THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

Question 236

Mr E W Trent (DA) to ask the Minister of Trade and Industry:

(1) Whether his department, the Coega Development Corporation or any other provincial or national department or state entity have given any legally binding undertakings to investors with whom agreements have already been concluded; if so, (a) to which companies have such undertakings and/or promises been made and (b) what is the nature of each;

(2) Whether there are any penalties payable against failure to perform in respect of these undertakings; if so, (a) what is the quantum of such penalties for (i) non performance and (ii) late performance and (b) what are the further relevant details?

Response:

(1) a. The Coega Development Corporation (CDC) has concluded agreements with the following companies:
   - Dynamic Commodities – fruit processing for the export market.
   - Acoustics – manufacture of vehicle interior trim for the domestic and export market
   - Biomass – manufacture of fuel pellets for the export market
   - Coega Concrete Products – manufacture and distribution of pre-cast concrete products
   - Cerebos – production of salt
   - Alcan – aluminium smelter
   - PQ Cold Storage – cold storage and export facilities
   - MSC – container depot
   - SATI – container depot

b. The CDC’s commitments to investors in the IDZ are usually generic in nature and include the following:
   - Serviced site
   - Infrastructure provision and maintenance
   - Business support services (labour management, investor location)
   - Assistance with regulatory processes
   - Customs management
Utilities management. Bulk utilities are provided to the IDZ by the Nelson Mandela Metropolitan Municipality (NMMM). The CDC reticulates all municipal utilities inside the IDZ except electricity. Electricity is provided to each investor by the NMMM in terms of a separate supply agreement. All commitments are tailored to meet specific project requirements.

None of CDCs contracts provide for specific penalises in the event of a breach in a contract by the CDC. In such an event an investor could claim general damages.