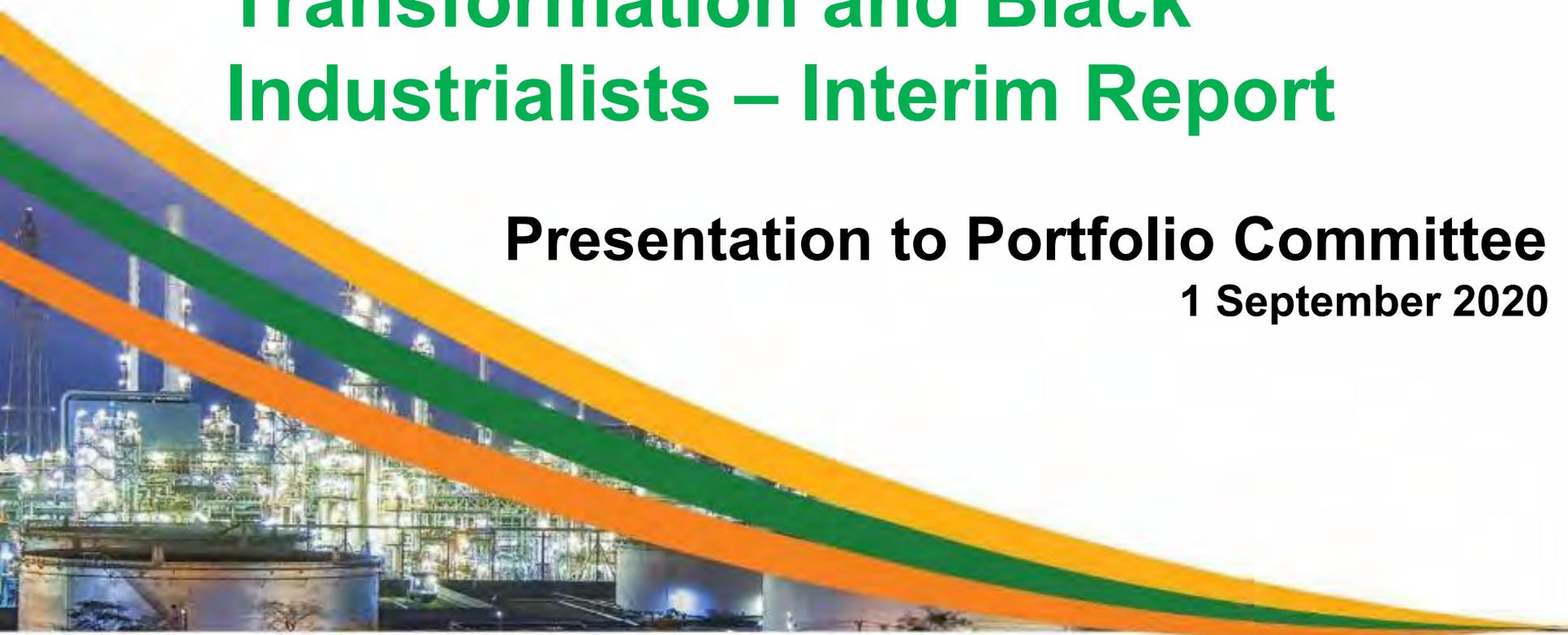


the dtic Support for Transformation and Black Industrialists – Interim Report

Presentation to Portfolio Committee
1 September 2020



the dtic

Department
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

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Content

1. Context	Slide 3
2. Food production	Slide 20
3. Forestry and wood products	Slide 39
4. Clothing and textiles	Slide 50
5. Creative industry	Slide 61
6. Mining, metals, machinery & equipment	Slide 88
7. Transport, logistics & infrastructure	Slide 102
8. Energy	Slide 108
9. Chemical products and healthcare	Slide 113
10. Plastic products	Slide 122
11. Green economy	Slide 125
12. Property, construction & building materials	Slide 129
13. Tourism	Slide 145
14. Fourth industrial revolution	Slide 155
15. Competition Settlement Agreements	Slide 159
16. Observations and conclusions	Slide 180

The dtic and its agencies

- **dtic and Agencies** have a mandate to support growth, jobs, industrial dynamism and transformation. It uses the tools of industrial development, trade policy, competition measures and broadening levels of empowerment and economic inclusion.
- This presentation addresses one aspect of the wider transformation mandate, and within that it focuses mainly on support for black industrialists. In a few cases of the NEF it also includes projects such as property ventures
- Additional information is being collated on the impact and beneficiaries of wider empowerment programs – this is an interim report to provide information on the assessment work done thusfar

Transformation

Economic transformation is wider than BEE policies and embraces a number of elements, including

- Transforming the structure of the economy to grow faster and more inclusively eg addressing high levels of market concentration (incl through competition policies)
- Shifting the dependence on export of raw materials and building a more balanced, dynamic economy (industrial policies)
- Promoting the participation of black South Africans, women and young people in the economy, to broaden the base of entrepreneurship and promote fairness (incl BEE policies)

Evolution of implementation of empowerment

Empowerment has evolved into a policy that has multiple objectives within an over-arching policy thrust:

- First, it is about **redress** to deal with the history of exclusion and the legacy it has left
- Second, it lays the **foundation for deeper growth** through greater economic inclusion that widens the talent pool of enterprise drawn from black South Africans, women and young people;
- Third, it is increasingly about addressing the **high inequalities** in our society, a challenge many more countries now face, associated with globalization's impact in different parts of the world

Evolution of empowerment policies

The focus of empowerment has expanded over time:

- First, **individual** share ownership, typically a non-controlling share within an existing business, which helped the process of capital accumulation in the hands of black South Africans.
- Second, **broad-based** empowerment made up of communities, consortia of women or youth and collective investment and empowerment vehicles, with key social programs funded through these (eg community bursary schemes)
- Third, a focus on black **industrialists**, enabling individual black entrepreneurs with a controlling stake in a company, often with executive management involvement and in new firms.
- Fourth, the expansion to ownership by the **employees** of a company; and developing an inclusive South African model, shifting from an adversarial approach on the shop-floor.

Challenges with empowerment policies

While the policy purposes of empowerment are constitutionally sound, there have been a number of challenges in giving effect to policies:

- Fronting practices were used in a number of cases, where companies misrepresented the position of the true shareholders and beneficiaries, to falsely claim that they were black South Africans
- In some cases, black-owned firms 'lent' their name as the contractor in tender documents, with the work actually done by another company
- In other cases, individual persons would be put on a shareholder register without their knowledge, which represents outright fraud
- The DTIC strengthened the regulations to tighten controls and make fronting a criminal offence
- The Department and agencies put in place measures to address fronting. The next slide gives an example of the IDC measures.

Fronting – measures to check the ownership

The IDC has the following measures in place to check claims about ownership in order to address fronting challenges:

- The due-diligence process includes interviews with the entrepreneurs and project promoters
- The due-diligence consists of an assessment of the management team of the company being funded, a legal review, compliance checks, and a review of shareholders' personal balance sheets
- Teams investigating transactions are thoroughly informed about fronting and that dtic and its agencies will not tolerate this practice
- The teams, through the due-diligence process, ensure that transactions do not involve fronting and, where required, provide evidence to the credit approval committee
- The IDC has established a fraud hotline to report fraud, including fronting

NOTE: Measures are also in place in NEF and DTIC to determine that no fronting takes place.

Nine ways we promote transformation

**Industrial
Funding**

**Competition
Settlements:
BEE, SDFs
and
Localisation**

**Competition
Settlement
Market
Access**

**BEE
Codes
and
Charters**

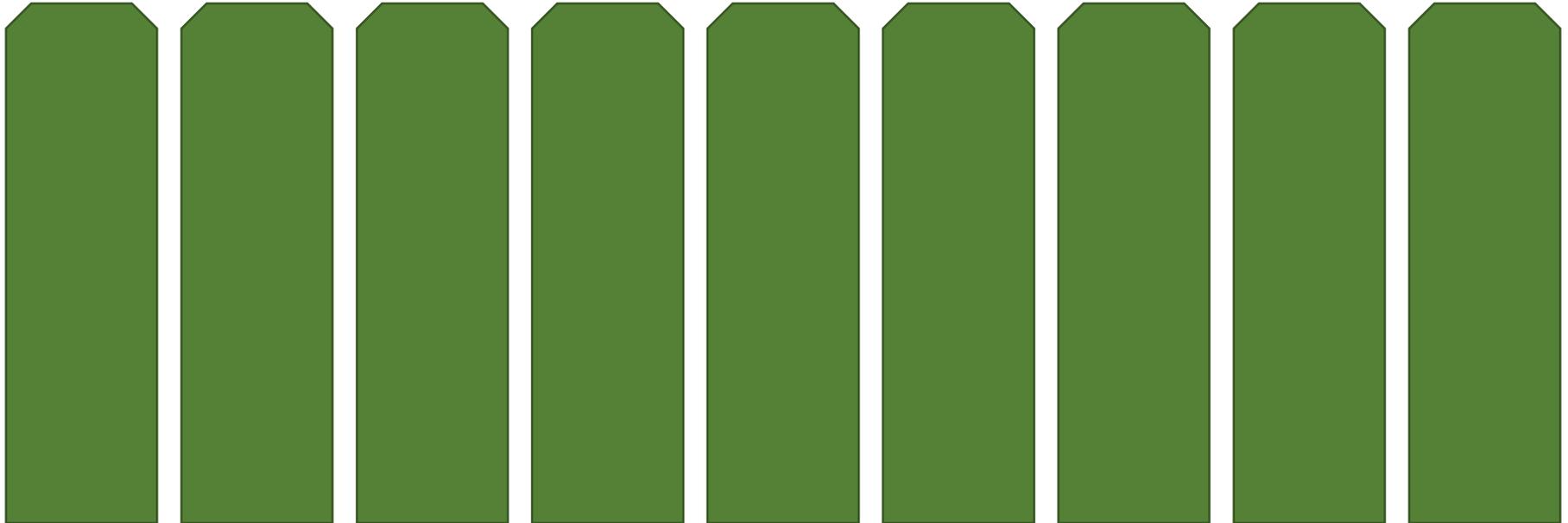
EEIP

**Master
plans**

**SEZs
Industrial
Parks**

**SMEs and
township &
rural**

**State
Preferential
Procurement**



Some observations

PRESENTATION NOT COMPREHENSIVE ON EQUITY-PROMOTION

The presentation focused on a sample of firms and entrepreneurs who have partnered with some of the DTIC-initiated programs. It is not a comprehensive list of public policy measures supporting shareholding expansion. For example, it does not include

