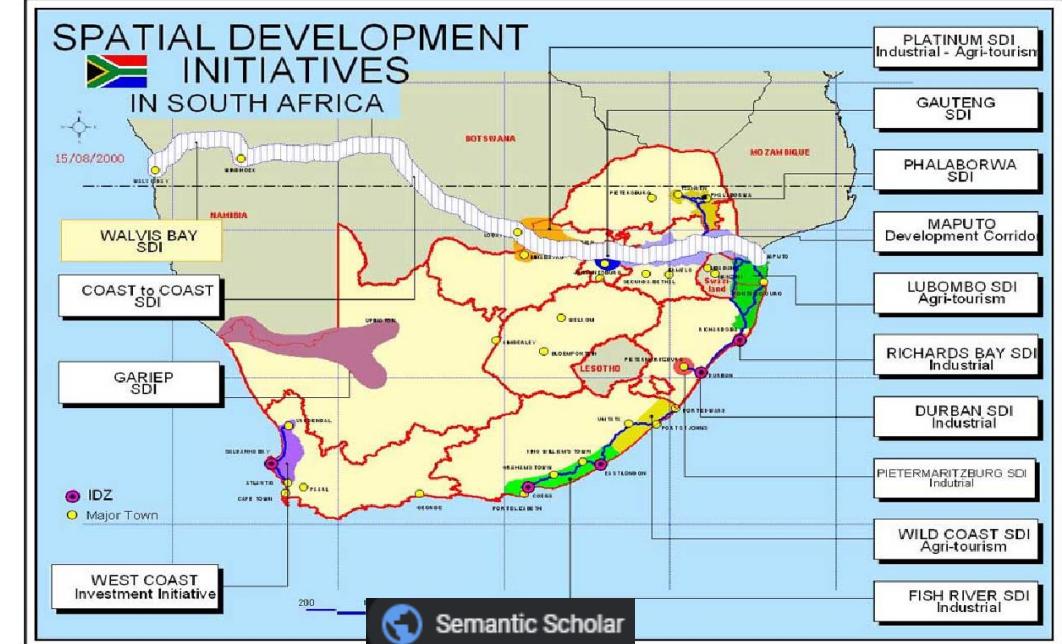
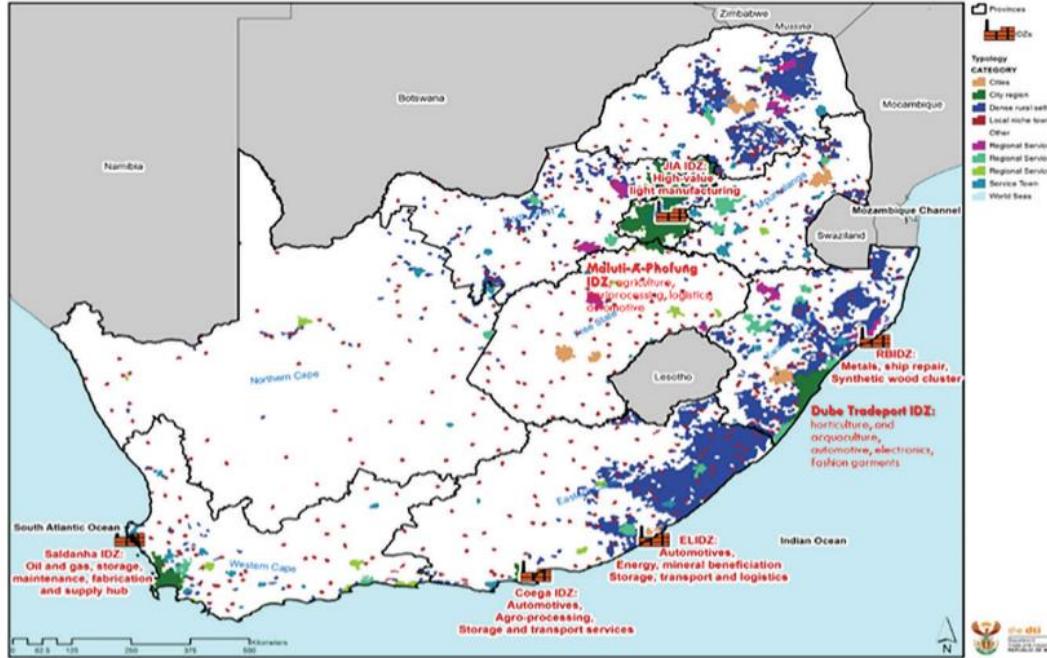




