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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR ORAL REPLY

#### QUESTION NO. 223

DATE OF ORAL REPLY: 17 NOVEMBER 2021

**Mrs Y N Yako (EFF) to ask the Minister of Trade, Industry and Competition:**

Which rural areas have the Industrial Development Corporation and the National Empowerment Fund focused on over the past five years and (b) what are the successes that the specified entities reported in terms of the long-term growth of emerging black businesses? [NO2689E]

#### REPLY

Both the IDC and NEF have supported businesses in a number of rural areas and the two agencies have provided the information as set out below.

**The IDC reports as follows:**

From 1 April 2016 up to 12 November 2021, the IDC has approved funding of R26.7 billion to businesses operating in rural areas.

As regards black-empowered businesses:

- R8.4 billion of this amount was for businesses that have more than 25% but less than 50% black shareholding and
- R9.6 billion of the total was for businesses with more than 50% black shareholding.

The IDC programmes have included projects or firms in the following areas in the period referred to:

Joe Morolong Local Municipality
Lephalale Local Municipality
Tsantsabane Local Municipality
Khai-Ma Local Municipality
Kai !Garib Local Municipality
Ba-Phalaborwa Local Municipality
Inxuba Yethemba Local Municipality
Kgetlengrivier Local Municipality
Madibeng Local Municipality
Steve Tshwete Local Municipality
Greater Tubatse Local Municipality
Msukaligwa Local Municipality
Gamagara Local Municipality
Thabazimbi Local Municipality
Moses Kotane Local Municipality
Makhado Local Municipality
Mbombela Local Municipality
Nkomazi Local Municipality
Elias Motsoaledi Local Municipality
Fetakgomo Local Municipality
Thulamela Local Municipality
Mogalakwena Local Municipality

Total impairments, or provisions for bad debt, on this portfolio is 34%, slightly better than the 38% on the total portfolio. The lower impairment ratio demonstrates that these businesses are performing relatively better than the rest of the portfolio.

It is noted that the IDC has published information on the impact of its black industrialist programme, which contains details of the impact of specific interventions also for enterprises in rural areas. The Honourable Member will be supplied with additional information in due course.

**The National Empowerment Fund (NEF) reports as follow:**

In the last 5 years, the NEF has approved R2.1 billion and R1.32 billion disbursed for businesses based in rural and peri-urban areas creating and/or sustaining 12 406 jobs.

On average, 40% of these businesses are owned and managed by black women entrepreneurs.

Through the ongoing investor campaign, the NEF reached over 2.9 million people through more than 300 investor education community seminars in rural and related areas on how to identify investment opportunities and access tools that will assist in converting those opportunities into tangible investments. From 2018 to date, business skills training has been provided to over 4800 entrepreneurs who attended 400 seminars.

The NEF has also developed a Business Plan Tool Kit for the benefit of entrepreneurs who may have technical ability and are business savvy however require assistance in crafting a document that can assist to raise funding in support for the efforts of starting or growing their businesses.

The NEF has supported beneficiation investments across the agricultural value chain such as processing of castor oil, fruit juices, condiments etc. To date, the NEF has invested over R260 million in this sector. The NEF's regional office network enables rural-based communities to gain access the organisation's services.

The NEF reports its projects in the following areas:

Nquthu, KZN
Bapong, NW
Umgabagaba, KZN
Khumbula, Kabokwe, EC
Rodewaal, FS
Gamalakhe, Idutywa, EC
Koningkrantz, Ga-Mapont, LP
Confimvamba, EC
Kokstad, KZN
Siloam, Venda, LP
Sefene, LP
Flagstaff, EC
Geelhoutpark, Rustenburg, NW
Graskop, MP

**-END-**