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PRESENTATION OUTLINE

- **Project definition**
- **Institutional framework (province)**
- **Competing airports**
- **Project goals**
- **Scope of work**
- **Land allocations**
- **Project spin-offs**
- **Job opportunities**
- **Funding**
- **Ownership model**
- **Bulk services**
- **Project expectations**
- **Progress to date**
- **Challenges**



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NKANGALA INTERNATIONAL AIRPORT

PROJECT DEFINITION

NKANGALA INTERNATIONAL AIRPORT CITY

Situated in the Mpumalanga Province

- within the Maputo Corridor at
- Victor Khanye Municipality (Delmas) accommodating an International Airport
- and Industrial / Commercial Development

Market assessment report by International Airport Consultants

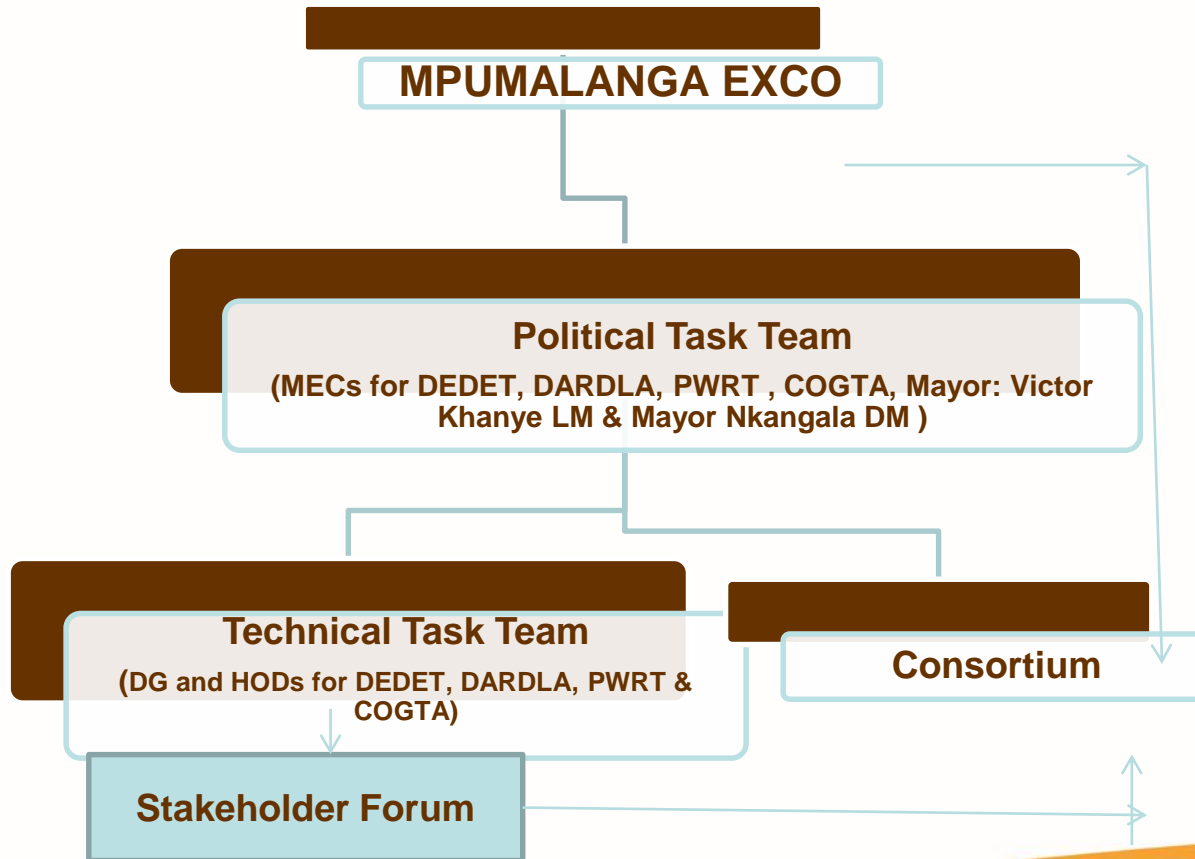
- Established:
- -Market demand
- -The project is viable
- -It will stimulate Economic Growth and create employment
- Prepared by :
- Internationally known Consultants – Airport Consulting Vienna



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Institutional Framework: Nkangala International Airport



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DISTANCES

• DISTANCES FROM OR TAMBO

	NAUTICAL MILES:	KILOMETERS
• RAND AIRPORT:	8.35	15.46
• LANSERIA:	20.69	38.32
• NKANGALA:	22.70	42.04
• WONDERBOOM:	25.98	48.11



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PROJECT GOALS

- **1.To establish a commercially viable International Airport serving**
 - **Long haul freight on a 4,4km runway**
 - **Low cost International Charter flights**
 - **Normal passenger component**
- **2.Develop an Industrial / Commercial hub which will:**
 - **Accommodate warehouses, shopping centres, convention centre,**
 - **skills training centre, offices, small entrepreneurial manufacturing and**
 - **trading facilities**
 - **Facilitate dedicated housing**



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OVERALL SCOPE OF WORK

INTERNATIONAL AIRPORT

- **Number 1 low cost airport in SA**
- **First charter gateway to SA**
- **Pure Cargo segment**