ECONOMIC GEOGRAPHY



INDUSTRIAL DEVELOPMENT ZONES AND SPATIAL DEVELOPMENT INITIATIVES

RAJENDRA DAVECHAND



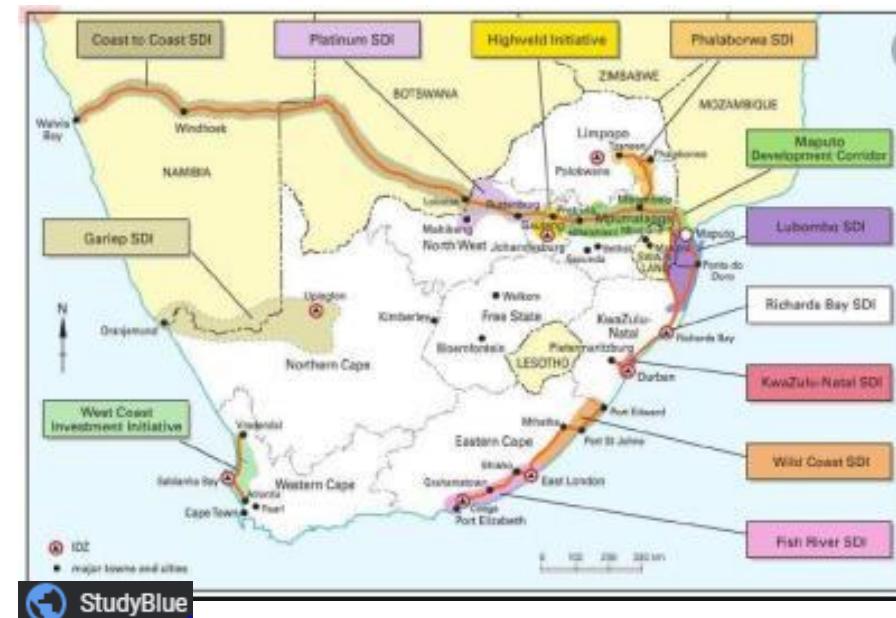
For the NSC November 2019 and NSC Supplementary 2020 examinations the IDZ that will be examined is the Saldanha Bay IDZ.
[It is still required to know the location of all the IDZs.]

For the NSC November 2019 and NSC Supplementary 2020 examinations the TWO SDIs that will be examined are the Platinum SDI and the Richards Bay SDI.
[It is still required to know the location of all the SDIs.]

Will apply for 2020 prelim and final examinations.



Industrial Development Zones (IDZs) and Spatial Development Initiatives (SDIs)



Industrial Development Zones

- Aims to encourage manufacturing in areas and use of resources in those areas to produce goods instead of importing them (Beneficiation).
 - They are generally located around transport routes that have international links e.g. harbor, in order to promote exports.

Spatial Development Initiatives

- The aim here is to promote growth in areas that are underdeveloped but have economic potential e.g. creation of new jobs and improved infrastructure to attract foreign investors.



Simply put: The difference between an SDI and an IDZ is that SDI's are broad geographical areas within which different economic activities can take place, while IDZs are specific, smaller areas, targeted for industrial export manufacturing.

Industrial Development Zones

- Usually close to harbours or airports
- Include already existing factories in a town
- Government plans upgrade of infrastructure and services to attract further development
- IDZs are in many cases linked to each other or other major cities by SDIs

Spatial Development Initiative

- Is a development corridor, that is, development along a major transport route, for example, a major highway.
- Connects major industrial or mining areas.
- Government improves infrastructure all along the development corridor to stimulate development and access to areas along the route.
- Small towns and activities such as farming and tourism are developed along the route.