- Firms and industrialists empowered through the Equity Equivalent Investment Program, through which multinational corporations support local entrepreneurs.
- Empowerment commitments obtained as part of Masterplans in sugar (R1bn), poultry, clothing and autos (R6bn)
- Spatial initiatives such as SEZ initiatives and industrial parks that provide access to physical infrastructure, and measures to promote township and micro-enterprises
- Competition market access measures that opens new opportunities
- IDC support to black shareholders for minority equity arrangements
- BEE Codes and sector charters involving thousands of other transactions promoting black shareholding or industrialist initiatives.

More work will be done to collate information across additional platforms to provide a fuller picture of the extent of support and the impact on growth and jobs

Some observations

- **BEYOND SHAREHOLDING:** Empowerment policies are not confined to shareholding and ownership. Other key elements include the promotion of local procurement; entry of black South Africans, young people and women in positions of management; and through skills development for blue-collar workers and bursaries for young persons.
- **WOMEN:** South Africa has made strides in bringing greater numbers of women into the formal economy. The proportion of working age women in employment (also known as the employment ratio) climbed from 26% in 1996 to 41% in 2018; while there are now 900 000 women in senior management and professional posts, compared to 465 000 in 2003 – an increase of 93% over the past 15 years.
- **SKILLS DEVELOPMENT:** public policies have promoted investment in skills. Companies are credited on BEE scorecards for investment in skills. Broad-based empowerment vehicles like Kagiso Trust and union/community trusts have provided tens of thousands of bursaries to young persons from townships or rural areas.
- **MANAGEMENT:** BEE policies similarly provide for companies to actively provide opportunities for black South Africans to be represented in management of corporations. About 900 000 additional management and professional positions are now held by black South Africans, compared to 2003.

The Black Industrialist Policy

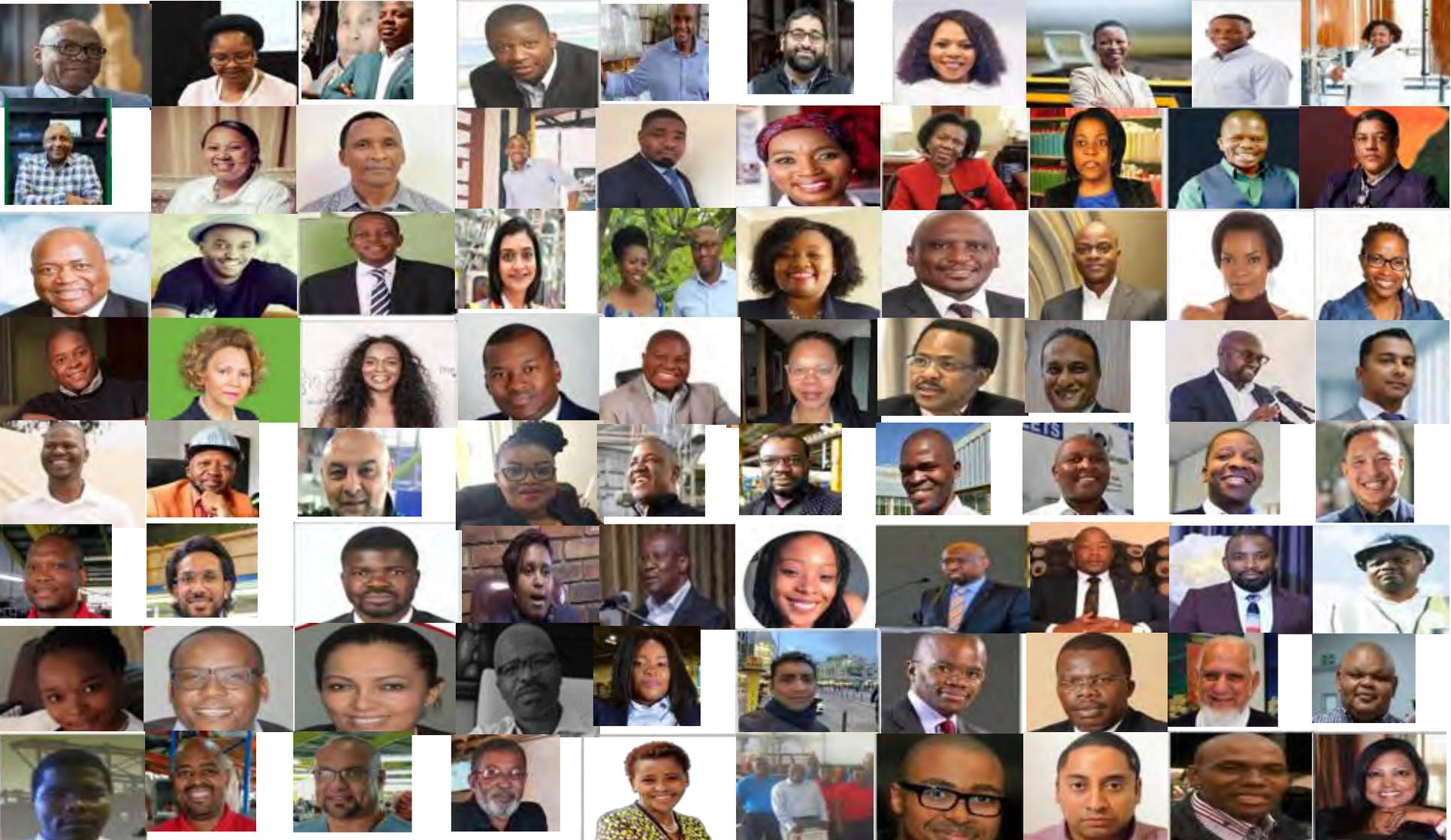
- Initial transformation policies mainly focused on enabling black South Africans to obtain a **non-controlling** share in **existing** enterprises
- They did not sufficiently focus on new enterprise development nor to promoting businesses controlled by a wider demographic of South Africans
- On 2015, Cabinet approved the Black Industrialists Policy which seeks to increase the level of participation of black South Africans in ownership and control of productive enterprises in key sectors and value-chains
- The dtic provides grant funding to applicants, in selected productive sectors
- The IDC and NEF provides loans which needs to be repaid, to address reported challenges with obtaining funding from commercial banks.
- The policy complements other empowerment programs, and do not replace them.

Black industrialists

- In May 2015, the Ministry of Economic Development set a 5-year target for the IDC to promote economic inclusion through providing industrial funding as follows, complementing normal IDC programmes:
 - R23 bn for Black Industrialists
 - R4.5 bn for Women-empowered enterprises
 - R4.5 bn for Youth-empowered enterprises
- The youth and women-empowerment funding (a separate envelope to the black industrialist program) is available to black and white South Africans
- These targets were met and exceeded over the 5-year period. Across the **dtic**, **IDC** and **NEF**, **R32.6 Billion** in funding has been approved to more than **900** black industrialists and black-owned businesses in the last **five years**, comprising:
 - R25.1 billion in loans from the IDC
 - R4.2 billion in grants from the dtic incentive schemes
 - R3.3 billion mainly in loans from the NEF

ONE PIPELINE: R32.6 Billion in funding approved to more than **900** black industrialists and black-owned businesses in the last **five years**

2015/16 IDC R2.9 billion in loans	2016/17 DTIC R944 million	2017/18 DTIC R1.3 billion	2018/19 DTIC R1.5 billion	5 YRS NEF R3.3 billion loans
	2016/17 IDC R5.1 billion in loans	2017/18 IDC R7.8 billion in loans	2018/19 IDC R6.1 billion in loans	2019/20 DTIC R475 million
				2019/20 IDC R3.2 billion in loans



For every face you see, there are another ten firms that have been supported

WITH OTHER PIPELINES OF SUPPORT: **Broad impact of funding and transformation work**

Black industrialist and black-owned business funding by the **dtic** and its agencies of **R32.6 billion** has had broad impact:

