

# Coega Development Corporation invests R9m in new lay-down area

The Coega Development Corporation (CDC) has announced the investment of R9m in the establishment of a new lay-down area, located on the boundary between the Port of Ngqura and the Coega Industrial Development Zone (IDZ).



Coega Development Corporation's trade solutions project manager Linda Sityoshwana standing on the 12 hectares of land in Zone 1 of the Coega Industrial Development Zone (IDZ) which is being developed as a laydown area for abnormally sized cargo and a maritime services economic hub.

The lay-down area will be serving as a temporary storage site for abnormal cargo.

To date, the Port of Ngqura has been the port of entry for major abnormal-sized equipment, particularly wind turbine components and items such as the cold box units for the Afrox and Air Products air separation units, among others.

The deep-water Port of Ngqura is a transshipment hub and an ideal entry point to South Africa for abnormal cargo due to the draft depth, dedicated berth for general cargo and uncongestiveness of port operations. The ease of movement and good road condition from the port through Coega IDZ onto the N2 national road is an additional benefit to shipping to and from the Port of Ngqura.

## Two phases

"The lay-down area thus provides an essential component to the logistics value chain, enabling cargo short- medium-term storage," says Linda Sityoshwana, CDC's trade solutions project manager. The development of the lay-down area entails two phases over the next year, and ambitious plans are also on the horizon to develop the area into a hub of maritime economic activity.

"In phase one of the project, the CDC will establish a multi-user facility for abnormal and out of gauge cargo storage, such as components of renewable energy manufacturing enterprises in the IDZ," says Sityoshwana.

"It is further possible that maintenance work for marine drilling or production rigs can also take place in this designated area, so closely situated to the Port of Ngqura. In fact IDZ's are designed in part to offer such back-of-port services."

It is foreseen that during phase two, which will be undertaken within the 2015/2016 financial year, Zone 1 will be declared a customs controlled area (CCA). This means that users of the lay-down area will be able to benefit from the duty and VAT incentives available within a customs controlled area. Zone 2 of the Coega IDZ has already been designated a CCA in May 2014.

## **Reducing traffic**

Future investors and tenants likely to make use of the lay-down also include Project Mthombo, the ferrous metals plants, and the biofuels facilities. The lay-down area will allow tenants of the area to move cargo between the port and IDZ, within an allocated space through a dedicated entrance, reducing heavy traffic on the main entrance route to the port.

According to Dr Ayanda Vilakazi, CDC head of marketing and communications, the lay-down area will further enhance Nelson Mandela Bay as world class investment destination by leveraging the Coega IDZ and the Port of Ngqura as a transshipment hub and geostrategic point for the export and import of manufactured goods.

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