices in Durban on Telephone No: 031 279 1200 or Pippa Emmanuel on 033 345 6311

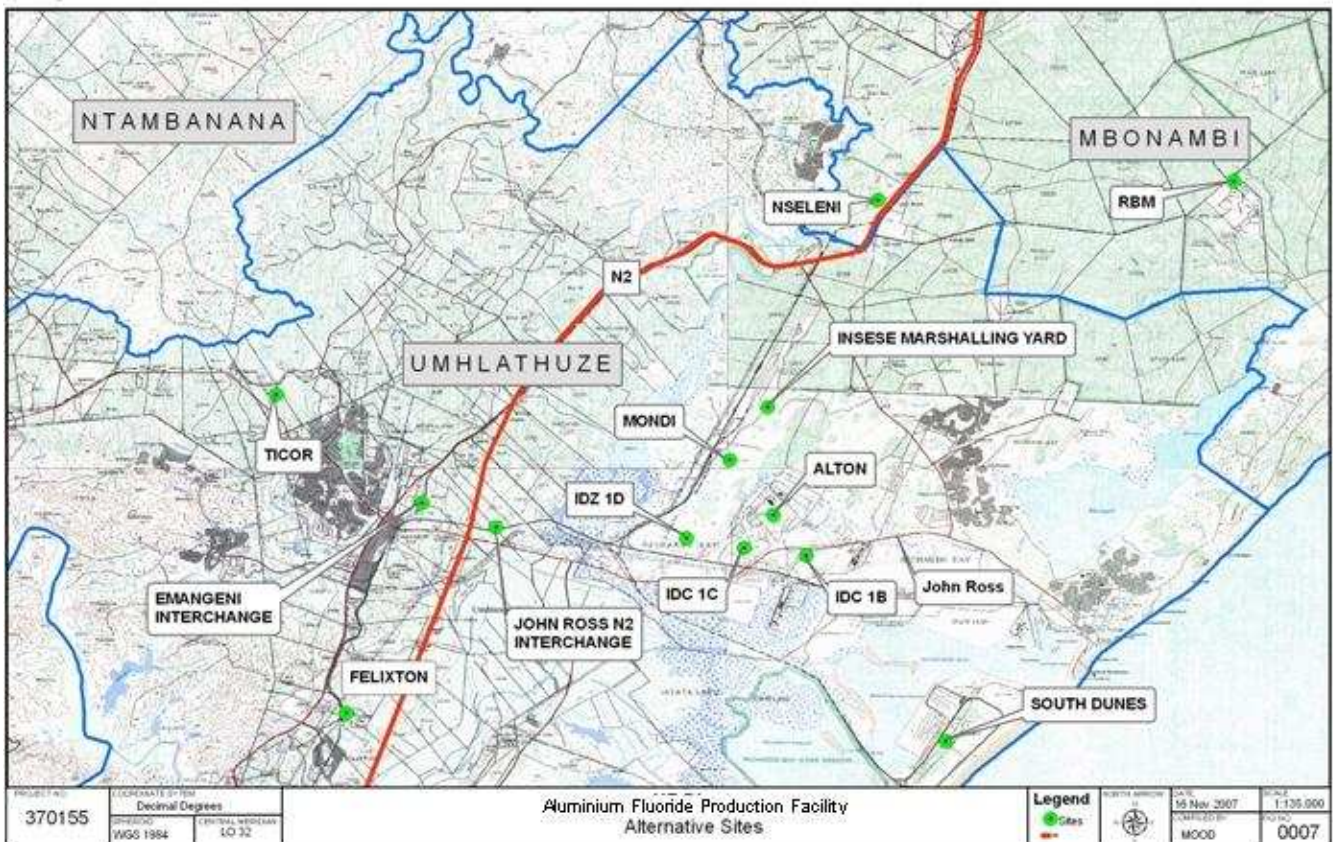


Figure 2: Potential Sites Identified for the Proposed AF Facility

### **TENDERS AWARDED**

**From the desk of Frans van der Walt**

#### **Casino**

The EIA has commenced and awaiting the ROD. They have approached Council with the view to increase the extent of the development. This would most probably affect the commencement of the development.

#### **The Ridge**

The tender for the land was awarded on 17<sup>th</sup> March 2008 to Crystal Lagoon Investments. The land is about 5-hectares in extent and the development is to include a hotel with medium density residential sites. Estimated cost R 33.6 million excluding VAT. The EIA process for this development is still to commence.