- More than **900** businesses and projects supported
- Approximately **50 000** jobs sustained and created
- Annual Turnover of more than **R75 billion** per annum
- Additional counterparty investment of approximately **R30 billion**

This complements **other** pipelines of empowerment and transformation driven the **dtic** and its agencies, including:

- Competition Supplier Developments Funds commitments of **R4.5 billion** with over **500** black farming businesses supported
- Competition procurement initiatives (e.g. **R850 million** from ±20 black-owned suppliers for Massmart alone)
- Worker empowerment competition agreements covering **25 000** employees with equity value of more than **R7 billion**
- Equity Equivalents Investment Programme commitments of **R4 billion** (ex. Autos)
- Masterplan commitments (eg **R1 billion** for Sugar; **R6 billion** for Autos)
- Normal funding for BEE programs not in the Black Industrialist portfolio

Case studies of support rendered

- The presentation seeks to provide more granular detail to the aggregate numbers of rands and firms that have been supported
- The selection of case studies are drawn from 5 different initiatives - the dtic Black Industrialist Scheme; other dtic funding; IDC and NEF Black Industrialist funding; and competition agreements
- For some projects IDC and dtic funding complement each other, bringing an element of **grant** funding with **loan** funding
- The case studies cover a range of **productive sectors**: food production, clothing and textiles; mining metals machinery & equipment; transport logistics & infrastructure; chemical products and healthcare; plastic products; the green economy; the creative industry; property, construction & building materials; tourism and the fourth industrial revolution

Case studies

More than 150 case studies have been selected from the list of more than 900 black industrialists and black-owned businesses that have been supported. The range of products are wide.

As examples:

- Food production from dairy, meat processing, poultry, growing fruit and veg, packaging and cold-storage, import and export logistics, making sauces (including largest tomato sauce manufacturer in the country), farming fish and greens, soya crushing, animal feed, abattoir, organic foods, jams, crocodiles and crocodile leather, jams, noodles, pet food.
- Harvesting and selling timber products, wooden poles, printing and packaging including the largest printing and packaging company in South Africa, sacks, pallets tissue paper, tissue products such as toilet paper and serviettes.
- Clothing manufacturing including school uniforms corporate uniforms disposable and reusable surgical masks and gowns fabrics that can be used in textile bags, making textiles with the latest digital Technology, footwear including development of shoes using recycled product making clothing for branded products

Case studies

- Firms supported through these programs are contributing to South Africa's **GDP growth** and create or sustain large numbers of jobs
- **Loans** constitute the bulk of support and these have to be repaid
- In a market-economy, **not every firm will succeed**. Government support seeks to support and encourage a large number of entrepreneurs to enter markets. Those that succeed are able to grow their businesses and in this way expand the economy.
- The presentation focuses on firms receiving financial backing in the form of grants (through the dtic) or loans/equity (through the IDC and NEF)
- **Other initiatives** of the dtic contribute to the expansion of the number of black industrialists, for example, in a number of competition settlements, merging firms are obliged to set up supplier development funds or commit to local procurement. These efforts have led to a growing number of black South Africans entering supply-chains of large companies.
- BEE Codes and sector charters have also promoted thousands of other transactions involving black shareholding or industrialist initiatives. These are **not** covered in this presentation. Work is being done on the impact of these measures.

Food production

Case study: Dairy



Mr Ntokozo Hlatshwayo, an entrepreneur with a BSc in Food Science specialising in dairy, established AH Novation 2016.

The firm produces stabiliser from corn starch, gelatines among other things and is used to provide

texture, structure and product classification to dairy products

IDC funding helped the company automate its packaging line to remove bottlenecks in their production process. The project has been implemented and is operational with the exception of a packaging machine whose installation was delayed as a result of the Covid-19 pandemic.

Black Industrialist

- **Ntokonzo Hlatshwayo**
- **AH Novation**
- **Johannesburg, Gauteng**
- **Jobs: 10 created**
- **IDC funding**



BABIRWA FRUIT EXPORTS

Babirwa Fruit Exports is 100% black owned by the Mogashoa family trust. The family purchased the farm, which is located in Worcester in the Western Cape, in 2015. The farm plants and packages grapes for the export market. The new project was approved for funding for machinery, equipment, and Land and Buildings. To date the construction of the pack house for packaging of grapes and pears has been completed and 126 new jobs have been created. The project will enable the company to export the grapes to the European Union, Middle East, United Kingdom and South Asia.

Black Industrialist Youth empowerment

- **Tebogo Mogashoa**
- **Babirwa Fruit Exports**
- **Frankfort, Free State**
- **Jobs: 126 created**
- **the dtic APSS**



Case study: Poultry



In 2016, the Moloko family identified a market opportunity for an emerging black business in the egg production market.

Baramakama Poultry is a 100% black-owned, independent egg producer, packer, marketer and

distribution company operating from a rural village.

IDC funding assisted the company to construct an additional 5 hen houses and a packhouse to supplement the 7 hen houses that the business constructed using their own funds.

The increased capacity is assisting the company to access the formal market given the more predictable levels that they can supply.

Black Industrialist

- **Solly Moloko**
- **Baramakama Poultry**
- **Moloto City, North West**
- **Jobs: 29 created**
- **IDC funding**



Case study: Cold storage



Founded by Tebogo Mogapi, HOFFIE Rautenbach and Gary Liebenberg in 2015, iDube Cold Storage, is a 51% black-owned company in the storage industry.

While it offers a storage facility, it also repacks food products and

facilitates transport to assist those importing and exporting.

the dtic funding was used to support the business to purchase of machinery and equipment, as well as construction of a storage facility.

Young Black Industrialist

- **Stephen Ntebele Mpgapi**
- **iDube Cold Storage**
- **Dube TradePort, KZN**
- **39 jobs created**
- **the dtic grant funding**



Case study: Piggery



Ms Anna Phosa, established the business with 4 pigs and now runs a 300 sow-crate friendly piggery and abattoir with the assistance of her husband and daughter who has a degree in animal production.

Dreamland also produces its own maize for feed.

Ms Phosa is a 2 time winner of the Department of Agriculture's female farmer of the year.

IDC funding will be used to grow the business by building the abattoir and covering operating expenses to facilitate growth.

Black Woman Industrialist

- **Anna Gwanini Phosa**
- **Dreamland Piggery**
- **Vanderbijlpark, Gauteng**
- **4 jobs to be created**
- **IDC funding**



Case study: Vegetables



The Sambo family established Ikhwezi Agro Holdings (IAH) - a primary agriculture cooperative.

It produces various vegetables, which it sells to local markets in Mpumalanga.

IAH has grown over the years and now produces a more diverse range of vegetables including butternut, spinach, green beans, tomatoes, peppers and karela, on communal land.

IDC funding will help IAH to expand - erecting shade-nets, a greenhouse, irrigation infrastructure and pack house.

Black Industrialist Woman empowerment Youth empowerment

- **Bongani Sambo & Makhosazane Sambo**
- **Ikhwezi Agro Holdings (IAH)**
- **Malelane, Mpumalanga**
- **70 jobs to be created**
- **IDC funding**



Case study: Sauces



Black industrialists Terence Pokane Leluma, and Phumzile Portia Nkomo started Makhamisa Foods in 2015, specialising in creating their own brand of flavoured food sauces such as Jalapeno and Pickled Vegetables.

They company built a 12 000 square-metre facility and installed new equipment and technology with the funding. The plant was commissioned in 2019. The funding helped Makhamisa Foods with a capital injection for operational costs, purchase equipment, and lease factory space in the newly built on-site production facility. Despite COVID-19, the company continued to operate as normal and was even able to employ three new people during this time.

Black Industrialist Woman empowerment

- **Terence Pokane Leluma, Phumzile Portia Nkomo**
- **Makhamisa Foods**
- **Ormonde, Gauteng**
- **33 jobs created**
- **IDC funding and the dtic**



Case study: Dried fruit



Mr Tshililo Ramabulana established Olive Black Invest when he saw an opportunity to start producing dried fruit and processing fruit to make juice, to supply a company in which he has a minority stake -

Cape Dried Fruit Packers South Africa, the second largest exporter of Cape dried fruit.

IDC funding helped Mr Ramabulana buy a factory and provided working capital, which resulted in the founding of Olive Black Invest and the creation of 45 jobs.

Black Industrialist

- **Tshililo Ronald Ramabulana**
- **Olive Black Invest**
- **Levubu, Limpopo**
- **45 jobs created**
- **IDC funding**



Case study: Noodles



In 2009, Mr Parker approached the IDC, for a loan to establish SA's first independent instant noodle manufacturer. With further grant funding from **the dtic**, he was able to import manufacturing equipment and start The Noodle

Factory.

From employing fewer than 10 staff, the black industrialist Mohammed Parker, employed 109 full-time employees (as reported by the company in 2018) – and is hoping to add 100 more in the near future as it expands. Its new production line will have the largest single capacity for this product in South Africa and, most likely, on the continent.

Black Industrialist

- **Mohammed Shakiel Parker**
- **The Noodle Factory**
- **Philippi, Western Cape**
- **109 jobs supported**
- **IDC funding and the dtic**



Case study: Pet food



Young black entrepreneur Nhlanhla Dlamini established Maneli Pets in 2016, with funding from **the dtic's** Black Industrialists Scheme and a loan from the IDC after seeing a market opportunity for supplying novel protein to the export market. He sources his ingredients (ostrich, venison, chicken lamb and pork) from across SA and from the rest of Africa.

