

## MEDIA STATEMENT - Immediate

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**EXCITING TIMES:** NMMU School of Economic Sciences Professor Richard Haines (front left) and National Aerospace Centre CEO Philip Haupt (front right) with Sadick Davids – CDC Business Development Manager (back left) and Thobisa Matiso – CDC young professional during a Coega Aerospace and Advanced Manufacturing meeting in Port Elizabeth this week.

## Mandela Bay's aerospace 'sky economy' closer to take-off

**Investment intent by international investor and national memorandum of understanding paving the way for Coega Aerospace and Advanced Manufacturing Cluster**

THE Eastern Cape's aerospace industry in Nelson Mandela Bay is taking off thanks to several new developments. The project received an additional boost this week when CDC signed a memorandum of understanding (MOU) with the National Aerospace Centre.

"This is an important next step to advance the realisation of job creation and economic growth through the sky economy," said Mogamad Sadick Davids, CDC Business

Development Manager.

Earlier this year announced plans to unlock a 'sky economy' with a R3.67 billion cargo airport and the establishment of an aerospace and advanced manufacturing industrial cluster at the Coega Industrial Development Zone (IDZ) in Port Elizabeth.

This week CDC released projections of the social and economic impact of the project along with the new agreement of cooperation for the development.

The aerospace industrial cluster will be located on 2 086 hectares of land in Zone 14 of the Coega IDZ.

The development will take three years to construct and is expected to return R2.55 billion in GDP per annum for the South African economy. These projections are based on studies concluded by Nelson Mandela Metropolitan University (NMMU), based on both direct economic contributions as well as indirect contributions through supply chains and other supporting economic structures.

Infrastructure development through foreign and domestic direct investment is projected to be valued at R257.7 million in year one and R354.6 million in year two. The CDC projects that in year three and four the investments will exceed the R1 billion per annum mark.

"We believe that 10 080 construction jobs can be created, operational jobs will offer 8 600 opportunities, and indirect jobs will amount to 13 500," said Davids.

Davids said there had been growing and positive support for the construction of this second airport in Nelson Mandela Bay and the establishment of aerospace and advanced industrial manufacturing industries.

"Local investors, such as Western Cape defence firms, and international investors, such as greenfield strategy exploration companies, as well as letters of intent from other domestic and international investors, are fuelling the development of the project," said Davids.

"To date, we have received investment proposals between R300 million in year one to R1 billion over a protracted period," he said.

Through the newly-formed partnership, Coega and the NAC will work towards the development of several aeronautical facilities, including an airfield with a 2 400 m runway/landing strip, a maintenance, repair and overhaul (MRO) facility for second tier aircraft manufacturers, a manufacturing park that will support research and development (R&D) through local and international academic institutes, and other



projects related to advanced defence and aerospace manufacturing industries.

Both Coega and the NAC believe the initiative is aligned with South Africa's National Development Plan and the Industrial Policy Action Plan (IPAP).

"The existing expertise, skilled labour and logistics services from the Eastern Cape's automotive and manufacturing industries are important strategic advantages supporting aeronautical and aerospace manufacturing in the region," said Professor Richard Haines, head of Development Studies at NMMU.

"The region is well equipped to welcome investors such as Embraer, Bombardier, Beech Aircraft, Boeing, Airbus and other American, European, Russian and Asian investors for the manufacturing of aircrafts, helicopters, aerospace engines, auxiliary equipment, and parts and propulsion units. It has already shown how it competes globally with manufacturing through the presence of VWSA, GMSA, Ford, Mercedes Benz and FAW," Haines said.

"Through strong academic ties with NMMU, the NAC and industry networks, we can also pioneer aerospace product prototypes," said Dr Ayanda Vilakazi, CDC head of marketing and communications.

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**About Coega:** The Coega Development Corporation (Pty) Ltd (CDC) is the operator of the Coega Industrial Development Zone (IDZ) in Nelson Mandela Bay, South Africa. Established in 1999, the CDC is wholly-owned by the South African Government. The Coega IDZ is South Africa's premier location for new industrial investments. The CDC aims to provide a competitive investment location and a total business solution for its customers, as well as ensuring sustainable economic development in the region. The CDC's IDZ Zone 2 is a fully registered Customs Control Area. To date, the CDC has delivered on its mandate to provide socio-economic development for the Eastern Cape, has enabled the creation of 96 776 direct jobs since inception, with 29 operational investors and boasts an investment portfolio in excess of R151-billion. The CDC has also trained 71 445 people since inception.

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