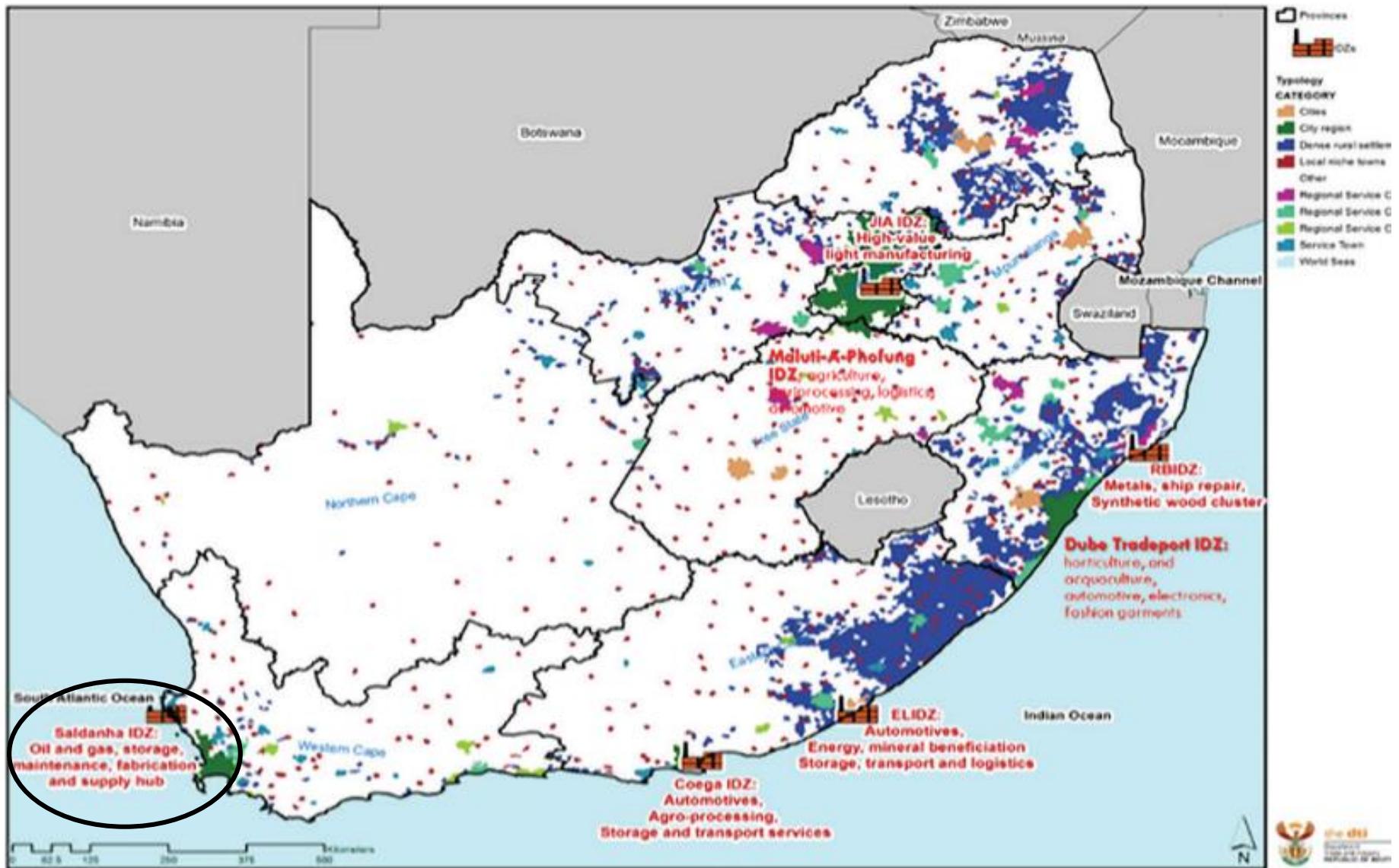


Geography with Dave



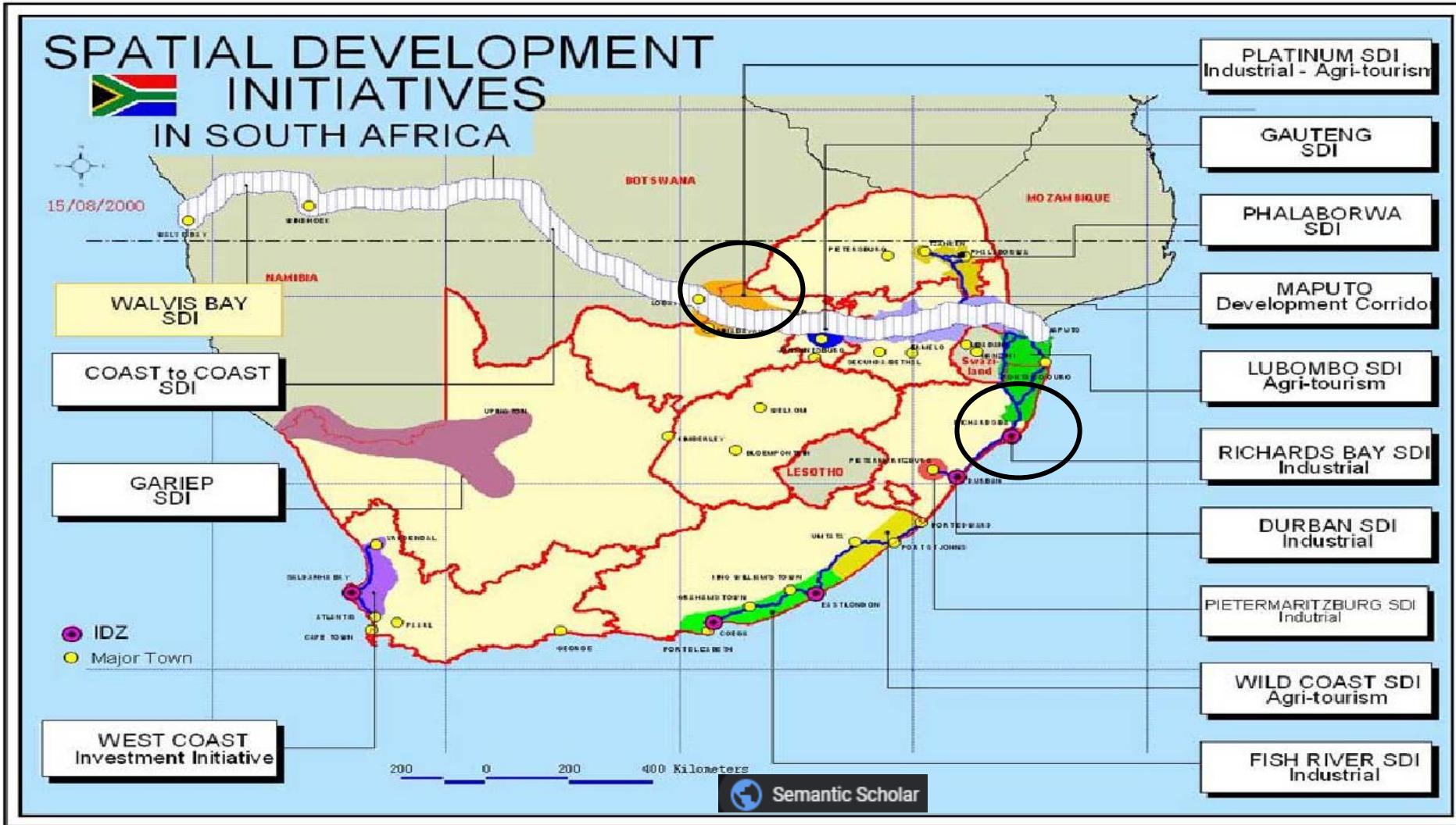
Geography with Dave

IDZs





SDIs





Saldanha Bay IDZ

Saldanha Bay IDZ



The **Saldanha Bay** IDZ is in the north of Cape Town. Its focus is to serve as the primary oil, gas, marine repair engineering and logistics services complex in Africa, servicing the needs of the upstream oil exploration industry and production service companies operating in the oil and gas fields in sub-Saharan Africa



- Located in the Western Cape.
- Is 105 km north of Cape Town.
- Saldanha Bay developed on the northern shore of bay.
- Is South Africa's first sector-specific industrial development zone, catering specifically to the oil and gas, maritime fabrication and repair



Government mandates when setting up the Saldanha Bay IDZ

- Manage, market and promote the Saldanha Bay IDZ within the focus of an Oil & Gas Services and Marine Repair Cluster.
- Provide for internal infrastructure to enable investors to set up their operations.
- Provide suitable land for development.
- Assist investors in the ease of doing business.