Its luxury pet food is sold in SA and exported to the UK, USA, Europe and Japan.

Maneli Pets used the government funding it received to customise its factory, and to import specialised machinery such as smokers and freeze dryers.

Young Black Industrialist

- **Nhlanhla Dlamini**
- **Maneli Pet Foods**
- **Edenvale, Gauteng**
- **37 jobs supported**
- **IDC funding & dtic grant**



Case study: Soya crushing



Majesty Oil Mills received dtic funding for machinery and equipment and owned buildings.

The project is an expansion of an existing facility which employs 332 people and

produces cooking oil and soya de-oiled cake for the animal feed industry.

The plant has been commissioned and is producing 500 tons of Soya seed per day which will assist in reducing the importation of soya bean oil cake and soya bean oil.

Black Industrialist

- **Dhayanathan Pillay**
- **Majestic Oil Mills**
- **Gauteng**
- **332 jobs supported**
- **the dtic Black Industrialist Scheme**

Case study: Sauces



In 2008, Rashaad Musa and Ricardo Ferreira identified an opportunity to manufacture sauce products for the low- & middle-income markets.

After initially producing only sauces, they diversified their product range to include jams and fruit juice nectars under the brand names Just Jam

and Just Nectar.

Saucy Secrets supplies supermarkets & caterers in the Eastern Cape. IDC funding enabled the company to obtain the necessary accreditations, expand its product lines and do print packaging in-house. This allowed the company to produce water, carbonated drinks, cordials and squashes in their product mix.

Young Black Industrialist

- **Rashaad Musa**
- **Saucy Secrets**
- **Uitenhage, Eastern Cape**
- **24 jobs created**
- **IDC funding and the dtic**



Case study: Sauces



Eastern Trading is large producer of tomato paste in South Africa (producing All Joy tomato paste as one of its products). It has engaged 80 small and medium farmers in the Tzaneen area to supply them with tomatoes.

Black Industrialist

- **Ismail Ebrahim Darsot**
- **Eastern Trading (Pty) Ltd**
- **Tzaneen, Limpopo**
- **196 jobs supported**
- **the dtic Black Industrialist Scheme**

It received a grant from the **dtic's** Black Industrialist Scheme to support its expansion plans.

The funding was used to purchase machinery and equipment, and for business support for their tomato paste plant located in Tzaneen. This plant has grown from producing 100 tons per day to 500 tons per day.



Case study: Biscuits



Khayelitsha Cookies, a 51% female black owned company was started in 2005 by Adri Williams. The company produces freshly baked products and supplies cookies mainly to the hospitality industry

and selected retail outlets. Some of their clients are Tsogo Sun, Tiger Brands, Clicks and Ciro. The **the dtic** funding received was for buildings, machinery and equipment and commercial vehicles in order to expand their operation. At the time of their latest claim in 2019/20, the project reported that it retained 91 baseline jobs, created an additional 5 new jobs and procured about R900 000 from the local suppliers.

Black Industrialist Women empowered

- **Eunice Nyolobe**
- **Khayelitsha Cookies**
- **Khayelitsha, Western Cape**
- **96 jobs supported**
- **the dtic Agro-Processing Support Scheme**



Case study: Organic



Black Industrialist Women empowered

- **Magapa Johanna Ngako-Phaweni**
- **Wensleydale Farms**
- **Centurion, Gauteng**
- **26 jobs supported**
- **the dtic Agro-Processing Support Scheme**

Wensleydale Farms is an internationally organic certified company and 100% black female owned. They supply fresh organic produce, dry ingredients, dehydrated food, vegetable soup mixes and canned food to customers which include Woolworths, Pick n Pay, Bryanston Organic market, Airchefs (Durban, and Cape Town) and Dischem. **the dtic** funding was used to expand their operations and included funding for buildings, machinery and equipment, commercial vehicles as well as raw materials. In 2019/20, the project reported that it retained 12 baseline jobs, created 14 new jobs and injected R6 million into the local economy through domestic procurement.

Case study: Bakery



Prima Bake is a biscuit manufacturer.

Mr Shanawaaz Khan approached the IDC in order to help meet increasing demand by increasing his production capacity and supplying working capital to assist in buying raw materials such as flour, sugar, etc.

IDC provided funding for working capital and equipment. The funding allowed for increased margins and a more stable financial position for the company.

Young Black Industrialist

- **Shanawaaz Khan/Fatima Patel**
- **Prima Bake**
- **Potchefstroom, North West**
- **19 jobs created; 160 saved**
- **IDC funding**



Case study: Crocodile farm



Crocs Garden was established in 2016. The farm breeds crocodiles and sell the skin for leather products as well as the meat.

The funding from the **dtic** was used to purchase commercial vehicles, machinery and

equipment, aquaculture feed and bulk infrastructure. The project reported that they started with 200 crocodiles but after assistance from **the dtic**, they now have 3000 crocodiles. 8 new jobs were created during the first phase of ADEP funding.

Black Industrialist

- **William Malekoa**
- **Crocs Garden**
- **Mookgophong, Limpopo**
8 new jobs
- **the dtic ADEP**



Case study: Trout farm

Black entrepreneurs Pius Mokhokong and William Maredi saw a gap in the fish and fresh produce market and started constructing Larostar Trout Farm in Boschkop, Pretoria East, in 2016. They initially focused on aquaculture and later set up hydroponic tunnels using the nutrient rich water from the aquaculture system to grow leafy greens. A grant from **the dtic's** ADEP incentive was used to build the hydroponic tunnels - expanding the salmon trout farming facility and creating 9 new jobs.

Finding skilled staff, trained in basic aquaculture and hydroponics was a challenge. The company therefore implemented its own skills transfer programme for staff on aquaculture, hydroponics and aquaponics.

Black Industrialist

- **Pius Mokhokong and William Maredi**
- **Larostar t/a Silver Lakes Farm**
- **Boschkop, Pretoria East**
- **9 jobs supported**
- **the dtic ADEP incentive**



Forestry, wood products, printing and paper

Case study: Charcoal



IDC start-up funding helped with the construction of a plant that uses alien species to make barbeque (braai) charcoal for the European market. The company obtains Eucalyptus and Acacia wood from a subsidiary company that has contracts to clear these

alien invasive species from among others, Working-for-Water.

Black Industrialist Mr Phillip Mulungo has used the start-up loan from the IDC and the further investment facilitated, to build a plant for the manufacturing of the charcoal.

The sod turning ceremony was held 18 Aug 2020.

Black Industrialist

- **Phillip Mulungo**
- **Toronto Group**
- **Somerset West, Western Cape**
- **108 jobs supported**
- **IDC**



Case study: Treated poles

IDC provided funding for the initial setup of Umzimkhulu Treated Timber's wooden pole treatment plant in 2013 with funding from IDC after Black Industrialist Mr Mlonzi established the company in 2012.

By 2018, the company was unable to fully satisfy their current customer demand for Chromated Copper Arsenate (CCA) treated poles due to the shortage of working capital. IDC provided funding to purchase timber, creosote, CCA and nail plates.

Black Industrialist

- **Nceba Mlonzi**
- **Umzimkhulu Treated Timbers**
- **Umzimkhulu, KZN**
- **25 jobs created**
- **IDC**



Case study: Chip boards



FX Group was started by Mr. Mohammed Bera in 2001, to trade particle board and medium density fibre. It opened a factory in Wattloo, Pretoria In 2002 to upgrade the raw board with foil and veneers. The company continued to expand through the years.

In 2017, the IDC approved funding for the company to build its own particle board plant in Lothair. This was supplemented by a grant from the dtic Black Industrialist Scheme. The new factory will enable the company to have a more secure source of supply of particle board.

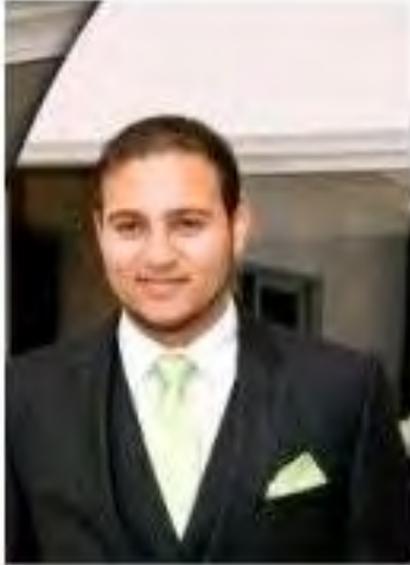
Construction of the plant, which it is estimated will employ 196 people full-time, is nearing completion.

Black Industrialist

- **Mohammed Bera**
- **The FX Group**
- **Lothair, Mpumalanga**
- **196 new permanent jobs**
- **IDC and the dtic Black Industrialist Scheme**



Case study: Boards



Pine Timber Board was started in 1916 by Mr Essa Hassim (senior) and it services the building, furniture, DIY and carpentry trade. The company makes furniture, such as kitchen units and receives the boards from their supplier, then cuts it to produce furniture as per the clients' requirements and even installs it, if required.

