

Mr MBM Mpahlwa, MP  
Minister of Trade & Industry  
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Dear Minister,

#### INVESTMENT IN THE CHEMICALS SECTOR IN KWAZULU-NATAL

I was interested to read the article in the Business Day recently referring to the Department's plans to boost investment in the chemicals sector as part of the broader industrial policy framework, with specific reference made to plans for a multi-billion rand petroleum, petro-chemicals and plastics hub initiative on the site of Durban International Airport.

The Province would naturally be very keen to partner with your Department in promoting and realising such a project. The chemicals and petro-chemicals sector is already a major component of the manufacturing sector in the provincial economy, and we are keen to further exploit the province's existing competitive advantages in this sector – in particular with regard to downstream beneficiation and diversification.

In this respect, last month I led a small team from the province to Belgium to meet with representatives from the European Union Development Commission and private businessmen from the Chambers of Commerce in Antwerp. Included on the itinerary was a visit to a chemical farm. In discussions with private sector investors, it was established that at least four major chemical companies are interested in investing in a chemical farm in KwaZulu-Natal for both storage and processing. The potential investment from these four companies collectively is in the region of R900 million, and I have undertaken to commission a pre-feasibility study for the project. The businessmen concerned are planning to visit KwaZulu-Natal later in the year, possibly as early as July.

As there are obvious synergies between the national sector plans for the chemicals sector in KwaZulu-Natal province and the above-mentioned developments, I request that we should meet as soon as possible to discuss the alignment of these national and provincial initiatives. A coordinated approach to attracting investment into the chemicals sector in KwaZulu-Natal is likely to have enormous and lasting impact, to the benefit of both the province and national economy.

I look forward to your response to this proposal, and trust that a mutually convenient date can be identified for a meeting in the near future.

Yours sincerely,

Dr Z.L. Mkhize, MPP  
MEC for Finance and Economic Development

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