Site A: Project-based Leasing Facility

Site B: Storage, Fabrication & Offices

Site C: Storage, Fabrication, Offices, R&D & Technology Facilities





Main industries

- Oil & Gas Services.
- Marine Repair Cluster, maritime ship-building and repair
- Steel and minerals production and manufacturing

SALDANHA BAY
INDUSTRIAL DEVELOPMENT ZONE



Image is used with courtesy of DCDB Marine & Offshore

AN OIL & GAS SERVICES COMPLEX IN THE PORT OF SALDANHA BAY

Africa Ports Evolution

3 November 2015



THIS DOCUMENT IS THE COPYRIGHT OF THE SALDANHA BAY IDZ LICENCING SOC LTD

Laura Peinke
Executive: Business Development



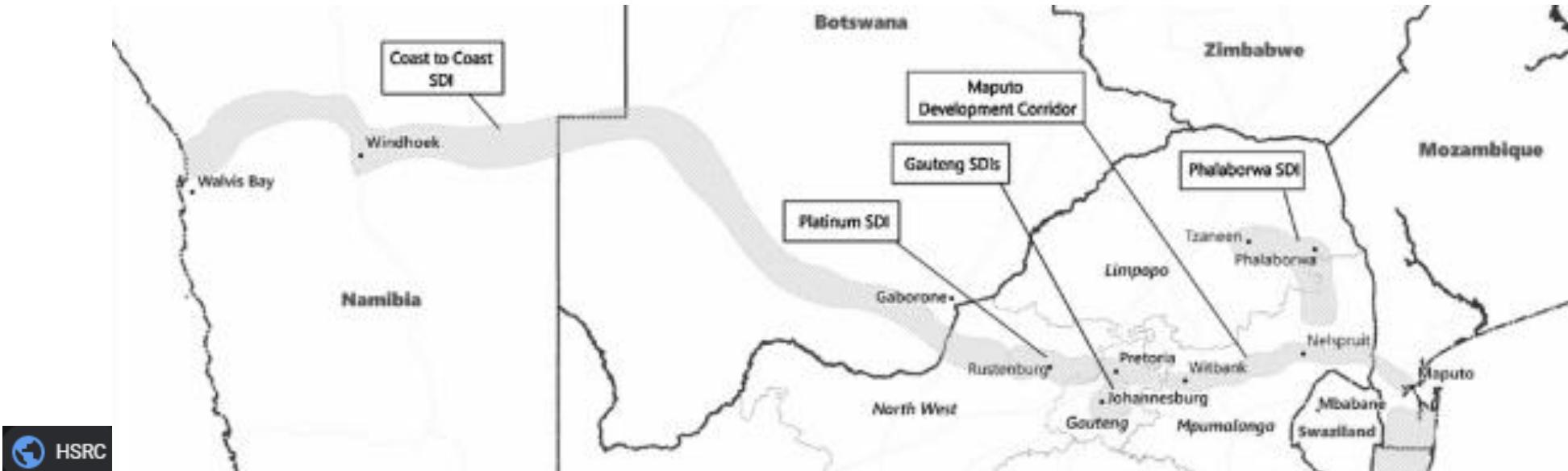
Specific Factors Favouring

- Has a deep port (Allows for large and heavily loaded ships. The depth of water helps get them access to the deepwater ports). Port allows for cheaper export of goods and cheaper imports of items needed for manufacturing.
- Good geographical position. Location creates a linkage point for both Sub-Saharan Africa and International Markets.
- Good transport link with the South Western Cape core industrial region
- A growing demand for offshore oil and gas platforms and components, services and repair in West Africa
- Existing relationships with neighbouring African countries.
- Government support.
- Labour supply.
- Sufficient land available.
- Sufficient electricity supply. Supplemented by renewable energy production.





Platinum spatial development initiative



- Located in the North West Province .
- Purpose for development was to develop a strip of land about a hundred kilometres wide between Gauteng and Lobatsi in Botswana along the N4 highway.
 - Generate linkages with the rest of the province, gradually developing the whole province and eventually the country.
- Forms important links or is part of the Centurion Corridor in Gauteng, Coast2Coast SDI, Maputo and the Trans-Kgalagadi highway (previously known as the Trans-Kalahari Corridor) in Botswana.
- Main aim to create employment.



Main activities focused on

- Industrial ventures

Automotive assembly supply-chain projects, leather, ornamental stone, wood and paper products, food and beverages, electronics, furniture and metal products.