The company received **the dtic** funding for machinery and equipment and commercial vehicles to expand its operations. In 2019/20, the project reported that it retained 39 existing jobs, created 2 new jobs and procured about R3.7 million from local suppliers.

Black Industrialist

- **Essa Hassim**
- **Pine Timber Board**
- **Springfiled Industrial Park, KZN**
- **41 jobs supported**
- **the dtic Agro-Processing Support Scheme**

Case study: Boards



SA Fine Tuned Trading is a 100% black owned company that manages, harvests and sells timber products.

It was established in 2012 and operates from a 355 ha forestry estate "Gertfontein" which is leased to it by a family Trust.

It has preferential access to a number of sources of wattle on both community and privately owned land. However, it was unable to increase the amount of timber harvested due to inadequate and insufficient harvesting equipment & lack of working capital. IDC provided funding for the equipment and working capital required to expand the timber harvesting business.

Young Black Industrialist

- **Mlungisi Sonwabile**
- **Bushula, James Stetho**
- **SA Fine Tuned Trading**
- **Stutterheim, Eastern Cape**
- **33 jobs created**
- **IDC**



Case study: Printers



Golden Era Printers & Stationers was started in 1955 by Mr Bhoola Chhita, with two paper bag manufacturing machines. It is now the the largest family owned printing and

and packaging business in SA and manufactures a wide range of printing and related products including cans, aerosols, corrugated cartons, carrier bags, kraft paper, shrink sleeves, flexibles, self-adhesive labels, blister packs and thermoformed trays.

The IDC approved funding for the company to purchase a flexographic printing line from Switzerland. This helped increase its production capacity to meet increased demand for packaging for food, drinks and healthcare products.

**Black Industrialist
Woman empowered
Youth empowered**

- **Asha Chhita and other family members**
- **Golden Era Printers & Stationers**
- **Mogwase, North West**
- **31 jobs created**
- **IDC and the dtic**

Case study: Packaging



Sacks Packaging received about R50 million from **the dtic's** Industry's Black Industrialists Scheme to support its expansion. It used the grant to purchase machinery and equipment in order to upgrade the outdated packaging manufacturing plant.

Companies for which Sacks Packaging produces paper bags includes Afrisam Cement, Snowflake, White Star, Iwisa and Hullets. According to the company, **the dtic** funding has made their products internationally competitive and reduced the threats of imports.

Young Black Industrialist

- **Kevin Kistan**
- **Sacks Packaging**
- **Mobeni, Durban, KwaZulu-Natal**
- **175 jobs supported**
- **the dtic Black Industrialist Scheme**



Case study: Pallets



Pallet Direct is a family-owned business that specialises in manufacturing high-quality pallets, focussing in manufacturing pallets for the food and beverage industry.

The company was established by Mr. Nayan Padayachee in 2003. He currently runs the company with his son, Clint Padayachee.

IDC approved funding to assist the company to purchase plant and equipment and for working capital to enable them to meet rising demand for their products. The funding enabled the company to grow its customer base, employ more people and increase profitability.

Black Industrialist Youth empowered

- **Nayan and Clint Padayachee**
- **Pallet Direct**
- **Benoni, Gauteng**
- **10 jobs created**
- **The IDC**



Case study: Tissue paper



GQ Tissue Products specialising in facial tissue products.

The company decided to backward integrate the converting operations of the company by establishing a tissue paper mill to make the jumbo rolls it had been importing.

IDC provided funding that allowed the group to make its own tissue paper and IDC funded additional production lines to produce facial and pocket tissues and wet-wipes.

This resulted in growth of its customer base, allowed the client to increase production capacity, and allowed to keep bigger stock holding.

Black Industrialist Youth empowered Woman empowered

- **Abdool Razak Likhana, Ridwaan Lakhana, Yacoob Lakhana, Hawa Lackana, Rashida Abdoola Lakhana**
- **Proximo 101 Investment/ GQ Tissue Paper**
- **Centurion, Gauteng**
- **103 jobs created**
- **IDC loan**

Case study: Tissue paper



Mthembu Tissue Converting, produces toilet paper, serviettes, wipes and hand towels for well-known brands in SA.

Before receiving a grant from **the dtic**'s Black Industrialists Scheme and a loan from the IDC, the company was already producing 400 tonnes of product a month.

Since using the funding to buy new and more efficient machinery, it has tripled its production to 1 300 tonnes a month.

Black Industrialist

- **Mbinkosi Mthembu**
- **Mthembu Tissue Converting**
- **Phoenix Industrial Park, KZN**
- **84 jobs**
- **the dtic Black Industrialist Scheme & IDC loan**

Clothing and textiles

Case study: Cotton

The purpose of the project Bankable Feasibility Study was to investigate the viability of establishing a cotton lint manufacturing plant (Gin) in Mpumalanga, Nkomazi Municipality. NEF approved R7.4 million for the BFS.

The project is in partnership with around 1 190 Black individual members from 21 Primary Co-operatives on 11 000 Ha (63% of the farmers are women). At completion the project will create an estimated 42 permanent jobs at the Gin, with an additional 40 – 100 seasonal jobs. Upstream the Lebombo Co-operative will be able to sustain a further 16 500 permanent jobs at full productivity. In 2019 the NEF approved a further R42.6 million for financial close requirement. The project steering committee is now in the process of raising the remainder of the capital required.

Broad based empowerment

Women Empowerment

- 2019 BFS Completed (Capital Raising on-going)
- Nkomazi Cotton Development Project
- Nkomazi Municipality, Mpumalanga
- 42 jobs
- NEF



Case study: Textile manufacturing



Rise Uniforms, established in 2007, is owned and managed by Ms Ntombekaya Nonxuba. The clothing manufacturing company specialises in a range of clothing items like corporate uniforms, school uniforms, disposable and re-usable surgical masks and gowns.

It's based in Teguka Business Park in Philippi, employing mainly women (mostly single mothers) from the area. Rise Uniforms is listed as a national supplier with Pick n Pay and is part of their Enterprise and Supplier Development Programme. The NEF investment funded machinery, equipment & working capital for the expansion of the business.

Black Woman Industrialist

- Ms Ntombekaya Nonxuba
- Phakamile Industries t/a Rise Uniforms
- Philippi, Western Cape
- 40 new jobs, 23 maintained
- NEF



Case study: Textile manufacturing



Ascolon has been an IDC client for more than 13 years and through the partnership with the IDC has seen the business grow significantly.

The company has used the IDC funding over this period to invest in

new equipment and fund raw materials.

Ascolon has improved its manufacturing capability significantly over the past 7 years through using the dtic's production incentive grant as well as the IDC clothing, textiles, footwear and leather competitiveness scheme.

Black Industrialist

- **Ashraaf and Imraan Bux**
- **Ascolon Trading**
- **Mtwalume, KZN**
- **8 jobs created**
- **IDC**



Case study: Printed textiles



Observing a fundamental shift happening in the European textile industry as a result of digital printing, black industrialist Mr Sudhir Harilall realised there was an opportunity to follow suit in SA which was dependent on textile imports.

With over 30 years' experience in the industry, he decided to start manufacturing textiles locally.

However, manufacturing the product was initially challenging, due to the lack of equipment, raw materials, and skills. Funding from **the dtic** helped the company overcome these hurdles through the acquisition of more equipment and a focus on skills development. The funding enabled the company to compete with imports and start exporting narrow fabrics to European countries.

Black Industrialist

- **Sudhir Harilall**
- **Sycamore Trading CC**
- **Durban, KZN**
- **121 jobs supported**
- **the dtic**



Case study: Clothing



Kala manufactures fast fashion ladies' wear which includes trendy fashion designs that move from the catwalk quickly and are made available to the market to capture current fashion trends.

The business started in October 2015 when Ms Ngaka opened a

retail shop called Kala Curves in Nelson Mandela Square in Sandton and was selling plus size garments.

IDC funding, along with additional private-sector funding, has been used to expand the business in the fashion industry.

Black Woman

- **Chaz Ngaka**
- **Kala Lifestyle**
- **Johannesburg, Gauteng**
- **29 jobs**
- **IDC**



Case study: Clothing



Kingsgate Clothing has contributed to the employment and growth of the clothing sector since 1955, the year it was established.

The company employs 771 people directly and through the use of outsourced cut, make and trim operations, supports the employment of an additional 800 people.

Kingsgate has been a long-term IDC client and recently received additional working capital funding as well as funding to assist it to purchase a generator and software to manage its operations better. This is allowing the company to operate despite load shedding and manage stock across its operations.

Black Industrialist Woman empowerment

- Yusuf Vahed
- Kingsgate Clothing
- Durban, KZN
- 771 jobs supported
- IDC



Case study: Clothing

Luomo Atlantis Group is a black owned and managed investment holding group. One area it operates in is the distribution of branded clothing and footwear products.

It took a business decision to backward-integrate to manufacture trousers, with some of the production aimed at replacing imports from Mauritius, while some products that were manufactured in Ladysmith would gradually be moved to this factory.

The IDC funding was used to expand production and establish trouser manufacturing and 150 jobs were created.

