



Industrial Development Corporation

*Your partner in development finance*

## IDC inputs

Prepared for the New Members of Parliament  
July 2019

# IDC mandate and outcomes positioned to support industrial policy objectives



Industrial Development Corporation

Your partner in development finance

The primary mandate of the IDC is the development of domestic industrial capacity. This is done via identifying sector development opportunities aligned with policy objectives from the relevant government policies primarily the NDG, NGP and IPAP. By developing industrial capacity the IDC achieves specific outcomes viz:

- i. Facilitating sustainable direct and indirect **employment**;
- ii. Improving **regional equity**, including the development of South African rural areas, underdeveloped provinces and economic development in the rest of Africa;
- iii. Promoting **entrepreneurial development** and growing the *SME* sector;
- iv. Promoting environmentally **sustainable growth**;
- v. Growing **sector diversity** and increased localised production; and
- vi. Supporting **the transformational impact** of communities and development of black industrialists, women and youth.

# IDC's prioritised sectors and value chains are also in line with 'Reimagined Industrial Strategy'

## Value Chains

- Metals, Metal Products, Machinery & Equipment, Transport Equipment and Mining
- Chemicals Products & Pharmaceuticals
- Agro-Processing and Agriculture



## New Industries

- Sectors which are determined by forward looking trends and innovation, and could develop into significant opportunities for SA



## Special High Impact Sectors

- Motion pictures & entertainment
- Clothing, textiles, footwear and leather products



## High Impact Sectors

- Sectors within IDC mandate that offer high volume of opportunities, contribute to IDC development goals, but where IDC does not play a proactive role. These include industries such as tourism, ICT, furniture and other manufacturing industries not covered elsewhere.



## Industrial Infrastructure

- Infrastructure that unlocks industrial development: electricity, water, telecommunications and logistics.