Sufficient raw materials e.g. black granite for ornamental stone.

- Tourism

More than 130 potential tourism-related developments were identified e.g. Sun City, the Lost Palace and Pilanesberg Game Park

It must be noted that tourism will stimulate growth in the secondary sector e.g. construction of infrastructure.

- Agricultural

Agricultural projects in the eastern part of the SDI.





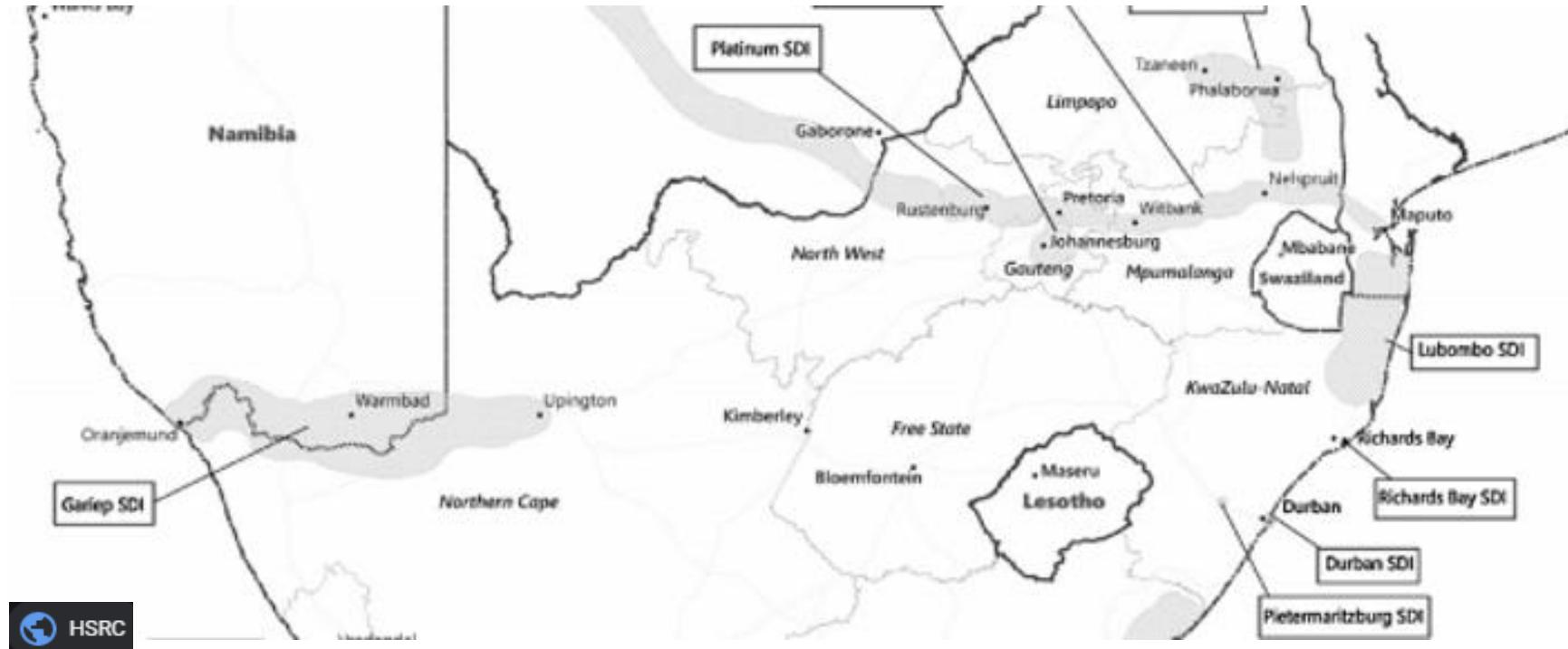
Factors favouring

- Good infrastructure
 - Transport
Is well linked due to linkage with other SDIs.
This creates good accessibility for this area.
Linked to all forms of transport e.g. harbour at Maputo.
- Sufficient raw materials (mining and agricultural) e.g. black granite for ornamental stone and table tops.
- Due to accessibility and demand have a good market available. Domestic and international.
- Sufficient water supply.
- Large labour supply.
- Government support.
- Established tourist sites.
- Sufficient land available.
- Relatively cheap and sufficient electricity
(Coal mines are close)





