CITY OF CAPE TOWN
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CITY OF CAPE TOWN

MANUFACTURING SUPPORT POLICY
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CITY OF CAPE TOWN

MANUFACTURING SUPPORT POLICY

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DEFINITIONS AND ABBREVIATIONS

For the purposes of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meanings:

"agro-processing"	refers to the sub-sector of the manufacturing sector that beneficiates primary materials and intermediate goods from agricultural, fisheries and forestry based sectors.
"comparative advantage industries"	A region can be said to have a comparative advantage in an industry if it can produce goods within that industry at a relatively lower cost than comparable regions.
"City"	means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998(Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority.
"Council"	means the Municipal Council of the City.
"delegated application"	refers to an application where no objections are received or where no traffic impacts assessments (TIA's) are required.
"economic areas"	Economic Areas, commonly referred to as economic or business nodes are geographically defined areas where there is a significant presence or concentration of economic activity. Within the Cape Town spatial context, economic areas are either classified as being industrial or commercial.
"Executive Mayor"	means the person elected in terms of section 55 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) to be the Executive Mayor of the City.
"financial measures"	refers to support measures which includes the waiver of development application fees that allows for faster processing of these submissions.
"green/renewable energy"	means energy that is created from renewable sources for example solar panels, wind turbines, biofuels/biomass, hydro energy, hydrogen, geothermal energy, tidal/wave energy and landfill gas.
"green technology"	refers to green technologies that are carbon neutral and reduce or reverse the impact of humans on the planet. This includes renewable energy technologies.
"manufacturing sector"	means the processing of raw materials or components into finished goods of higher value. It includes those activities listed under Major Division 3: MANUFACTURING as defined within the Standard Industrial Classification (SIC) codes.
"non-financial attributes"	refers to support measures which includes the City's good quality infrastructure, load curtailment programmes, electricity grid stability and rapid response times attending to queries and faults.
"non-financial measures"	refers to support measures which includes fast tracking of development applications and red tape reduction;
"new investment"	means new development on vacant industrial land, or greenfield development; and brownfield development where an existing building has been converted or renovated and a new manufacturing company

has occupied the building; or a previous building has been demolished and a new company has occupied the building or site.

“schedule of tariffs”	refers to the Tariffs, Fees and Charges Book of the City which is published each year together with the annual budget and outlines the tariffs for City services.
“spatial targeting”	means the deliberate act of focusing government and private sector interventions, services, infrastructure development or policy responses into a specific geographical area. This area-based approach generally seeks to maximise the impact of an urban or regional policy initiative and can be applied at a range of scales.
“support measure”	refers to any intervention that supports creating an enabling business environment, i.e. making it easier to invest in Cape Town. This includes non-financial measures, financial measures and those attributes of the City that make it easier for companies to operate within the city.
“tenant company”	refers to a company that leases land or building(s) from a landlord or property owner.
“transit-oriented development (TOD)”	means a multifaceted and targeted strategic land development approach to improve urban efficiencies and sustainability by integrating and aligning land development and public transport services provision. It promotes inward growth and compact city form with an emphasis on building optimum relationships between urban form, development type, development intensity, development mix and public transport services to create a virtuous cycle of benefits over the long term as described in the City of Cape Town TOD Strategic Framework.

Abbreviations

DTIC	Department of Trade, Industry and Competition
IDP	Integrated Development Plan
NERSA	National Energy Regulator of South Africa
RETEC	Renewable Energy Technical Evaluation Committee
SEZ	Special Economic Zone
SCM	Supply Chain Management
SIC	Standard Industrial Classification
SSEG	Small-scale embedded generation
TOD	Transit-oriented Development
UNIDO	United Nations Industrial Development Organisation
UNCTAD	United Nations Conference on Trade and Development

1. INTRODUCTION

The Statistics South Africa Quarterly Labour Force Survey (QLFS, 2025) for 2024 reflected an average strict unemployment rate of 32,4% for the country. This is considerably higher than the average global unemployment rate of 4,9% in 2025 and projected to continue into 2026 (ILO, 2026). While the average strict unemployment rate for Cape Town is considerably lower at 23%, it is still unacceptably high and emphasises the sustained problem of unemployment experienced in South Africa (QLFS, 2025). The City recognises that employment creation must be at the centre of building an inclusive society which fully realises the potential of its human capital resources.

Economic Growth is listed as one of the City's top-tier priorities in the Cape Town Integrated Development Plan (IDP). Cape Town recorded an average economic growth rate of 0,7% over the past five years. By supporting faster economic growth, the City will enable job creation and thereby address poverty. In fact, the very first objective in the IDP is to increase jobs and investment in the Cape Town economy (2022: 55, IDP). While job creation is central to the City's developmental mandate, it is important to recognise that it is not the City's primary role to directly create jobs. Instead, the City aims to create an enabling environment for job creation, specifically by improving the ease of doing business (2022: 55, IDP).

2. PROBLEM STATEMENT

The manufacturing sector plays a vital role in any economy. In 2024, the manufacturing sector contributed approximately 15,6% to the city's total GDP (S&P Regional Explorer, 2025). Manufacturing jobs are particularly important because they offer a wide range of employment opportunities from low to high-skilled labour. The sector also drives economic growth by adding value to raw materials, stimulating sectors like logistics and services, boosting exports, and fostering technological innovation.