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**Meerensee CBD expansion: South**

The tender for the land was awarded on 17<sup>th</sup> March 2008 to Coinad Properties and Investments. The area of land is 2218 square metres. Total cost estimated to be R 2,075 million excluding VAT. The developers plan to open a Kentucky Fried Chicken Franchise. The EIA process for the development is still to commence.

**Meerensee CBD expansion: East**

The tender for the land was awarded on 17<sup>th</sup> March 2008 to Mr Shaun Binaris. The area of land available is 7161 square meters. Total cost R 4.0 million excluding VAT. The EIA process for the development is still to commence.

**Retirement Village (Meerensee):**

The tender for the land was awarded on 17<sup>th</sup> March 2008 to Indlovu Partnership. The 8-hectare site is situated in Meerensee behind the LAC Centre with views of Lake Sontwayo. Total cost R 24.0 million excluding VAT. The EIA process for the development is still to commence.

**Waterworks Node (Arboretum):**

The tender for the land was awarded on 17<sup>th</sup> March 2008 to JT Properties and Development. This project is situated across from the Umfolozi College campus on an 11-hectare portion of land ideally suited for a mixed-use development with a residential development, catering for the medium to high-income category, as the main component. The total cost is R 21.0 million excluding VAT. The EIA process for the development is still to commence.

**uKhula Park, Office development (Empangeni):**

Proposed R 20.0 million development planned for niche market retail and office development (2800 sq ms) by businessman Mr Zak Asmal. (corner of Ukhula road and Addison Street near the Empangeni Garden Clinic)

**Major township developments (Mtubatuba)**

These two proposals involve two pieces of land, the first being the N2 Interchange Node on 34.88 ha on N2/MR235 intersection and the CBD Extension Node on 28,20 ha closer to town. The intention is to develop infrastructure for sale of land to local and other interested developers of mixed use opportunities which would include residential, commercial, office, health, industrial etc. The EIA process commenced early in July 2008 and DFA process would be followed to obtain permission to proceed with the developers who are Metalon Properties (Pty) Ltd. And Mondi Joint Venture.

**Moondream Trading (Pty) Ltd:**

Proposed development of up-market Industrial Park which will cater for all business types on lots of 3000 sq ms to 10000 sq ms in Alton, Richards Bay (Erf 1854) The EIA process was started in August 2007.

**Briardale Trading:**

Proposed Warehouses on Erf 1860, Carbonade Cell, Alton. The EIA process was started in 2007.

**LanDevCo Holdings (Pty) Ltd:**

Proposed residential development comprising mixed-use development of high, medium and low income residential housing, commercial sites, industrial sites as well as a retirement home development. (portions of Lot 114 Umhlathuze: Portion 6 of the farm Felixton No. 17401: Farm Grantham No. 17754 within the Felixton area) The EIA process was started in August 2007.

**Soliprops 1087cc (Woodlands Village)**

This is a proposed residential village comprising 16 residential sites. (Remainder 16689 and 11446 north of Empangeni) The EIA process started in November 2007.

**Corplco 148 cc**

Housing development on Erf 11446, Empangeni comprising 339 erven for special residential units, erven for general residential units (simplexes, duplexes or blocks of flats), commercial erven and public open space. The EIA process started in July 2007.

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### PORT NEWS

Jimmy Hills – [jimmy.hills@transnet.net](mailto:jimmy.hills@transnet.net)

**Jimmy Hills** reminds us, that not only is the port a deep water harbour, but it is also strategically placed to serve areas such as Gauteng and it has the necessary infrastructure.

#### **Immediate Projects include:**

The newly completed addition coal berth at the cost of R 443million which will ensure a capacity of 92 million tonnes per annum (mtpa)

Tenders have been adjudicated for an additional bulk liquid berth at a cost of R 380 million and an award is expected to be made before the end of July

It is expected that this will create business opportunities for industries such as vegetable oils or refined fuels as this was not yet oversubscribed.

The cargo forecast for the next 20 years included an increase in bulk liquids from 1,4 mtpa to 2,6 mtpa whilst dry bulk cargo (mass commodities) capacity will increase from 13 mtpa to 24 mtpa and Break Bulk commodities will move from 4,5 mtpa to 14 mtpa

The tender for the acquisition of four new tugs at the cost of R 700 million has also been adjudicated. An announcement is expected in August 2008.

Improved road infrastructure at R 60 million, rail at R 30 million and electrical services at R 40 million is awaiting approval.

The existing Container handling facility as part of the Break Bulk operations can handle up to 20 000 containers.

Also of great interest, is confirmation of the feasibility study to establish a fully fledged Container Terminal at the cost of R 9 Billion. The studies will be finished in the fourth quarter of 2008.