Richards Bay spatial development initiative



- Located in KwaZulu-Natal.
- Along east coast.
- Has good transport links with core industrial regions Durban Pinetown and PWV



Main industrial activities focused on

- Agro-processing is a major industrial activity. (Agro-processing is the transforming products that originate from farming.) e.g. sugar cane to sugar
- Done on:
 - Primary level which involves activities such as crop-drying, shelling/threshing, cleaning, grading and packaging.
 - Secondary level which entails increasing the nutritional or market value of a commodity, and changing the physical form or appearance of the commodity.
- Metals beneficiation: a process that improves (benefits) the economic value of the ore e.g. producing aluminium and iron and steel.





Specific factors favouring

- Has a deep port (Allows for large and heavily loaded ships. The depth of water helps get them access to the deepwater ports). Port allows for cheaper export of goods and cheaper imports of items needed for manufacturing
- Is well linked due to linkage with core industrial regions Durban Pinetown and PWV. This creates good accessibility for this area..
- Sufficient raw materials e.g. sugar cane
- Due to accessibility and demand have a good market available. Domestic and international.
- Suitable climatic conditions allow for a variety of crops to be grown.
- Good rainfall. (water supply)
- Large labour supply.
- Government support.
- Sufficient land available.
- Large amount of land available.
- Relatively cheap and sufficient electricity. (Coal mines are close)





Some general social and economic benefits of IDZs and SDIs. (Note it will apply to all)

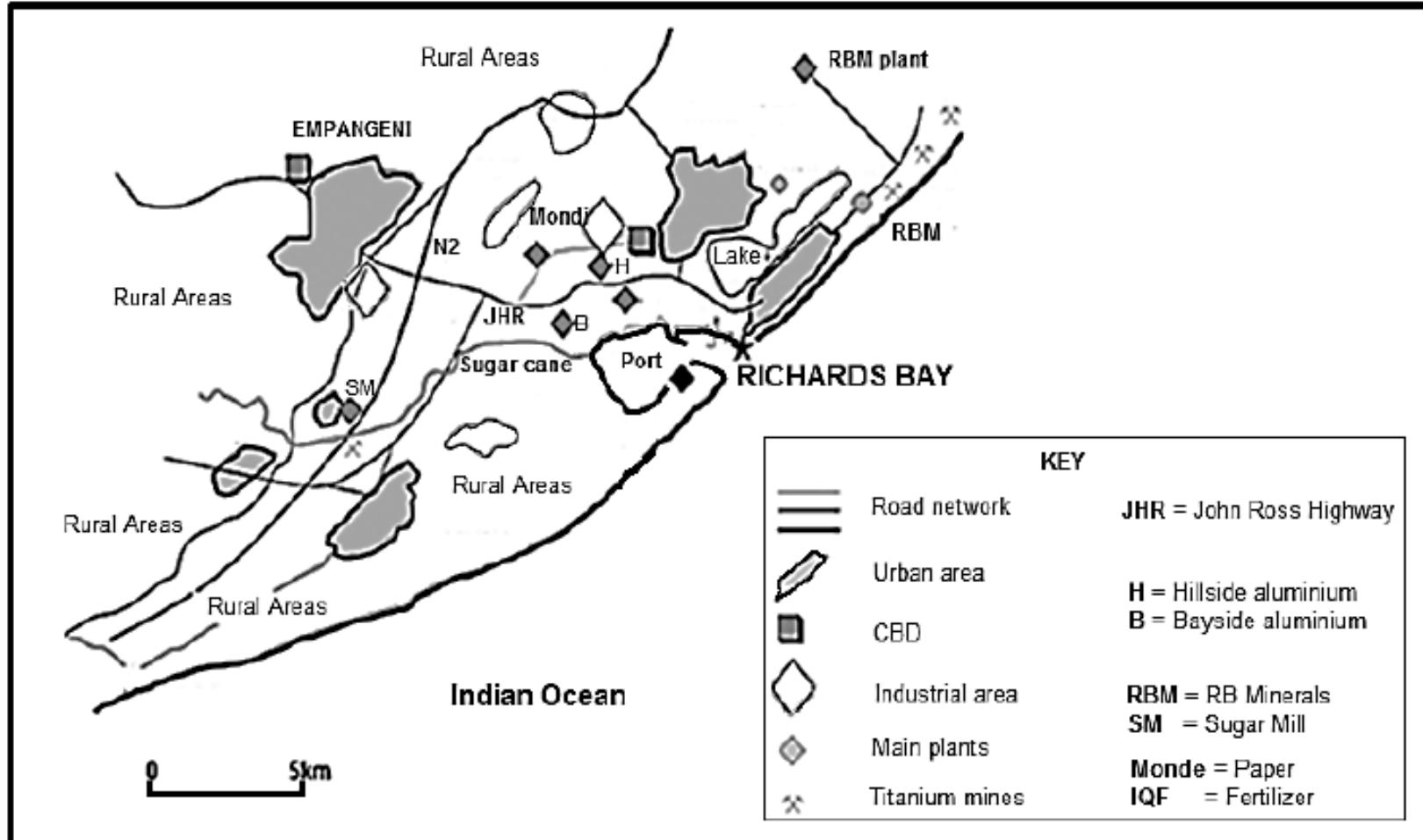
- Creates employment.
- Earning potential increases
- Buying power of locals increases/Multiplier effect.
- Improvement in quality of life of people e.g. employment will allow them to afford basic needs.
- Skills development
- Infrastructure development.
- Improvement in services and facilities e.g. increases tourism resulting in more recreation facilities.
- More investments/greater income to area.