The manufacturing sector faces a multitude of challenges and with foreign direct investment in South Africa declining by more than 43% from 2022 to 2023, it is imperative that the City of Cape Town has a well-informed strategy to promote confidence in the local economy (UNCTAD, 2024). Cape Town's manufacturing sector also faces widespread challenges, particularly around bureaucratic red tape, regulatory inefficiencies, and limited government support. When engaging with businesses through qualitative interviews, industries like marine and furniture manufacturing reported delays in permits, burdensome compliance requirements, and procurement systems that disadvantage local producers (Industry Insights by Economic Analysis, 2025). In addition, more recent challenges such as persistent load-shedding have severely impacted sectors like electronics, apparel, as well as food and beverages. Power disruptions delay production, damage infrastructure, and strain supply chains especially for manufacturers unable to afford alternative energy (Industry Insights by Economic Analysis, 2025).

There are a myriad of different policies and strategies aimed at attracting job-creating investment into cities. Chief among these is creating an environment that is attractive to investors through reliable infrastructure, excellent service delivery, transparent and efficient governance, and well-targeted destination promotion. Inter-city competition to attract investment and business talent is expected to intensify alongside the rapid expansion of urban economic activity. An investor support policy is therefore an important component of a broader strategy to attract investment in the city. As such, this policy document focuses on the use of municipal support mechanisms to increase private sector investment, specifically in Cape Town's manufacturing sector.

3. DESIRED OUTCOMES

Research (SAIIA, 2012:14; World Bank 2015:11) on support measures has found that they are most effective when targeted at efficiency-seeking (manufacturing) investment as opposed to market-seeking (retail) or resource-seeking (mining; agricultural) investments that would likely have occurred in any event. Manufacturing jobs are important due to the wide range of employment opportunities it creates and its broad impact on economic growth. This policy therefore aims to attract investment into Cape Town's economy with a specific focus on making it a preferred manufacturing destination.

This Manufacturing Support Policy assists and guides the City in managing various mechanisms in an efficient and effective manner so that the desired outcomes can be achieved. The purpose of this policy is not to develop a package of subsidies to support unsustainable business models; but rather to encourage an enabling, business friendly environment for investment in job-creating enterprises. Furthermore, this policy will assist in the targeting of desirable investments in the City's industrial locations which will contribute to the appeal of Cape Town as a manufacturing friendly destination.

The purpose of this Manufacturing Support Policy is to:

1. Replace the Investment Incentives Policy of 2018 (Policy number: 12506);
2. Define the range of financial and non-financial measures available to eligible investments;
3. Identify the spatial and sectoral targets for the application of these measures which will ensure that the City's broader goals are achieved;
4. Provide the eligibility criteria for those qualifying investors or investments as described in Annexure 2; and
5. To align with the City's schedule of tariffs.

4. STRATEGIC FOCUS AREAS

The Manufacturing Support Policy responds to the Economic Growth priority as articulated in the City of Cape Town's IDP. In addition, the City desires investment that addresses the objectives and development challenges articulated in key documents such the Municipal Spatial Development Framework and the Inclusive Economic Growth Strategy. As mentioned, the objective is to increase jobs and investment in the Cape Town economy. Providing targeted support mechanisms helps to create an investor friendly environment where businesses can start and grow. This policy document aims to outline and guide the provision of the mechanisms for job-creating investment within the manufacturing sector in Cape Town.

Non-financial measures, particularly those relating to transparent, efficient and consistent administrative procedures, are often considered by investors to be more important than measures offering a direct financial benefit. It is the role of the City to identify the best mix of both non-financial and financial measures to achieve its goals.

Although there are a wide range of incentives offered by other spheres of government, most notably national government through the Department of Trade, Industry and Competition (DTIC), the City of Cape Town desires to see these national incentives complemented by a set of measures that relate to the mandate of local government. The context-specific measures detailed in this policy are designed to respond to investment-limiting challenges on the ground and at a local level in the city. Utilising measures to reduce red tape and create a more conducive environment for private sector investment through good local governance, will position Cape Town as a preferred destination for investment both in South Africa and globally.

5. STRATEGIC ALIGNMENT

The vision for the City, as stated in the IDP, is to transform Cape Town into a City of Hope for all – a prosperous, inclusive and healthy city where people can see their hopes of a better future for themselves, their children and their community become a reality. To achieve this vision, six priorities have been identified which will be the strategic focus areas of the City over the current five-year term. These priorities are Economic Growth; Safety; Basic Services; Housing; Public Space, Environment and Amenities; and Transport. The IDP also has three foundations, namely Resilience, Spatial Integration and Inclusivity, and being a Capable and Collaborative Government.

The IDP further stipulates that the "guiding priority for everything the City does is to support meaningfully faster economic growth that enables people to lift themselves out of poverty" (IDP, 2022: 17). The measures outlined in this policy aim to attract job-creating investments to Cape Town which will have a direct impact on the economic growth priority.