Source from the above is from the Zululand Observer of May 30<sup>th</sup> 2008

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### RICHARDS BAY DRY DOCK

Bris Mathabatha, MD of **Imbani Projects** the consortium that will build the dry dock and operate the facility, said that the R 2.5 billion development will create over 4000 permanent jobs and at least 7000 temporary in the construction phase.

The Chamber is particularly excited about the satellite industries in the region who will benefit from the project.

#### **In Addition:**

- Together with the IDC and DBSA, the finance and required expertise has been secured
  - Transnet is working to resolve outstanding issues
  - 84 local youths under the age of 22 will be sent to China for 11 months of training.
  - The environmental concerns of noise and pollution will be addressed in modern shipbuilding practise.
  - A 260 meter long dry dock with 760 meters of ship repair outfitting quay and a 300 m quay for materials and work boats is envisaged
  - The refurbishment of some 40 ships a year will realize an annual profit of over R 300 million
  - Construction time is three years.
-

**RICHARDS BAY MINERALS PROJECT**

Richards Bay Minerals has approved R 1.2 billion for funding of its new **Tailings Treatment Plant (TTP)** project. In House research and development has identified the technology required to separate valuable minerals from existing stockpiles.

**NOTES:**

A new tails treatment plant will be built at the smelter site with a small operation in the mining area. Construction duration for the TTP is 2008 – 2010 and will extend the life of the mine for an additional 5 years from 2037 to 2042.

RBM plan to generate sufficient electricity in house to be able to supply the TTP's requirements which are expected to be 6.5 MW by 2010.

A target of 35 MW of electricity through self generation by 2111 has been set.

It is intended to fuel some 20 gas engines with excess furnace gas available to generate electricity.

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**JOHN ROSS HIGHWAY**

**Mike Patterson** of the Roads Federation says, "Despite the high escalation in construction costs, this overdue project must be completed urgently as it is an integral factor in the future development strategy of the region. The people of Mhlathuze have waited a long time for the upgrading of this important road!"

With 20 000 vehicles travelling daily on this road daily it is imperative that the project is completed as soon as possible

CONTACT: [mpatterson@kzn.waltons.co.za](mailto:mpatterson@kzn.waltons.co.za)

The funding for the black top surfacing (layer works) of the road looms as a major obstacle but construction progress continues satisfactorily.

Mr Brian Henwood of Henwood and Nxumalo Consulting Engineers reports;

- No fewer than 36 Vukuzakhe (Black Empowerment) contracts worth a combined R 36.5 million have been awarded
- Over 500 local job opportunities totalling nearly 30 000 persons/days have been provided
- To date 38 females and 44 males from the area have attended courses at the on site training centre.
- The 2007/2008 budget was R164.2 million and a targeted budget of R 200 million has been set for 2008/2009 the KZN Department of Transport has only confirmed R 112.5 million with the uThungulu District Municipality confirming an additional R 6.8 million.
- Due to the huge cost escalation the project is now valued at R 636 million. This is about 60% ( R 145,4 million) above estimates.
- The Nseleni Flood plain and Nsezi River Bridges contract is valued at R 257 million and about R 71 million has been spent to date.
- The piling on the Nsezi Bridge has been completed and the construction of piers and abutments is well in progress
- The problem areas of the contract have now largely been resolved and the rest of the work is fairly straight forward.
- The contract for the John Ross and Smelter road over Rail Bridge is valued at R 40 million and over R 21 million has been spent to date.
- The joint venture, a comprising Leomat Construction and two emerging contractors, is constructing these two bridges.
- The completion date for these bridges is October 2008.

**STOP PRESS**

**Brian Henwood has announced that the new layerworks tender will go out in November 2008 and construction should commence in February 2009**

**PHASE THREE – N2 TO EMPANGENI**

- Record of Decision (ROD) approval received
- Rail Bridge to be built alongside the existing rail bridge. Work expected to start in July 2009.
- Traffic will be diverted to new bridge and existing bridge will be demolished
- A second bridge will then be constructed in place of the demolished bridge.
- Road works planned to commence April 2010 and should be completed by December 2010.
- The new design will provide for three lanes in each direction.
- In response to objections from the Kuleka Business Forum, a decision has been made to reinstate the intersection at the old Tanner road to allow access to business in Tanner Road.

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**NEWS TO MONITOR**

**MOYAMARA RESIDENTIAL DEVELOPMENT – KWAMBONAMBI**

This R 1.5 billion residential development will be the biggest ever in Zululand. Termed a Residential Country Club it is the initiative of Larsen Development Company.