DBE PAST PAPER

FIGURE 3.6: STRATEGIES FOR INDUSTRIAL DEVELOPMENT: RICHARDS BAY



[Adapted from <https://www.google.com/search?q=Richards+Bay+industrial+area>]



3.6 FIGURE 3.6 is based on strategies for industrial development: Richards Bay.

3.6.1 In which province is Richards Bay located? (1 x 1) (1)

3.6 3.6.1 Kwa-Zulu-Natal (Accept KZN) (1)

3.6.2 Give TWO examples of industries in Richards Bay found on the map. (2 x 1) (2)

3.6.2 Bayside Aluminium (1)

Hillside Aluminium (1)

Richards Bay Minerals (RBM) (1)

Mondi paper (1)

IQF fertiliser (1)

Sugar mill (1)

[ANY TWO] (2 x 1) (2)



3.6.3 Why is this area a leading manufacturer of heavy machinery? (2 x 2) (4)

3.6.3 Many smelter factories in the area (2)

Raw materials needed for the manufacturing industry are nearby (2)

Availability of cheap electricity due to nearby coal fields (2)

Availability of a labour force (2)

Well-equipped harbour to export large amounts of manufactured products (2)

Good rail and road networks to the PWV and Durban-Pinetown regions (2)

Large amounts of available land for industries (2)

Access to a large supply of water (2)

Demand for heavy machinery by local industries (2)

Accessibility to international markets (2)

Break-of-bulk point (2)

[ANY TWO]

(2 x 2) (4)



3.6.4 How would industrial development in Richards Bay be an advantage to the local community? (2 x 2) (4)

3.6.4 Employment opportunities created in industries, infrastructure development (2)

Earning potential increases (2)

Buying power of locals increases/Multiplier effect (2)

Poverty is reduced (2)

Accessibility to more and better services (accept examples) (2)

Standard of living improves (2)

Access to better infrastructure (accept examples) (2)

Skills uplifted (2)

Fourth- industrial revolution skills- (technology, computer) (2)

Enhancing innovative ideas (2)

Research and entrepreneurial development (can give examples like vendors, tuck shops, car guards, etc.) (2)

Better communication between companies and local technicians (2)

Social responsibility programs (e.g. study bursaries)

Gives opportunities for the local community to cater for the tourist market (2)

[ANY TWO] (2 x 2) (4)



- 3.6.5 Explain why Richards Bay would be attractive in terms of its infrastructure for both local and international investors. (2 x 2) (4)
- 3.6.5 It has a well-developed transport network- rail, sea and road (2)
Minimum traffic congestion issues (2)
Cheaper labour costs on outskirts as compared to core industrial areas (2)
Established deep port harbour will facilitate trade (export and imports) (2)
High quality local municipality services provided (2)
Adequate supply of power from nearby coal fields (2)
Close to international airport (2)
Good telecommunication network (2)
Break-of-bulk point (2)
[ANY TWO] (2 x 2) (4)