6. REGULATORY CONTEXT

This policy is developed in the context of and guided by the following legislation and regulations:

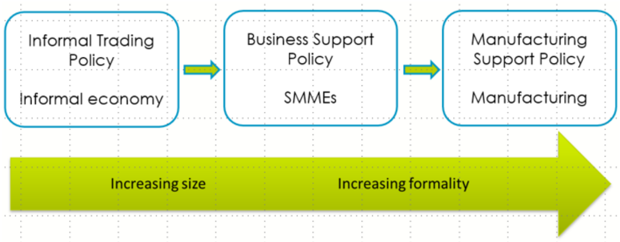
1. The Constitution of the Republic of South Africa, 1996;
2. Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Regulations;
3. Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (MPRA);
4. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
5. Spatial Planning & Land Use Management Act, 2013 (Act No. 16 of 2013);
6. Provincial and National Built Environment Legislation; and
7. City of Cape Town: Municipal Planning By-law, 2015.

The policy is further guided by the following frameworks, strategies and policies:

1. City of Cape Town Integrated Development Plan;
2. City of Cape Town Inclusive Economic Growth Strategy;
3. Cape Town Municipal Spatial Development Framework;
4. City of Cape Town Business Support Policy, 2018;
5. City of Cape Town Informal Trading Policy, 2013;
6. District Spatial Development Frameworks and Local Spatial Development Frameworks
7. The South African Economic Reconstruction and Recovery Plan; and
8. National Environmental Management Act, 1998 (Act No. 107 of 1998), Atlantis Generic Environmental Management Programme (GEMP).

This policy also acts as a complement to the Ease of Doing Business programme as well as the Business Support Policy which details the City's approach to supporting small business.

Figure 1: Economic development policy environment:



7. POLICY PARAMETERS

The following policy parameters apply to the Manufacturing Support Policy and clarifies the scope of the support measures listed:

1. The financial support measures of development application fee waivers outlined in this policy are the same as those listed in the previous Investment Incentives Policy of 2018.

2. The financial and non-financial measures listed in this policy are also available for submissions made by the Atlantis Special Economic Zone (ASEZ) Operating Company or those private investors (for 'self-build' applications) within the designated ASEZ boundaries in Atlantis industrial.

8. ROLEPLAYERS AND STAKEHOLDERS

The successful implementation of the Manufacturing Support Policy requires a collaborative effort from a range of City Departments. While the Investment Facilitation Branch within the Economic Development and Investment Department will develop, oversee and monitor the implementation of the policy, individual departments are responsible for the provision of the measures as set out in this policy. The implementation of this policy will further be guided by a Standard Operating Procedure (SOP) approved by the City Manager.

Role-players	Key responsibilities in respect to the Manufacturing Support Policy
City of Cape Town	
Economic Development and Investment Department	Responsible for the development of the Manufacturing Support Policy and its ongoing evaluation. Acts as a one stop shop for investment in the city, this includes administering access to the support measures and monitoring their uptake. Advocate with strategic partners and stakeholders on matters such as port logistics, improved rail, trade agreements, work visas, sector body support, etc to create a high performing manufacturing sector.
Economic Analysis, Policy and Strategy Department	Responsible for the research required in the development and review of the Manufacturing Support Policy.
Development Management Department	Responsible for the provision of certain financial and non-financial measures.
Urban Planning and Design Department	Responsible for the provision of other development supporting incentives provided or facilitated by the City.
Energy Directorate	Responsible for the provisions of certain non-financial measures.
Environmental Management Department	Responsible for the provision of certain financial and non-financial measures.
Property Transactions Department	Responsible for the provision of certain non-financial measures.

External	
Wesgro Atlantis SEZ GreenCape	Responsible for communicating the availability of the manufacturing support mechanisms to prospective investors, and for facilitating access to relevant national incentives.

9. DEFINING A SUPPORT MEASURE

For the purposes of this policy the following types of support measures are defined:

1. Non-financial measures: fast tracking of development applications and red tape reduction;
2. Financial measures: waiver of development application fees that allows for faster processing of these submissions; and
3. Other non-financial attributes: the City's good quality infrastructure, load curtailment programmes, electricity grid stability, and rapid response times attending to queries and faults.

10. POLICY DIRECTIVES

In order to promote effective management of these support measures in the City, the following policy directive details will apply. These support the City's development goals of sustainability and job creation and forms the basis for setting the eligibility criteria for manufacturing companies to access the support measures. The eligibility criteria will be consistently applied to all businesses applying for the support measures in line with these principles.

Any related incentive tariff that was available in terms of the City's Investment Incentives Policy, 2018 remains in force until amended, withdrawn or replaced by tariffs determined under the Manufacturing Support Policy.

10.1 General Principles

10.1.1 Principle 1: Employment Creation

The support measures must be tied to the attainment of the City's objectives of which increased jobs is foremost. The goal is to support and enhance sustainable job-creating private sector investment. Therefore, this policy is aimed at supporting businesses operating in an economic sector that has high job creation potential.

10.1.2 Principle 2: Affordability

The support measures must not place undue pressure on the City's finances such that the City is not able to meet its service delivery targets and the long-term sustainability of the budget is jeopardised. Where possible, high impact but low-cost measures such as expedited approval times and increased administrative efficiency in the dealing with applications should be targeted.

The impact of financial measures must be carefully modelled and limits on these must be implemented so as not to jeopardise the sustainability of the City's budget. Financial measures must be prudent and only aimed at removing potential bottlenecks associated with applications to the City.

10.1.3 Principle 3: Transparency and Uniformity

The support measures must be non-discriminatory and must be applied with uniformity and transparency. As such the granting of these measures should be done according to a set of predetermined criteria. This set of criteria will be consistently applied to all businesses applying for the measures.