Black Industrialist

- **Akbar Abbas**
- **Luomo Atlantis Manufacturing**
- **Atlantis, Western Cape**
- **150 jobs created**
- **IDC**



Case study: Hotel textiles



Melaire Linens manufactures and supplies bedlinen, table linen, gowns, laundry bags and various other hotel textiles.

Claire Medell started buying fabric and sewing bed linen informally in 1994. Claire and her daughter Melanie registered Melaire Linens in 2000, expanding their business and

increasing their product range to include complementary products such as towels and laundry products. It has landed some large bed and table linen orders from some very prominent hotels, guesthouses, boutique hotels etc. Melaire Linens has been an IDC client since 2011, with additional working capital funding approved in 2018 which was to fund purchase of raw material inputs.

Black Woman Industrialist

- **Melanie Medell**
- **Melaire Linens**
- **Cape Town, Western Cape**
- **IDC**



Case study: Footwear



Footwear Industry Training is a footwear design, technology and innovation enterprise.

The 100% black owned entity is focused on producing diabetic footwear from the development of a new material that is generated from waste.

Through THRIP support, it is conducting research to develop shoes using light, strong and flexible fibres with a pressure sensor. **the dtic** support has enabled 7 postgraduate students to be involved in the project which is on its path towards completion. It aims to commercialise the technology and set up a facility that will manufacture sets of affordable diabetic footwear.

Black Industrialist

- Paul George Newton
- Footwear Industry Training
- Belville, Western Cape
- the dtic THRIP



Case study: Design & textile

SA fashion designer Laduma Ngxokolo owns Shuaz Fashion and Textile which trades as Maxhosa Africa. The company specialises in African pattern design that translates to luxury quality knitwear, employing 31 black South Africans. It supplies local and international markets and has a flagship retail outlet in Mall of Africa, Gauteng.

All products in the Maxhosa range are produced in SA, with a variety of raw materials such as wool, mohair, silk, chiffon, cotton, velvet and beads. The company's raw material is also predominantly sourced from local sources. NEF approved funding of R3 million for acquiring machinery and to fund working capital.

Maxhosa was most recently awarded the 2017 Pride of Africa award at the Africa Fashion Week Barcelona Awards. The company continues to grow from strength to strength and recently opened a second retail location at the V&A Waterfront.

Black Industrialist

- **Laduma Ngxokolo**
- **Maxhosa Africa**
- **Johannesburg, Gauteng**
- **31 jobs**
- **NEF funded**



**Creative industry - film production ,
television shows and software
development**

Case study: Film



Filmmaker Rethabile "Retti" Ramaphakela and her siblings Katleho and Tshepo of Burnt Onion Productions received funding from IDC for the production of 'Seriously Single'.

Seriously Single revolves around the daily life, loves and drama of Andiswa who's the definition of a serial monogamist. She dates to fall in love. She falls in love to get married. But never gets married. She always ends up being dumped. When she meets Lunga Sibiyi, he seems to be the man she's waited her whole life for.

The film was scheduled to be released in theatres in May 2020 but this was postponed due to the Covid-19 pandemic. It is currently streaming on Netflix.



Black Industrialist
Women empowerment
Youth empowerment

- **Rethabile Ramaphakela**
- **Film: Seriously Single**
- **Cape town, W Cape**
- **4 jobs created**
- **IDC loan**

Case study: Film



The IDC provided funding for writer/ director and co-producer Bianca Isaacs for her film “3 Days to Go”. The film which is expected to have wide appeal, is a comedy about an Indian family.

Four siblings return to their childhood home when their father passes away – families in tow. Each wants to sell the family home.

With three days to go until what would have been their parents 45th Wedding Anniversary, the siblings re-examine their shared history and relationships, and reconnect.

Black Industrialist
Women empowerment
Youth empowerment

- **Bianca Isaac**
- **Film: 3 days to go**
- **Durban, KZN**
- **5 jobs created**
- **IDC loan and the dtic**

The logo for the film "3 days to go" features the number "3" in a large, red, cursive font, followed by the words "days to go" in a smaller, white, cursive font.



Accident Films is a company created to house the production of the feature film titled “Accident” which IDC assisted to finance.

Accident is an action crime thriller feature film . The film was produced under the SA-France

co-production treaty with Eddie Mbalo, owning 50% of the company.

The film’s visual effects which was created in Cape Town, assisted to develop the South African visual effects industry.

The film was released in South Africa in December 2017.

Black Industrialist

- **Eddie Mbalo**
- **Film: Accident**
- **Cape town, W Cape**
- **12 jobs created**
- **IDC loan**





Agewise Trading are co-producing “Vagrant Queen”, a sci-fi action television Series, together with the Canadian producer Vagrant Productions. A large amount of the production costs was spent in South Africa. IDC provided funding for the production of the series.

The series started airing on SyFy channel in March 2020.

For The Indian Detective, another show produced by Ms Maila, the IDC funded the South African portion of production costs, creating 18 jobs – the scenes from India were filmed in South Africa. The story involves a police officer from Canada who gets involved in a murder investigation while visiting his father in Mumbai

It was shown on Canadian, German and South African television as well as Netflix.

Black Industrialist Women empowerment

- **Tebogo Maila**
- **TV Series: Vagrant Queen / The Indian Detective**
- **Cape Town, W Cape**
- **156 jobs created**
- **IDC loan**



Case study: Film



Baby Mamas Film is a comedy drama feature film produced and filmed in South Africa. Baby Mamas revolves around the daily lives, loves and drama of four professional women who are all in different stages of their own real-life baby mama drama.

IDC provided funding for the production of the film.

The film was released in 2018 and is currently available for streaming on Netflix.



Black Industrialist
Women empowerment
Youth empowerment

- **Salamina Mosese & Stephina Zwane**
- **Film: Baby Mamas**
- **Ferndale, Gauteng**
- **6 jobs created**
- **IDC loan and the dtic**

Case study: Film



IDC's funding Menzi Thabede produce "Frank & Fearless", which opened on 23 November 2018 in 95 cinemas.

It tells the story of an old man, a young rural boy, a dog and a baby rhino who together try to save rhinos.



Black Industrialist Youth empowerment

- **Menzi Thabede**
- **Film: Frank & Fearless**
- **Johannesburg, Gauteng**
- **9 jobs created**
- **IDC loan**

Mr Thabede draws strongly on South African artists - Khanyi Mbau (Happiness is a Four Letter Word which had received IDC funding), Themba Ntuli (Meerkat Maantuig), Leon Schuster (There's a Zulu on My Stoep, Mr Bones), Kenneth Nkosi (Tsotsi which had received IDC funding), Jennifer Steyn (Goodbye Bafana, Madam and Eve), and David Denis (Soul City).

Case study: Film



IDC funding assisted producer Tsholo Mashile of Free Women Features to produce her film “Farewell Ella Bella”.

The film tells the story of Ella, alcoholic father’s death leaves her with nothing but debt and the bitter memory of a complicated past. Abandoned by her mother at a young age, she has sacrificed her life, opportunities and love to care for the man she resents but is now left adrift in the world after his passing.

The drama was released on 17 August 2018.



Black Industrialist
Women empowerment
Youth empowerment

- **Tsholo Mashile**
- **Film: Farewell Ella Bella**
- **Gauteng**
- **10 jobs created**
- **IDC loan and the dtic**

Case study: TV Shows



Hoplite Entertainment is a local television and film production house owned by Mayenzeke Baza and Pascal Schmitz.

IDC's provided funding for the company to produce four non-scripted series for Fight Channel World Network and Jax

TV Corp. These shows are Slope Slap, You've Been Had - Celebrity Edition, Proof, and Ring of Champions.

The productions of the four slates have been completed and delivered to the broadcaster.

Black Industrialist

- **Mayenzeke Baza**
- **TV Series: Various**
- **Johannesburg, Gauteng**
- **28 jobs created**
- **IDC loan**





Kalahari Orange Productions is producing a film titled Novus.

IDC's funding will be used for the SA portion of the production expenditure of the feature film.

The film is about a character called Robyn Smith, who discovers a formula that reverses the aging process. Her younger self has to deal with the jealousy of society and her best friends, as well as her alienation from her husband who refuses to take the formula. Age is seen as a disease, and a formula called Novus, is the cure!

Black Industrialist

- **Irfaan Fredericks**
- **Film: Novus**
- **Cape Town, W Cape**
- **48 jobs to be created**
- **IDC loan**



Case study: Film

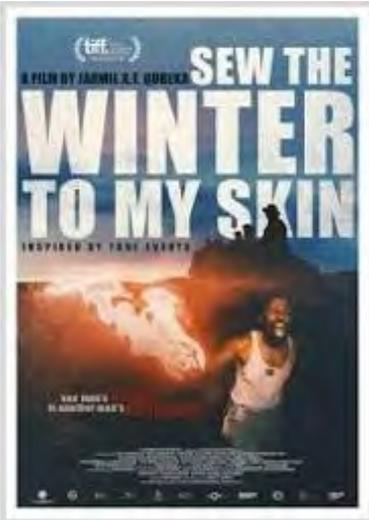


The IDC provided funding for producer Ms Layla Swart and writer/ director Mr Jahmil XT Qubeka to tell the story of John Kepe's arrest and trial when he was convicted

and sentenced to death for murder in Cradock in 1952.

The film has minimal dialogue and the script is mainly in isiXhosa.