INDUSTRIAL / COMMERCIAL NODE

- **Economic Stimulus:**
- **Capital Investment**
- **Employment creation**
- **Skills transfer**



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4.1. LAND ALLOCATIONS AND RIGHTS APPROVED AS PER FRAMEWORK PLAN

11 LAND USE	AREA IN ha	REMARKS
Airport	36	Runway, Passenger and freight terminal
Regional Shopping Centre	12	At FAR of 0.35 = 42,000m ² retail space
Hotels	5	At FAR of 0.6 = 30,000m ² (300 rooms)
Medical Centre	13	At FAR of 0,02
Filling Stations	1	At least 2 filling stations
Trade Centre	5	At FAR of 0,4
Office Park	105	At FAR of 0,04 = 420,000m ² Office Space
Commercial	270	At FAR of 0,8 = 2,160,000m ² Warehousing
Industrial	221	At FAR of 0,8 = 1,768,000m ² factory space
Parking (at Airport terminal) Incl in Airport		2400 (open parking bays)
Parks and Open Space	54	Including area for water reservoir
Roads	125	
TOTAL	1247	Area variable in consultation with Municipal Council



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PROJECT SPIN OFFS - (LOCAL ECONOMIC DEVELOPMENT)

Multiple benefits summarised:

LARGE CAPITAL INVESTMENTS WHICH WOULD STIMULATE THE ECONOMY

- Airport: R1.8 Billion growing to R4.0 Billion (low case scenario)
- Industrial / Commercial: Projected at current prices to reach R26,0 Billion over time.

CREATING CONSIDERABLE EMPLOYMENT OPPORTUNITIES

(Next slide)

PROVIDING A WIDE VARIETY OF SKILLS REQUIRED BY THE ECONOMY, AND THE ESTABLISHMENT OF A SKILLS TRAINING CENTRE

- To cover aviation related skills as well as variety of skills required by the economy including adult training.



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PROJECT SPIN OFFS - (LOCAL ECONOMIC DEVELOPMENT) CONT

BENEFICIATION POTENTIAL FOR SMALL ENTREPRENEURS

- Maize and corncob products can be processed into some 30 products – toothpaste
- bulking agent, resin, lollypop corn syrup, snack food (small equipment to produce,
- knickknacks, corn puffs etc for export)

ENABLING THE PROMOTION OF TOURISM THROUGH LOW COST CHARTER FACILITIES

ENHANCE

- Imports – mining, industrial, commercial products, bulk carrier service
- Exports - cool rooms – flowers, fruit, vegetables, venison, maize and other products

Establishing a sizeable economic node in Maputo Development Corridor



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PROJECT DEVELOPMENT BENEFITS

Employment creation Construction phase

- Total figures in summary, are as follows:
- Unskilled - 14,647
- Semi-skilled: 1,465
- Professional / technical: 366



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FUNDING

- **Negotiations have been entered into with local and overseas entities for investment in the Airport, Commercial, Industrial Development or both.**
- **Local entities amongst others: MEGA, DBSA and few private Institutions,**
- **Overseas Investors from: United Kingdom, China, Australia, India, Euro Zone.**



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OPTIONS FOR PARTICIPATION ESPECIALLY AS PER CURRENT FRAMEWORK OF GOVERNMENT

- Originally intended to be a privately funded and owned undertaking to operate in cooperation with Government agencies.
- A Public-Private Partnership would however render synergistic benefits. The various aspects of the National Treasury PPP Practice provisions are to be followed up.



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CABINET / EXECUTIVE COUNCILS APPROVAL, INCLUDING LOCAL GOVERNMENT RESOLUTION

Township Establishment

- **Victor Khanye: Township Framework B01/02/2010**

“The development proposals for the Nkangala Airport City to be established on the Farm Bultfontein 201

IR, Portions 1 and the Remainder of Portion 2 of the farm Leeuwpoort 205 IR, be supported”

Reference letter 19.03.2010

- **Victor Khanye Bulk Service**

External Reticulation

IT is hereby confirmed that following the approval of the development as on the 1st March 2010 the Council has applied and made provision for 40 MVA additional power and 15 mega litres of water supply, Nkangala development may have to build their own sewer plant as a result of the topography.

Reference I May 2010



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PROJECT EXPECTATIONS

1. To satisfy the increasing demand for air transportation facilities
2. To create an economic development hub
3. Establishing a vibrant “Airport City”

6. PROJECT ASSUMPTIONS

1. Project funding is to be based on a minimum of 35% equity funding for the Airport Development (per ACV)
2. The airport is based on a minimum aviation growth rate of 3% p.a, whereas the high case scenario of 6%, as predicted for Africa is more likely to be achieved



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PROGRESS TO DATE

- Key stakeholders have been mobilised and buy-in was received.
- Application for the Port of entry status was facilitated and gazetted for public comments. On the 30th of May 2013, the consortium was invited by the National Department of Transport to do a presentation for the panel to interrogate the details of the project so that a decision can be taken on the application.
- The application for the rezoning of land has been drafted by Victor Khanye Local Municipality for submission to DARDLA as per the Exco resolution of the 15th of May 2013.



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CONCLUSION

The two outstanding critical issues in this project are the pending

- approval of “international status ” and
- the “rezoning of the identified land”.



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THANK YOU



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