10.1.4 Principle 4: Simplicity

Ascertaining whether a business is eligible for a support measure should not be an onerous task for investors. The criteria for support should be easy to understand. Deadweight loss as a result of administrative complexity needs to be minimised. The structure and administration of the support measures should be automated as far as possible and not require excessive administration, thereby minimising staff and financial impacts. This will also ensure quick turnaround times for applications (urgency and speed are essential to attract and retain investment).

10.1.5 Principle 5: Sectoral Targeting

Research (SAIIA, 2012:12; World Bank 2015:11) on support measures has found that they are most effective when targeted at efficiency-seeking (manufacturing) investment as opposed to market-seeking (retail) or resource-seeking (mining; agricultural) investment.

The focus on the manufacturing sector is also in alignment with the core goals of the Department of Trade, Industry and Competition's Reimagined Industrial Policy and Strategy. The policy and accompanying strategies aim to promote industrialisation in South Africa. The Manufacturing Support Policy should therefore prioritise the development of the City's comparative advantage industries in the manufacturing sector.

10.1.6 Principle 6: Spatial Targeting

Since this policy will target the manufacturing sector it will be rolled out within the industrial areas of Cape Town that support manufacturing land use activities. In addition:

- Spatial targeting ensures that financial support measures are affordable for the City (refer to Principle 2);
- Spatial targeting maximises the socio-economic return of the support measures by focusing on areas with strong manufacturing potential;
- Spatial targeting can assist in removing area-specific blockages to investment or systemic market or regulatory failure; and
- Spatial targeting enables the City to achieve its development objectives in specific areas thereby addressing issues of spatial inequality.

10.1.7 Principle 7: New investment

The support measures must be tied to the attainment of the City's objectives of growing the economy. The measures must therefore be used to support new private sector investment and net job creation. New investments represent a cornerstone of economic expansion as these directly contribute to economic growth and job creation. In this respect a business' eligibility for the support measures will be conditional upon being a new investment in the Cape Town economy and not merely a relocation within the municipal boundaries.

10.1.8 Principle 8: Legality

The support measures that are provided through this policy and the implementation of this policy must be subject to the relevant legislation and planning parameters. These support measures cannot be in conflict with legislation, nor should they be provided to companies which are not in compliance with the law.

10.1.9 Principle 9: Complementarity and alignment

Both national and provincial governments currently provide various programmes and packages that support investment and job creation. The measures offered by the City should align with these and not duplicate these in order to enhance their impact. Furthermore, the City's policy should directly reflect its mandate as a separate and independent sphere of government i.e. it should relate to measures that the City can uniquely provide, and which will help to achieve the key strategic objectives of the City as identified in the IDP and other strategic documents.

10.1.10 Principle 10: Continuous Review

In order to stay competitive in a global economy that is constantly changing, the policy review process should be responsive to industry needs, and the review process should be ongoing. There are two pertinent reasons which underpin the need for continuous review. The first reason is that the needs of investors are dynamic and respond to changes in the global economy. A shift in production techniques may result in a particular support measure no longer being an effective factor in influencing the investment decision. The second reason for continuous review is that the true impact of the measures will only be apparent when the policy is implemented. As such it may be necessary to adjust the policy specification in light of lessons learnt post-implementation.

10.2 The Support Measures

The support measures on offer should contribute to streamlining and ultimately fast-tracking investment establishment (i.e. making the investment experience easier). Development application fee waivers for instance reduces time lost while waiting for payment verifications prior to processing these. The revenue forgone as a result of these measures has a minimal impact on the City's fiscus, but can result in significant time savings – and, by extension, cost savings for investors.

The table below contains the summary of the support measures offered by the City of Cape Town. These measures have been categorised according to whether there is a financial implication for the City or not. Full details of these measures are described in Annexure 3.

MUNICIPAL SUPPORT SCHEME (The following support measures are offered to investments in terms of the qualifying criteria described in Annexure 2).	
NON-FINANCIAL MEASURES	
Single-point investment facilitation	Investment One-Stop-Shops and dedicated investment facilitation officers from within the City's Investment Facilitation Branch to guide and assist investors with new development applications, queries, administrative processes and aftercare services.
Development Application Fast-tracking	Fast tracking of development applications (land-use and building plans) and applications associated with new developments (wayleaves).
Greening your business' energy	SSEG installation application fast tracking. Enabling wheeling of renewable energy.
Electricity grid stability	Due to the City's high performance in the operation and maintenance of its electricity grid, the frequency and duration of power outages is maintained below the national maximum benchmark, thereby limiting the interruptions customers may experience in these areas.

Load curtailment program	Roll out of voluntary load curtailment programs to limit load shedding in participating industrial areas.
City owned industrial land for disposal	The City will pro-actively parcel and make available suitable industrial properties located within applicable areas via a competitive process.
FINANCIAL MEASURES	
Development Application fee waivers	Full exemption for both land use and building plan application fees. Full exemption of wayleave application fees.
GEMP for Atlantis industrial	Generic Environmental Management Programme (GEMP) available for development projects within the Atlantis urban area that require biodiversity offsets for their Environmental Authorisations.