The film was released in 2018.



Black Industrialist
Women empowerment
Youth empowerment

- **Layla Swart & Jahmil XT Qubeka**
- **Film: Sew the Winter to My Skin**
- **Johannesburg, Gauteng**
- **10 jobs created**
- **IDC loan and the dtic**

Case study: TV Series



The IDC provided funding for a production company which includes Lwazi Manzi as one of its shareholders to produce the action TV series 'Soldiers of Fortune'.

Soldiers of Fortune is a 10 episode, action adventure TV series. The Series is about a former counterintelligence officer, hired to protect a billionaire and his empire from ruthless rivals, corrupt governments and various crime syndicates.

The series is currently in post-production.

Black Industrialist
Women empowerment
Youth empowerment

- **Lwazi Manzi**
- **TV Series: Soldiers of Fortune**
- **Cape town, W Cape**
- **29 jobs created**
- **IDC loan**



Case study: Film



Black Candy Films, owned by Ms Nomafrica (Noma) Tjatji has received funding from the IDC to produce the film 'Singleholic'.

The film tells the story of a woman that wakes up on the morning of her 35th birthday and decides she wants to settle down and get married. She goes on a series of hilarious dating encounters before realising that the most important thing is for her to be comfortable in her own skin.

The film was shot in Mauritius with a South African crew and has been accepted to be theatrically released in the USA by AMC Network, an American Entertainment Company, under their Independent Film Program.

Black Industrialist
Women empowerment
Youth empowerment

- **Nomafrica Tjatji**
- **Film: Singleholic**
- **Johannesburg, Gauteng**
- **9 jobs created**
- **IDC loan**





Immedia Ecosystem currently engages in three activities: software & app development, hardware sales, and tech support.

Immedia Studio conceptualises, designs, develops and maintains mobile apps for numerous

brands in South Africa with the latest web or cross-platform tools such as Android and IOS.

The IDC provided working capital funding to fund operating costs while the company rolls out Fabrik – their solution for radio broadcasters to build an online radio station.

Black Industrialist

- **Anice Hassim**
- **Umhlanga, KZN**
- **50 jobs created**
- **30 jobs saved**
- **IDC loan**





Dumisani “Dumi” Gumbi studied Economics and Filmmaking in Boston and has a vision to rejuvenate the animation industry in South Africa.

IDC is funding the completion of his film ‘Not Quite Norman’.

When the geeky gawky teen Norman is catapulted into an intergalactic war fought both inside and outside his body, he must find his coordination and courage to fight off the evil Zolthard, who has inhabited the school principal’s brain. Norman must save – not only himself, but also his three closest nerdish friends and of course...planet Earth.

The film is currently in production.

Black Industrialist Youth empowerment

- **Dumi Gumbi**
- **Film: Not Quite Norman**
- **Johannesburg, Gauteng**
- **19 jobs created**
- **IDC loan**

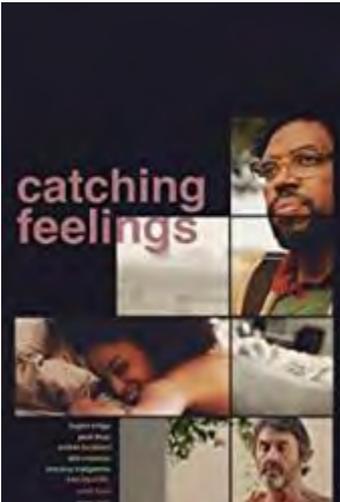


Case study: Film



IDC provided funding for the production of “Catching Feelings”.

The film is a dark romantic comedy which follows an urbane young academic and his beautiful wife, as their lives get turned upside down when a celebrated and hedonistic older writer moves into their Johannesburg home with them.



Black Industrialist Youth empowerment

- **John Samuel Volmink**
- **Film: Catching Feelings**
- **Johannesburg, Gauteng**
- **11 jobs created**
- **IDC loan**

The film was released in 2017 and is currently available on Netflix.

Case study: Film Studio



Anant Singh is recognised as South Africa's pre-eminent film producer, having produced more than 80 films since 1984.

In 2010, the IDC approved funding to assist with the establishment of Cape Town

Film Studios, an internationally acclaimed studio that has hosted many local and international film and TV productions.

In 2015, Videovision Dreamworld, a company in which Mr. Singh holds a significant shareholding, approached IDC for additional funding to expand the studios by adding an additional stage and workshop. This funding was approved allowing for the expansion.

Black Industrialist

- **Anant Singh**
- **Cape Town Film Studios**
- **W Cape**
- **497 jobs created**
- **IDC loan**



Case study: Film



This is a series from the black owned production company DIPRENTE and it has been supported for 3 individual seasons.

Black Industrialists
Women empowerment
Youth empowerment

- **Kagiso Lediga & Isaac Mogajane**
- **Film: Next of Next Week 2**
- **Gauteng**
- **20 jobs created**
- **the dtic**

This production company has also been assisted with accessing the foreign services sub sector, through Foreign Film and TV incentive. They just completed the first original production for NETFLIX in Africa.



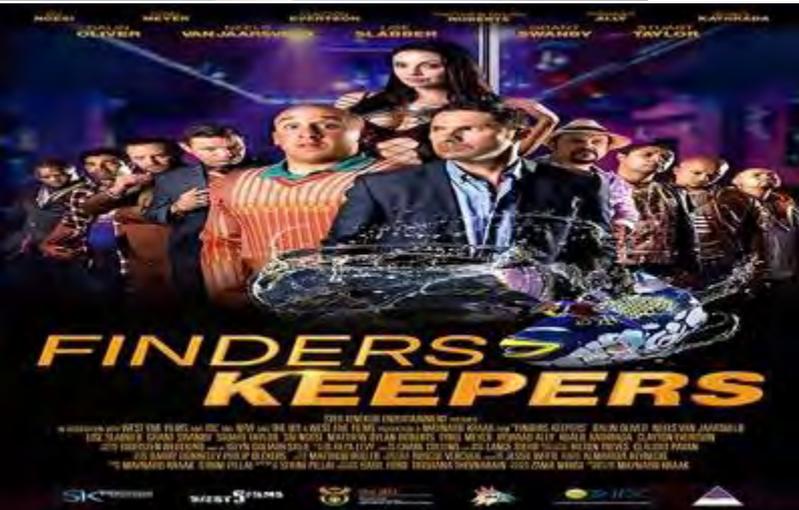
Case study: Film



This is a Feature Film by Director Mr Maynard Kraak. The story about Lonnie and Brian who are on the run from the

Black Industrialist
Women empowerment
Youth empowerment

- **Maynard Kraak**
- **Film: Finders Keepers**
- **Gauteng**
- **jobs created**
- **the dtic**



Russian mob and dangerous Cape Town gangsters. They have a watch and a box containing hidden diamonds and \$30 000 cash, that Lonnie found in the strip club toilets.

Case study: Film



This is a production by Mr Mandla Dube, which is based on Solomon Mahlangu who was tried from the 7th of November 1977 to the 1st of March 1987 for charges associated

Black Industrialist
Women empowerment
Youth empowerment

- **Mandla Dube**
- **Film: KALUSHI**
- **Gauteng**
- **jobs created**
- **the dtic**



with the attacks in Goch Street in June 1977. He was charged with two counts of murder and several charges under terrorism Act. This movie is based on true events.

Case study: Film



This is a production by Jayan Moodley, which was widely screened in local theatres and it managed to be the highest grossing South Africa film for that year at the box office. The film also won two

Black Industrialist
Women empowerment
Youth empowerment

- **Jayan Moodley**
- **Film: Keeping up with the Kandasamys**
- **KZN**
- **the dtic**

awards at the 2018 Simon Sabela awards. The production company is also being assisted with its sequel titled “Kandasamy's- The Wedding”.

Case study: Film



This feature film, directed by Mr Daryne Joshua, is about a young man called Abraham, who gains his status in jail by telling stories and becomes the 'prison cinema', but on his release he is set to hang when implicated

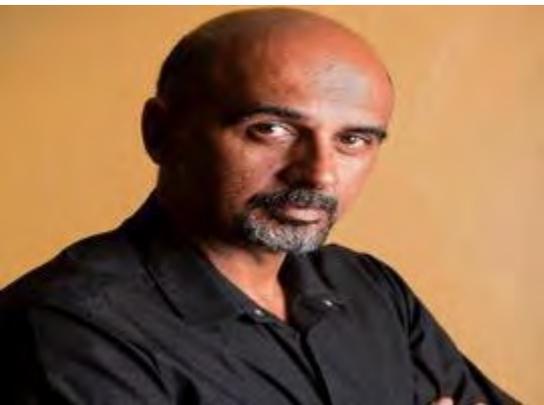


Black Industrialist
Women empowerment
Youth empowerment

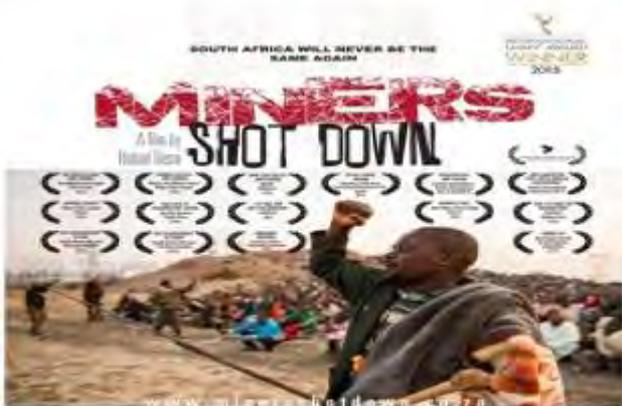
- **Moshidi Motshegwa**
- **Film: Noem my Skollie**
- **W Cape**
- **10 jobs created**
- **the dtic**

for a murder he did not commit. The film is set in the 1960's in Cape Town.