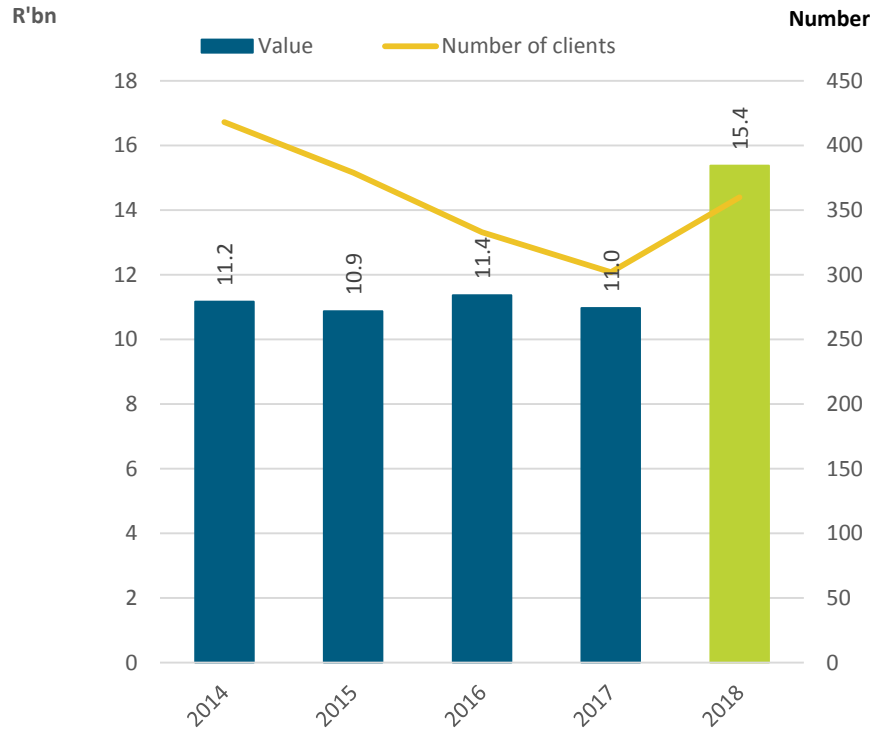


# Despite difficult domestic economic conditions, IDC continues to play a countercyclical role

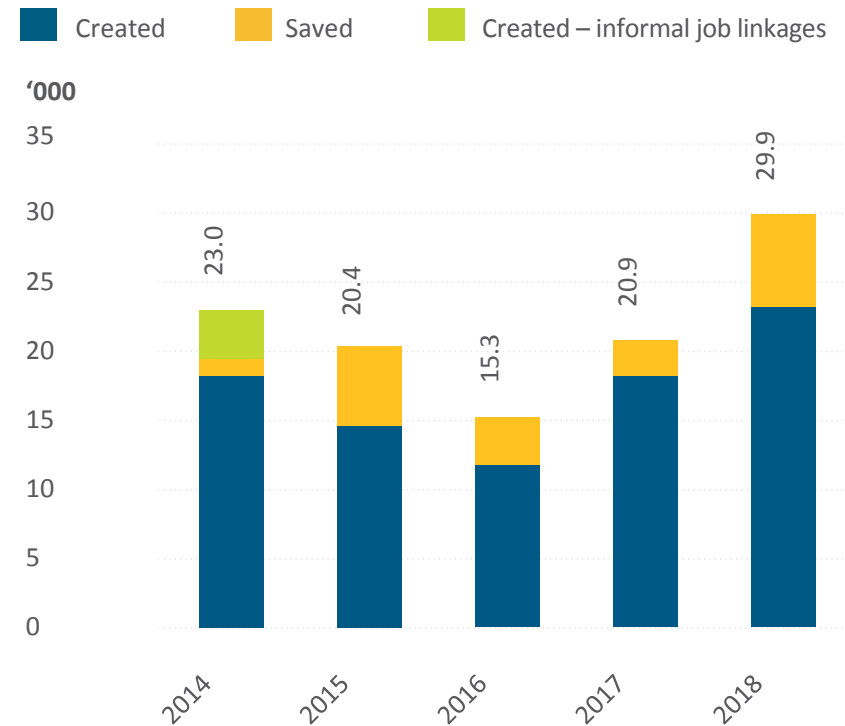


Your partner in development finance

Value of Funding Disbursed



Number of jobs expected to be created and saved

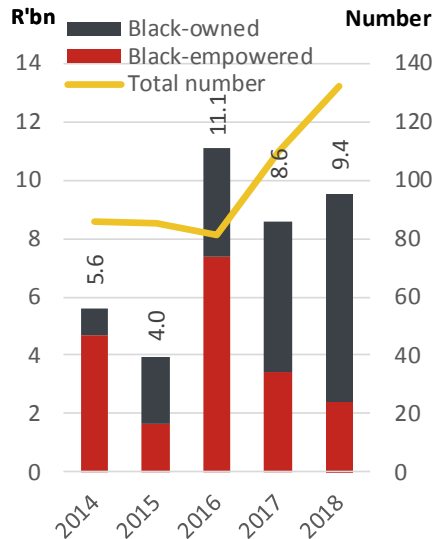


# IDC also continues to play a crucial role in terms of transformation

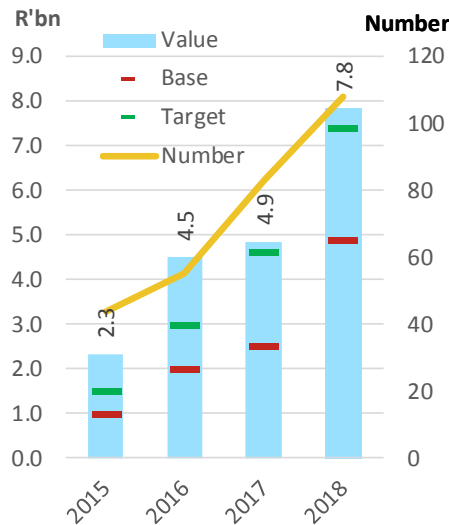


Your partner in development finance

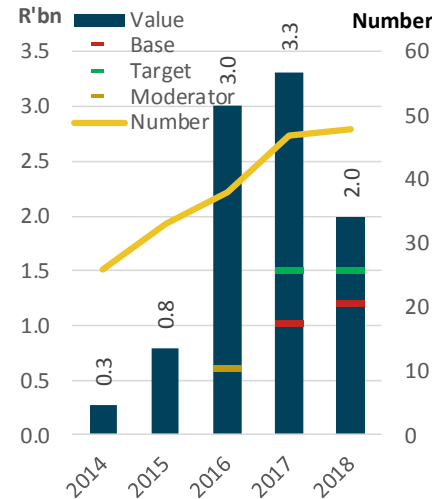
## Signed transactions for BEE



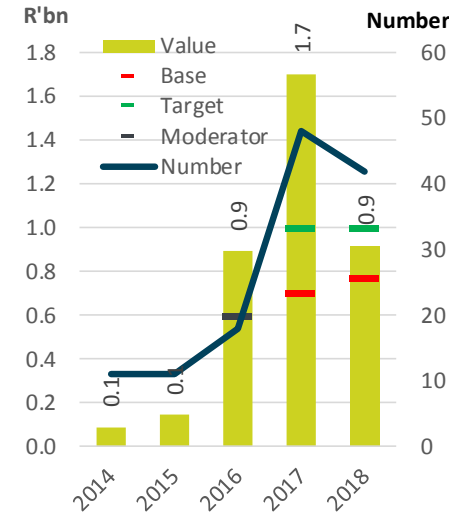
## Signed transactions for Black Industrialists