10.3 Spatial targeting of the support measures

Principles for Spatial Targeting

Drawing on international and national experience of spatially targeting support measures, the following set of principles will guide the spatial targeting of the City's Manufacturing Support Policy:

1. *Conceptualise spatial targeting as a component of a bigger package*: the policy aims to attract efficiency seeking investments and subsequently areas that support manufacturing activities will be targeted for the rollout of the support measures.
2. *Striking a balance between leading and being led by the market*: Support measures have to respond to market signals in order to result in investment, however, they also provide an opportunity for the City to change the market. The impact of these measures is limited where this balance has not been struck.
3. *Ensure that support measures are applied consistently and fairly but remain cognisant of the specific needs of certain industries*: Cities have a range of instruments which they can bring to bear in achieving their economic development mandate. Depending on the context in which they are applied some of these instruments are more appropriate and effective than others.

Application of Principles to Cape Town

Considering that the Manufacturing Support Policy aims to attract efficiency seeking investment (manufacturing industries), areas identified for its roll-out must contain properties that support industrial land uses (the City's Economic Area Profiles guided the identification process). The criteria used to guide the selection of these areas are as follows:

1. Properties within an established economic area where the land parcels are either zoned for General Industrial 1(GI 1), General Industrial 2 (GI 2), Mixed-Use (MU 1-3) or Risk Industry (RI) as defined in the City of Cape Town's Development Management Scheme (DMS) which is included as Schedule 3 of the City's Municipal Planning By-law, 2015.
2. Those individual properties with the aforementioned zoning located within an industrial economic area will be eligible for the support measures.
3. Industrial economic areas are generally located in proximity to residential areas seeking the necessary labour force, thereby achieving the desired impact of creating more employment opportunities close to those neighbourhoods across Cape Town.

4. The application of the aforementioned criteria resulted in the identification of 33 industrial areas across Cape Town where the support measures will be applied. A list of areas and map showing the location of each economic area is provided in Annexure 4.

In addition to the notion that these areas are likely to derive the greatest benefit from the application of the support measures, the focus on these areas will also add momentum to other City initiatives and contribute to the attainment of the economies of scale necessary to ensure the sustainability of growth and regeneration initiatives. Importantly, these areas will support the goal of making Cape Town a manufacturing friendly investment destination.

11. MONITORING, EVALUATION AND REVIEW

This policy provides the broad framework for the management of the support measures offered by the City. To this end the following are important:

1. The individual measures will be implemented by the appropriate line department and co-ordinated by the City of Cape Town's Investment Facilitation Branch situated in the Economic Development and Investment Department.
2. Most support measures will be automatically applied to a new investment, while others will have to be the result of an application process. The required process will be outlined in the Standard Operating Procedure (SOP). Prospective investors will be advised by the Investment Facilitation Branch with respect to necessary administrative procedures.
3. Monitoring and evaluation of the policy and performance of applicants will be performed by the Investment Facilitation Branch.
4. Directorates are to advise the Investment Facilitation Branch of challenges with respect to implementation of the policy.
5. Lessons from the implementation of the policy will be documented by the Investment Facilitation Branch and incorporated during future policy review processes.
6. A standard operating procedure (SOP) for the administration of the policy will be developed for approval by the City Manager that will address inter alia:
    a. The administrative process and system (including application and monitoring forms);
    b. Roles and responsibilities of decision makers;
    c. The recording, progress tracking and follow-up system;
    d. The auditing system; and
    e. A detailed monitoring and evaluation framework.
7. The purpose of the policy is to encourage an enabling, business friendly environment that remains responsive and dynamic for investments in job-creating enterprises that meets the City's vision and objectives, and this impact or outcome will be continuously evaluated.
8. This policy should be reviewed and updated every five years or as and when required.

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ANNEXURE 1 – Creating an Investment Enabling Environment

Investment incentives are used as a tool by governments to boost investment and to stimulate economic growth and employment creation within a particular region. Incentives are most commonly and appropriately used to achieve pre-defined strategic objectives contained in strategy or policy documents (such as an IDP). These objectives are specific and aim to induce investors to "shift an investment decision towards a particular region, sector or project" (SAIIA, 2012:13). The City of Cape Town provided investment incentives through its Investment Incentives Policy between 2014 and 2024. During this time the Investment Facilitation Branch monitored the impact of these measures through uptake data and engagements with investors, stakeholders and internal City departments. The conclusion was that in the context of the City of Cape Town, non-financial measures proved to be more valuable to investors than financial measures. This is based on the reported time savings that new investors enjoyed in getting their operations off the ground. These time savings therefore had a direct financial benefit for the companies since they could start generating and income sooner. The City will therefore focus its support policy on providing those measures that speed up the processes required to establish new investments i.e. create a business or investment enabling environment.

