

# Perspectives

## on KwaZulu-Natal

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### **La Mercy airport development to be operational in four years**

The national cabinet has approved the establishment of the Dube TradePort, which will incorporate the King Shaka International Airport. The new development will be located at La Mercy and is expected to be operational by 2006.

Although funding structures and detailed business plans are still in the process of being draw up, the eThekweni municipality has allocated R200 million over the next five years for infrastructure costs, including the provision of roads, electricity and water supply.

Within a short time of the announcement having been made, officials were inundated with inquiries and interest from local and global investors, consultants and construction companies.

Officials have taken pains to emphasise that the Dube TradePort is not simply the relocation of the passenger airport to La Mercy. Said KwaZulu-Natal minister of economic development and tourism Mike Mabuyakhulu: "The Dube TradePort is the creation of a multi faceted and world class economic zone which includes the airport with passenger and freight capabilities. Our economic platform will gain a competitive edge that will unlock opportunities for both manufacturing and service sector industries, as we become a more integral part of the global supply chain. For growing and competitive industries, we will be able to offer service excellence, quality and competitive pricing in the production and movement of goods and services."

The development of the trade port is the first of its kind in Africa, and will provide a link to similar projects elsewhere in the world. The airport that forms part of the R2 billion project will have a runway of between 3.2 km and four kilometres in order to have capacity for the largest jets in the world. The existing runway at Durban International Airport is 2.44 km with the maximum length restricted at three kilometres. Additional advantages of the development are listed as uncongested road access and an existing rail line. The development is described as a catalyst for job creation that will create 15 000 direct jobs and 45 000 indirect jobs over the next 10 years.

The Dube TradePort will be linked with Richards Bay and Durban ports by both road and rail, as well as with City Deep and Johannesburg International. It is also envisaged that a section of the trade port will be declared an industrial development zone in which case import duties can be waived on goods being processed for re-export. Businesses and light industrial users are likely to be attracted to the industrial development zone, which will create an economic hub.

KwaZulu-Natal agricultural minister Narend Singh has welcomed the project in light of his

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attempts to improve the capacity of the province to provide top quality fresh produce including cut flowers, fruit and vegetables for export. Another potential major user of the facility is the automotive industry. The final plans also include an IT cyberport and cybervillage, a hotel and residences. In addition, ventures focused on value added activities and e-Commerce activities are to be promoted.

According to the minister, a national committee of ministers including trade and industry, finance, transport and public enterprises has been established to guide the detailed business plan and financial structuring processes of the project.

A national technical task team will support this committee. The team would include the departments of finance, trade and industry, transport and public enterprises, as well as the eThekweni Municipality and provincial representatives. Mabuyakhulu said that the team would establish the parameters of the detailed financial package and business plan process and lever in national departmental support for the different project elements making up the Dube TradePort.

In addition to the establishment of the committees, a special purpose vehicle called the Dube TradePort (Pty) Ltd would be established, according to the minister. "This will be the mechanism through which the project will be implemented. It will establish a project management team that will be responsible for the day to day management of the project and will seek strategic equity partners for the project." The province and the eThekweni municipality will fund the company.

Mabuyakhulu said: "As we begin the implementation process, our focus will now be on working on the detailed business plan, design, construction plans, stakeholder consultations, environmental impact assessments."

Construction on the new development is to begin in September next year.

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