## Signed transactions for Women Entrepreneurs



## Signed transactions for Youth Entrepreneurs



- Support the inclusion of black South Africans into productive industrial activity
- Similarly, ensuring that women participate gainfully in industrial activity remains a key focus for the IDC - already exceeds a target of R4.5 billion for the 5 years to March 2020
- High unemployment amongst our youth population continues to persist and needs to be addressed – support to youth-empowered enterprises has now exceeded the 2016 – 2020 target of R4.5 billion, despite a decline in funding in 2018

# IDC's plans for the 2019/20 to 2021/22 period continue on the same trajectory

## Maintain Financial Sustainability

1. Optimise the IDC portfolio and sources of capital.
2. Grow returns and manage costs.
3. Review and develop new funding products.
4. Effective performance management of Subsidiaries.

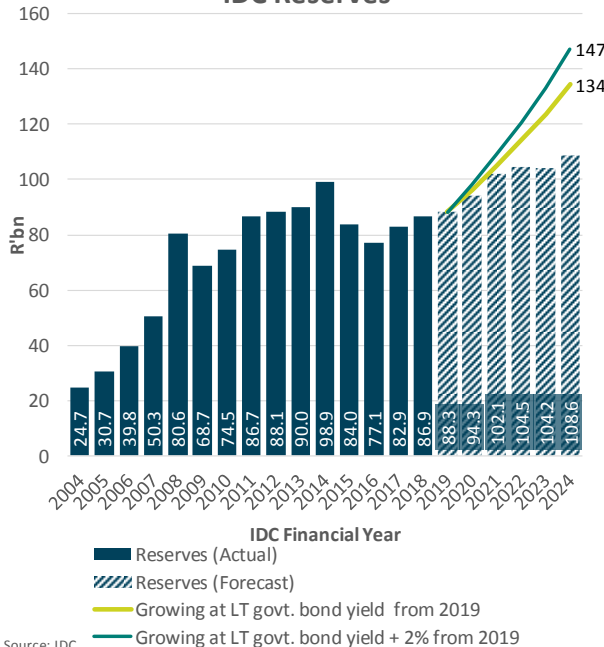
## INCREASE INDUSTRIAL DEVELOPMENT

1. Financing projects and deals pipeline that enables industrialisation, through effective implementation of Value Chain/Priority Sector Strategies.
2. Contribute to South Africa's stimulus package.
3. Capitalise on Rest of Africa (ROA) Opportunities.
4. Gear up for the Fourth Industrial Revolution (4IR).

## Enable a High Performance Organisation

1. Enable a conducive culture.
2. Enhance employee and stakeholder engagement.
3. Enhance operational efficiencies.

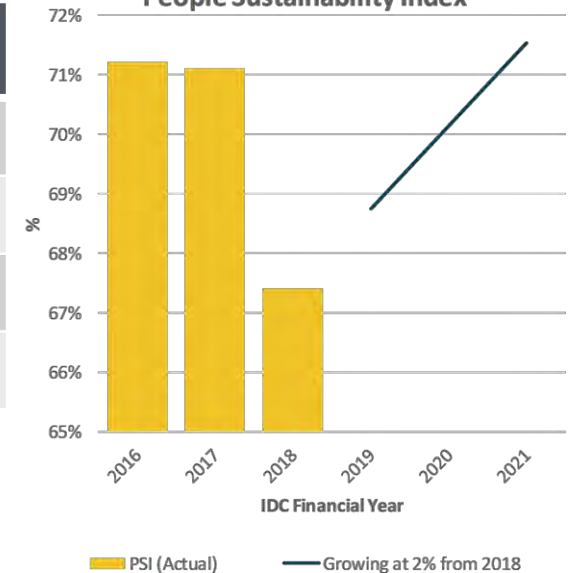
IDC Reserves

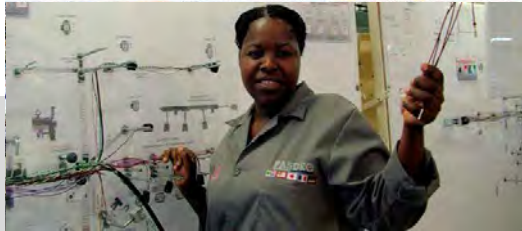


## Expected development outcomes in the 3-year period

	Base	Target
Capital allocation	R61 billion	R73 billion
Disbursements	R57 billion	R63 billion
Jobs created/saved	107 629	132 512

People Sustainability Index





**IDC**

Industrial Development Corporation

*Your partner in development finance*

**THANK YOU**