Attracting job-creating investment to Cape Town necessitates the development of a comprehensive and multi-faceted investment attraction and promotion strategy. Support measures are only one component of such a strategy and are never a substitute for physical infrastructure provision, access to consumer or labour markets, or good governance. Indeed, a strong investment and business environment incorporating these factors is a critical enabling factor for a successful package of measures. The creation of an enabling environment for investment is a key focus of the City of Cape Town.[1]

Cape Town as an investment destination benefits from excellent infrastructure, including: South Africa's second largest container Port; an international airport; a comprehensive road and rail network, energy and water supply security and rapidly expanding broad band infrastructure. These factors among others (i.e. the strength of the business community; skilled labour; load curtailment programmes and grid stability) are determinants of the locational attractiveness of Cape Town for investors. In addition to these locational factors, investors in the city can benefit from a number of existing national incentives which aim to further enhance the attractiveness of the city. These existing investment enabling factors are identified below:

National Investment Enabling Factors

The Department of Trade, Industry and Competition offers several investment incentives in a range of sectors. The relevant incentives for manufacturing investment attraction or expansion, offered by the DTIC are listed below:

1. Agro Processing Support Scheme (APSS)
2. Aquaculture Development Enhancement Programme (ADEP)
3. Automotive Incentive Scheme (AIS)
    - Medium and Heavy Commercial Vehicles Automotive Investment Scheme
    - People-carrier Automotive Incentive Scheme
4. Black Industrialist Scheme (BIS)
5. Manufacturing Support Programme (MSP)

[1] Strategies for developing an attractive and competitive investment environment, together with the Manufacturing Support Policy should form part of an overall Investment Strategy for the City.

National Treasury

Special Economic Zones Act, 2014 (Act No. 16 of 2014)

In February 2016, the Special Economic Zones (SEZ) Programme, which was mandated by the Special Economic Zones Act, 2014, was proclaimed. According to the Act a Special Economic Zone is "an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology" (Government Gazette, 2016).

Through the proclamation of the SEZ programme the incentives have been finalised and include:

1. VAT and Customs relief
2. Employment tax incentive
3. Building Allowance
4. Preferential 15% Corporate Tax

In October 2018, the Atlantis Special Economic Zone (ASEZ) was designated, with the President of the Republic of South Africa handing over the SEZ licence to the Western Cape Government on 6 December 2018. The ASEZ is part of the City of Cape Town's initiative to establish a greentech manufacturing hub in Atlantis. Greentech refers to green technologies that reduce or reverse the impact of humans on the planet. This includes renewable energy technologies. Wind turbines, solar panels, insulation, biofuels, electric vehicles, materials recycling and green building materials are all examples of green technology.

The measures offered by the City within Atlantis are complementary rather than duplicative of those that may be offered in an SEZ and do not amount to 'double-dipping'. Rather the measures detailed in this policy will serve to further strengthen the business case for green tech companies to base themselves in Atlantis.

Municipal Investment Enabling Factors

The City utilizes a number of area-based management tools and enabling mechanisms aimed at improving the business environment of specific areas. These include:

1. **City Improvement Districts (CIDs):** Usually takes the form of the provision of supplementary and complementary services provided by a non-profit organisation operating within a defined geographic area. CIDs are created by local business owners to provide "top-up" cleaning and security services funded by an additional rate (rates) levied on the properties in that defined area. Some CIDS also undertake other urban management functions relating to environment management and social responsibility.

2. **Mayoral Urban Renewal Programme (MURPs)** – this programme aims to uplift areas that have been identified as neglected and dysfunctional through the maintenance of public infrastructure and facilities in order to stabilise areas and provide a platform for more effective public and private investment.

3. **Urban Development Zones (UDZs)** – The UDZ is a National Treasury tax incentive administered by the municipality that aims to address urban decay in South Africa's inner cities by promoting private sector-led investment in commercial and residential developments.

4. **Sector Support Organisations** – the City provides grant funding support to a number of sector support organisations including the City and Province's investment promotion agency, Wesgro. These organisations undertake a number of support and advocacy activities aimed at the development of a particular sector.

5. **Incentive Overlay Zones** (IOZs) – The Incentive Overlay Zone (IOZ) introduces additional development rights to support mixed-use development and urban revitalisation. The IOZ automatically grants increased building heights, higher floor space ratios, and enhanced use rights to qualifying properties, eliminating the need for separate land use applications. This encourages investment, reduces administrative delays, and supports higher-density development in strategic urban areas aligned with the City's spatial planning policies.

6. **Heritage Exemption Areas** – In designated Heritage Exemption Areas, structures identified as not conservation-worthy in the City's approved heritage inventory are exempt from of the following National Heritage Resources Act, 1999 (Act No. 25 of 1999) requirements:
   - the Section 34 permit to alter or demolish a structure older than 60 years; and
   - the Section 38 notification of intent to develop.

   The exemption currently applies to over 31 000 properties in 8 areas across the City and significantly streamlines the development process, reducing administrative burdens for property owners, developers, the City and Heritage Western Cape.

7. **Transit-oriented Development Strategic Framework** - The City's TOD Strategic Framework was approved in 2016 and sets out a blueprint for the mixed-use development of a number of key transport nodes within the City. To identify tools and mechanisms to be employed by various role players who have a collective impact on development to ensure that they move progressively towards a more sustainable, compact and equitable urban form.

8. **Urban Areas declaration -** the Western Cape Department of Environmental Affairs and Development Planning (DEA&DP) has adopted the City's Urban Development Edge as an Urban Area under the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA). A number of activities listed in terms of the NEMA Environmental Impact Assessment Regulations are exempted from the need for environmental authorisation when located within the Urban Area. This means it is now easier, under certain conditions, to develop and implement services infrastructure within the City's Urban Development Edge.

ANNEXURE 2 – Eligibility and Counter-Performance Criteria

There are three qualifying criteria determining the investor's eligibility for the support measures that are progressively applied. These criteria are detailed in the table below.