The 270 ha environmentally conscious property will include:

- An international standard village cricket oval
- A Phil Jacobs designed 18 hole championship signature golf course
- An Olympic sized swimming pool
- Tennis and Squash courts
- Health spa and gymnasium

Further the existing Kwambonambi Clubhouse facilities will be refurbished and a new club house will be built in conjunction with the golf course.

Restaurants will be located at the club house and within an exclusive 60 room boutique hotel.

The residential development will include:

- 820 residences
- Of these, 540 will contain free standing houses on freehold plots
- 280 will be sectional title units
- Security will include 2 gate houses
- A patrolled electrified perimeter fence
- CCTV cameras to monitor the perimeter and access points
- The chosen architectural style will be East African with guidelines allowing for a wide interpretation of this building theme

The developers aim to complete the entire development within six years. It is expected to generate over 10,000 temporary and 5000 permanent jobs.

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**KWAMBONAMBI N2 DEVELOPMENT**

The Mbonambi Municipality has given approval for the commencement of the R 210 million N2 Development project and has already received approval by the Provincial Development Commission.

**NOTES:**

- The development will be built on 15 ha of rezoned agricultural land
  - It will include a 24 hour garage, shopping complex, community centre and arts and crafts centre.
  - Tenders have been opened by the National Roads Authority for the new flyover into Kwambonambi. Construction is expected to commence early into the New Year.
- 

**UNIZUL'S CITY CAMPUS**

The University of Zululand will be building a new campus within the City's CBD. The multi million rand development is expected to start early in the New Year.

It will be established on Municipal land adjacent to the municipal offices. It will be constructed over a nine year period and will have five defined phases.

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**THE ISIMANGALISO WETLAND PARK/2010**  
(Previously known as the Greater St Lucia Wetland Park Authority)

Zululand's award winning world heritage site has raised almost R 100 million for infrastructural development in preparation for 2010.

This will be spent on:

- Upgrading and construction of a new visitors and conservation building
- Day visitor facilities
- Hides, viewpoints, picnic sites
- New game drives
- New park gates
- The refurbishment of tourism camps
- Fencing of new sections
- Introduction of game such as black rhino, buffalo, elephant and cheetah

Park CEO Andrew Zaloumis said that the Heritage Site has seen the complete withdrawal of both commercial forestry and military presence over the last six years. The transfer of 98,000 ha of land from the Department of Water Affairs and Forestry has also been completed. The Park now covers a total area of 222 km.

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**ULUNDI NEWS:**

- Work has commenced on a new multi million rand shopping centre in the town
- Developers Khuthala Alliance Properties (KAP) have said that the mall will be operational by October 2009.
- Anchor tenant will be Spar with other national making their move into Ulundi
- Plans include an improved Taxi Rank
- The development will create at least 100 temporary jobs during construction and some 500 permanent once the mall is opened
- The re-opening of the Prince Mangosuthu Buthelezi Airport in on the cards
- The development of the P700 Road linking Ulundi and Empangeni and providing an 'inland' access to the Hluhluwe/iMfolozi Park (PIP) is to be finalized.
- A craft market and Lodge at the PIP entrance is planned.

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- The Emakhosini Ophathe Heritage Park and new Interpretation centre at uMgungundlova and other projects are at various stages of development.

These developments, along with the new mall are sure to encourage even further investment in the area.

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**THE CITY OF UMHLATHUZE: EMPANGENI**

From the Desk of **Hennie Smith** – Department of Planning and Sustainable Development

**RESIDENTIAL DEVELOPMENT**

**Empangeni Golf Course Land**

- a) Four pockets of land have been identified for development including:
- Land along Hospital Road on which a maximum of 120 medium density housing units could be built
  - Two portions on Paul Avenue which could accommodate 13 single residential units
  - Land near the club house for a further 54 medium density housing units which will be accessed from Baines Road passed the Municipal Swimming Pool ( Erf 7948/418 to be rezoned)
- b) The Fairways Estate as previously reported in Edition 7 on the Old Empangeni Tennis Club premises will also offer between 60 to 65 erven. The EIA was received on 1<sup>st</sup> March 2008 and it will now move ahead

Three separate tenders will be called for which will speed up the delivery of houses. Empangeni Country Club will be assisted in a number of ways, including supply and installation of a water reticulation system for greens and fairways and a re-routing of storm water systems towards the course dam.

Fair compensation will also be offered by the council to re-establish two greens and three tee boxes that are in conflict with the development footprint area.

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**NGWELEZANE GREENFIELDS PROJECT**

Proposals for professional services have been called for to assist the Municipality to establish a development of at least 4000 erven. Time line late 2008

**MHLATHUZE VILLAGE**

Planning for phases 6 to 8 of this project outside Empangeni (South) is underway. Conceptual layouts show that 620 units can be accommodated in Phase 6, 398 units in Phase 7 and 85 in Phase 8.