Eligibility Criteria	
1. **General Criteria**	The investment must constitute a new investment in the targeted area and cannot simply be a relocation of businesses already based within the municipal boundaries of Cape Town.
2. **Sectoral Criteria**	The investment must be in a sector which enhances the value-added production[2] capacity of Cape Town. More specifically, the proposed investment must be located in the manufacturing sector. All investments that meet the relevant criteria will be eligible for the support measures. The following sectors will be eligible for the support measures: • *Broad Manufacturing Sector (SIC: 3)*
3. **Spatial criteria**	Support measures for manufacturing sector investments will be available in the 33 predetermined industrial economic areas within Cape Town (see Annexure 4 for details of these areas). As stated under Clause 7. 'Policy Parameters', all of the financial and non-financial support measures listed in this policy are also available for applications made by the Atlantis Special Economic Zone (ASEZ) Operating Company or those private investors (for 'self-build' applications) within the designated ASEZ boundaries in Atlantis industrial.
General Conditions	• Tenant companies are also eligible for the support measures. • The applicant must have a valid Tax Clearance Certificate and must keep this valid for the duration of any time periods mentioned in the investment facilitation agreement. • Similarly, the municipal accounts linked to the property, and municipal accounts issued by the City to the owner and operator must be fully paid when entering into the facilitation agreement and thereafter to prevent the institution of credit control and debt collections actions as well as recovering the rebates and reductions as per this agreement.

[2] Value-added production: the processing of raw or transformed input materials such that the value of that input is enhanced – typically manufacturing

Counter performance criteria and proviso's	• The investment must be consistent with the provisions of the Spatial Development Framework as approved by Council, and subject to relevant zoning and building approval. • The applicant and all business associated with it, must be in good standing with Council and SARS. • The premises out of which the business will be (is) operating must be in compliance with the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977). • The investment must comply with the applicable legislation. All financial support measures are subject to the Council budgeting processes as prescribed by National Treasury.

ANNEXURE 3: The Support Measures (detailed)

MUNICIPAL MANUFACTURING SUPPORT PROGRAM (The following support measures will be available to investments in terms of the qualifying criteria described in Annexure 2)	
NON-FINANCIAL MEASURES	
Single-point investment facilitation	• Investment One Stop Shop for development applications that will co-ordinate the various City approval processes for development and act as the interface between the investor and the City. • Access to a dedicated investment facilitation officer to walk the investor through the various administrative processes. • Provide, through consultation, pre-indications of the likelihood of approval of proposed developments and advise on the requirements of the application process. • Engaging City departments to enable fast tracking of development applications and unlock bottlenecks experienced with these applications, queries, faults logged, etc. • Investor, business and developer support which includes economic and business advice. • Location selection advice and Business Establishment Assistance. • Business retention and expansion (BR&E) services including: Industrial Surveys; Industrial Clustering; Carbon Neutrality Support; Business Aftercare Services. • Facilitate linkages to sector support bodies such as GreenCape and UNIDO to help companies achieve their green manufacturing accreditation. • Facilitate access to Generic Environmental Management Programme available for development projects within the Atlantis Urban Area that require biodiversity offsets for their Environmental Authorisations. • Facilitation with DTIC and Wesgro to assist in obtaining relevant national incentive packages. • Provision of regularly updated economic information, including specialised investment information.
Development Application Fast-tracking	Applies to all land use and building plan applications by qualifying investments (conditional on submission of suitably completed, compliant and delegated applications). Timeframe commitment as follows (days refer to calendar days unless otherwise specified): • Land use applications: - 30 days (if an application is not advertised) - 90 days (from the date that advertising is completed; an additional 60 days if decision is appealed) - Allowance of 10 day commenting period for all internal departments. • Building plan decisions: - 20 days (for buildings smaller than 500m²) - 30 days (for buildings larger than 500m²) - Allowance of 5 day commenting period for all internal departments.

	• Occupancy certificates – 10 working days • Zoning extracts – 3 working days Wayleave applications – 30 days (only available for electronically submitted applications).
Greening your business' energy	SSEG installation application fast tracking: • All SSEG applications made via the City's online Energy application portal will allow for a faster, more transparent and more reliable system registration and authorisation (where external stakeholders or entities such as NERSA (through RETEC) are involved in the approval, additional time may be required). Enabling wheeling of renewable energy: • Customers on medium and high voltage connections may apply to wheel 'green electricity' (renewable generated electricity) across the City's supply network from a third party supplier of the investor's choosing. • Customers will be charged the Council approved wheeling tariffs.
Electricity grid stability	Due to the City of Cape Town's high performance in the operation and maintenance of its electricity grid, together with load curtailment programs in participating industrial areas, the frequency and duration of power outages is maintained below the national maximum benchmark (i.e. the City is exceeding the national performance criteria) thereby limiting the interruptions customers may experience in these areas.
Load curtailment program	Roll out of load curtailment programs to limit load shedding in participating industrial areas. Only those industrial areas that prove feasible for load curtailment may be considered. This programme is also subject to the voluntary participation of those companies located on a shared sub-station.
City owned industrial land for disposal	The City will pro-actively parcel and make available suitable industrial properties located within applicable areas via a competitive process.