**WATERSTONE LIFESTYLE ESTATE**

**(Previously reported as EZULWENI ESTATE in Edition 7)**

Based on Logan Farm between Exxaro and the Empangeni Airfield (400 h in extend) to include:

- 2000 medium to high income units
- Community shopping node
- Private and Government schools
- Possible retirement village
- Golf Course

NB the EIA is at the consultation process. The project will take a phased approach from North to South with a project life of 15 years. Self generation of power in the form of solar panels will be introduced.

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### **EMPANGENI COMMERCIAL/INDUSTRIAL**

The **FIVE WAYS MALL** to be built at the intersection of Paul Avenue, Main Road and Rex Henderson Drive.

The Giannacopulos family who own Andrews Spar have purchased three erven, namely Lots 246,247 and 244 and have secured a long term lease on the remainder of Lot 245. Rezoning applications have been approved.

The development will include;

- 6500 sq meters of retail space to house a Super Spar and Tops Bottle Store.
- A strong tenant mix including, several national food chains to create an upmarket food court.
- A convenience centre
- 250 parking bays
- Access from both Rex Henderson Drive and Paul Avenue

### **UKHULA PARK (Early 2009)**

This new R20.0 million retail and office development is being built by Zululand businessman Zak Asmal.

- Located on prime commercial zoned site on the corner of Ukhulu Road and Addison Street near the Garden Clinic
- It consist of a 2800 sq meter double storey centre with 900 sq meters of retail space on the ground floor
- The upper floors will offer dedicated office space for professionals and services sector business

### **HILLVIEW**

The EIA and the rezoning of five industrial erven near Exxaro KZN Sands have been completed and the land is to be serviced in the 2008/2009 budget year. Once serviced, it will go to public tender. The average size erven will be 9000 sq meters.

### **EAST COAST RADIO**

East Coast Radio is to establish a customised satellite radio station in Richards Bay. The start date, pending approval, will be November/December of this year.

**TRISH TAYLOR**, MD of ECR, says that the Transmitter Split Station is expected to broadcast between 11.00 am and 2.00 pm from Monday to Saturday on the same frequency with proposed announcer being Dave Guselli. Whilst it will initially broadcast from a temporary studio, it is destined to settle in the proposed Peermont Casino and Entertainment Complex in 2009.

What is especially encouraging is the fact that ECR has based this venture on the current economic growth in the region. Its promotions will be specifically focussed at the local market and the service will be specifically designed to fully integrate into the lives of the residents and the business community of Zululand.

Perhaps a new Voice of Business for our region?

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### **RICHARDS BAY AIRPORT - INTERNATIONAL STATUS**

I need to remind you that a few years ago our government decided, in their wisdom, to allow only one airport in each province to have international status. This resulted in the Richards Bay airport being stripped of this status. It is argued that because of the synergy between the business sector of Zululand and that of Maputo, we should at least have SADC status but this request has been denied. It has resulted in the relocation of at least one large company as commuters find that they have to travel to Durban or fly to Johannesburg in transit to Maputo. The damage to our local economy caused by this short sighted decision has been enormous.

The ZCCI efforts to address the problem proved to be fruitless and the whole issue was picked up and is now driven by AHI Zululand with the support of ZCCI.

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After much background work, the AHI has come up with the likely costs which would be incurred to re-establish a cross border flight status including an X-Ray Machine, office accommodation, separate terminal facilities for international passengers, a runway turning circle and general upgrading of operational services.

The estimate has been presented to our local government with a reminder that such a facility is imperative with a special emphasis on the Tourism opportunities to be created by the World Cup Soccer event of 2010.

Johann Klopper is championing the projection on behalf of AHI and has made a request for re-instatement of International Status, which in practice will be SADC Country Status for over border flights. The request has been directed to Dr SL Mkhize, MEC for Finance and Economic Development for KZN and the Minister of Transport for approval.

Our Mayor, Councillor Z Mnquayi has blessed the efforts of AHI and should consent be given it is hoped that his council will provide the funding for the necessary upgrades.

**CONTACT:**

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**In closing I would once again like to thank my wife Trish for typing this document and to the "Girls of CV Personnel" for assisting me to put it into the correct format.**

**Again Frans van der Walt and Hennie Smit were invaluable in their assistance.**

**For any further information please contact me at GARTH MACARTNEY: [garth@cvs-personnel.co.za](mailto:garth@cvs-personnel.co.za)**



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