FINANCIAL MEASURES	
Development Application Fees	• Full exemption for both land-use and building plan application fees within the industrial areas designated by Council. • Full exemption of wayleave application fees in the industrial areas designated by Council. Applicants must submit electronic submissions to the City.
GEMP for Atlantis industrial	Generic Environmental Management Programme available for Development Projects within the Atlantis Urban Area that require biodiversity offsets for their Environmental Authorisations.

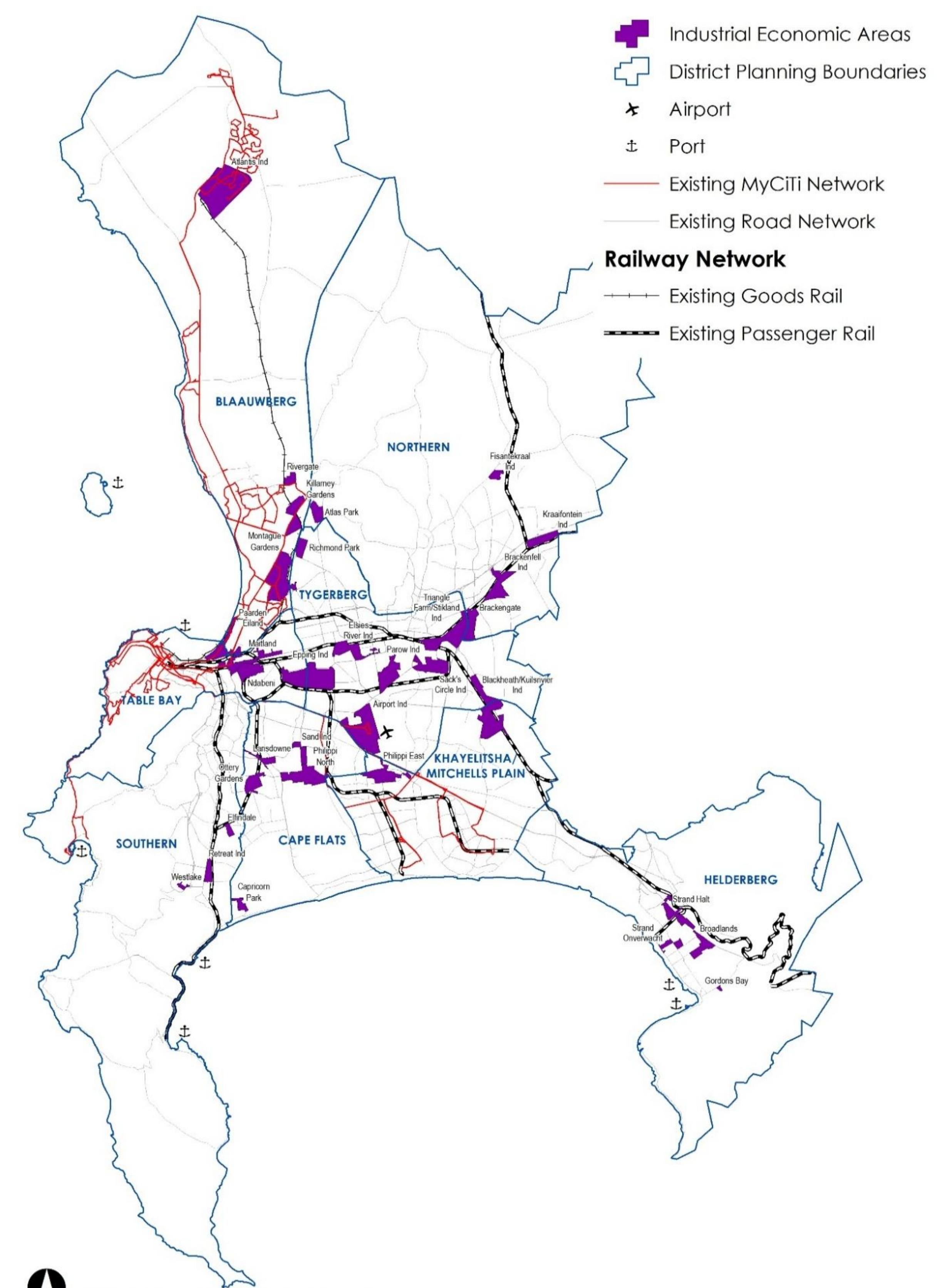
ANNEXURE 4: The targeted industrial areas for support rollout

Individual properties with the zoning General Industrial 1(GI 1), General Industrial 2 (GI 2), Mixed-Use (MU 1-3) or Risk Industry (RI) located within one of the following industrial areas will be eligible to apply for the manufacturing support measures.

Industrial economic area	Industrial economic area
Airport Industria Atlantis Industria (includes the ASEZ) Atlas Park (Extended) Blackheath/Kuilsrivier Industria Brackenfell Industria Brackengate Broadlands Capricorn Park Elfindale Elsies River Industria Epping Industria Fisantekraal (extended) Gordons Bay Killarney Gardens (including Racing Park, The Stables) Kraaifontein Industria Lansdowne Maitland	Montague Gardens Ndabeni Ottery Gardens Paarden Eiland Paardevlei Parow Industria Philippi North Retreat Industria Richmond Park Rivergate Sack's Circle Industria Sand Industria (Athlone) Strand Halt Strand Onverwacht Triangle Farm/Stikland Industria Westlake

Please see map below.

Map indicating the targeted industrial areas:



Economic Areas (Industrial) as at March 2025