Case study: Film



This is a Feature Film by Mr Rehad Desai. *After Marikana* forms part two of a trilogy that looks at the political fallout that follows the shootings in Marikana, South Africa in 2012.



Black Industrialist
Women empowerment
Youth empowerment

- **Rehad Desai**
- **Film: After Marikana**
- **Gauteng**
- **jobs created**
- **the dtic**

After Marikana will seek to show rather than tell the story through the country's unfolding dramatic events, taking us from the post-Marikana period up to the local government elections in May 2016.

Case study: Film



The feature film from Gambit Films won best Director award at Fantasia International Film Festival

Black Industrialist
Women empowerment
Youth empowerment

- **Nosipho Dumisa**
- **Film: Nommer 37**
- **W Cape**
- **12 jobs created**
- **the dtic**



The production company has received assistance from the department and other government institutions with its other productions such as *Noem My Skolli* and *The Ellen Pakkies Story*.

Case study: Film

Kings of Mulberry is a special purpose vehicle (“SPV”) incorporated for the production of a film called “Kings of Mulberry”. Ladybug Films (Pty) Ltd, is the production company that owns 100% of Kings (100% BEE company) and is committed to striving for a quality South African film industry, one that is representative of the nation, commercially viable and encourages development.

The film follows the story of two 9-year old boys from different social backgrounds who become unlikely friends and save their township from a local gang who terrorises the community. Funding from the NEF and Department of Arts and Culture supported its production.

Black Industrialist

- **Judy Naidoo**
- **Kings of Mulberry**
- **KwaZulu-Natal**
- **351 temporary jobs**
- **NEF funded**



Case study: Film

Luju Film is a special purpose vehicle for the production of the film “My Zulu Wedding” film. The company is a 100% black female owned by Ms Lineo Sekeleane, who has 20 years production experience under her belt, and directed and produced the film.

Production of the film was based in both Gauteng and the KwaZulu Natal Provinces. Through the production of this film, a total of 444 temporary jobs were created. Unskilled and inexperienced employees were trained.

The company focused on procuring from empowered companies.

Black Industrialist

- Lineo Sekeleane
- Luju Film
- KwaZulu-Natal & Gauteng
- 444 temporary jobs
- NEF funded



Case study: Theatre

Committed Artists Theatricals is a private company, focused on the production of the Nelson Mandela Musical.

The production comprises a 2 part stage production, produced by the acclaimed Dr Mbongeni Ngema, working alongside the Nelson Mandela Foundation. The production is 100% black owned and produced, with Dr Ngema holding 100% shareholding.

The project is expected to create a total of 103 employment opportunities, mostly to be occupied by the youth. It is expected to tour South African and the rest of the world.

The NEF approved funding to invest directly into the project to fund pre-production and development costs. Due to the impact of Covid-19 the production was temporarily on hold.

Black Industrialist

- **Mbongeni Ngema**
- **Committed Artists**
- **Theatricals**
- **Gauteng, Eastern Cape & Western Cape**
- **799 jobs created**
- **NEF approved, not yet disbursed**



Mining, metals, machinery & equipment

Case study: Mining



KELE Mining was established in 2007 as a mining consulting company and started performing contract mining in 2014.

The company is owned by husband and wife team Kefilwe and Jomo Khomo.

It was selected to participate in the Kumba Iron Ore's 24 months Supplier Development programme and has also secured another contract.

IDC provided funding for the company to purchase its own equipment allowing it to deliver on a new contract that it had secured.

Black Industrialist Woman empowered

- **Kefilwe and Jomo Khomo**
- **Kele Mining Solutions**
- **Kathu, Northern Cape**
- **62 jobs created**
- **IDC**



Case study: Mining services



Loaded Life Trading was founded by black industrialist Ntombiyakise Pamela Molobi in 2014. It is a 100% black and female owned mining services company intending to establish itself as a reliable and trustworthy

supplier of choice within the contract mining space.

It has been awarded a contract for the provision of yellow plant and 'load and haul' services in a platinum group metals open cast and shallow mine.

IDC is providing funding for the company to purchase dump trucks and an excavator.

Black Industrialist
Woman empowerment
Youth empowerment

- **Ntombikayise Pamela Molobi**
- **Loaded Life Trading**
- **Thabazimbi, Limpopo**
- **15 jobs to be created**
- **the IDC**



Case study: Mining Services



Mohlalefi Engineering designs, manufactures and supplies unique underground mining roof support equipment and related products. These provide support and prevent rock falls within the stratigraphy in mines.



Since its establishment in 2017, the business had achieved sales ca. R10 million. In 2019 the NEF approved R15 million for the business to undertake a pilot study to increase its production while investigating the viability of establishing commercial scale plant. Since that time the business has grown to R22million revenue p.a.

Black Industrialist Youth Empowered

- **Martin Masitise**
- **Mohlalefi Engineering Mining (Pty) Ltd.**
- **Alberton, Gauteng**
- **34 jobs supported**
- **NEF**

Case study: Mining services

Mmutle Mining Projects is a 100% black owned and managed entity established in 2016 by Mr John Mmutle. It provides mining services in the form of material handling, crushing and screening services, mine rehabilitation, drilling and blasting services and plant hire services. Before the NEF funding, the company had one contract. Since receiving funding they have expanded - increasing their scope of work resulting in increased revenues. It has created 133 sustainable jobs, secured 10 additional contracts as well as opened a second office in Rustenburg since they received funding.

Black Industrialist

- John Mmutle
- Mmutle Mining Projects (MMP)
- Middleberg, Mpumalanga
- 133 jobs
- NEF



Case study: Steel products



SA STEEL was established by South African steel producer Rafik Mohamed (previously an Ernst & Young Entrepreneur of the Year), in 2012.

It is 100% Black Owned and is a Level 4 Contributor.

Black Industrialist

- **Rafik Mohamed**
- **SA Steel Mills**
- **Duncanville, Vereeniging**
- **181 jobs**
- **IDC and the dtic**

It produces long products from billet steel supplied by local billet producers.. The expansion project was funded for buildings, machinery and equipment and commercial vehicles. Commissioning of the expansion will take place at the end of the year.

At the time of its last claim in 2018/19, the project reported that it created a 106 new jobs and retained 75 existing jobs.

Case study: Equipment

Smith Capital Equipment is 100% black owned and majority woman-owned.

The company manufactures Aerial Platforms and Drill Rigs and conform to the SABS and ISO 9001 accreditation standards.



Black Industrialist Woman empowered

- **Fortunate Mdanda and Spho Mdanda**
- **Smith Capital Equipment**
- **Germiston, Gauteng**
- **300 jobs**
- **NEF funded**

The company provides solutions based in the utilities, municipality and mining sectors, as well as by providing after sales service. They are the largest supplier of this equipment to SOE's like Eskom, Metros and Municipalities.

The NEF provided acquisition finance for making the company a 100% black majority owned and expansion finance in 2015, and further working capital finance in 2017.



Case study: pipes



D&M Engineering is 100% black owned company that was founded in 1995.

It operates in Sasolburg in the Free State and in Jacobs in KZN/

Black Industrialist

- **Derek East & Mark Solomons**
- **D&M Engineering CC**
- **Sasolburg, Free State**
- **231 jobs supported**
- **the dtic Black Industrialist Scheme**

It has received funding from the dtic for machinery and equipment, and commercial vehicles for its expansion project.

The project, which manufactures steel pipes and steel structures used in the petro-chemical industry has created 78 new jobs and retained 153 baseline jobs since approval of the incentive.

Case study: steel components

Thaleka Manufacturers is 100% black-owned and 60% women-owned manufacturing company which grew from humble beginnings in a garage.

Today, it has a number of departments that specialise in profiling (cutting and bending), machining, welding, fabrication and final finishing (zinc spraying), using locally sourced materials. It manufactures various steel components, from bolts to transformer cases, as well as other products that are used in the rail, mining and vehicle industries.

Using funding from **the dtic**, it imported new machines, which have led to a more than threefold growth in production and it can now compete for larger contracts. It employed 11 people before receiving **the dtic** funding, but now boasts 25 permanent and 20 part-time staff

Black Woman Industrialist

- **Jacqui Sibiya**
- **Thaleka Manufacturers**
- **Johannesburg South, Gauteng**
- **25 permanent jobs**
- **the dtic Black Industrialist Scheme**



Case study: rolling mill



Afro India Rolling Mills (AIRM) is a start-up company in Isipingo, Durban, that will product copper and aluminium scrap to produce copper ingots and alloyed aluminium ingots

This ensures beneficiation of scrap locally instead of scrap being exported in its direct form

AIRM approached IDC to part-fund the project in the form of capex and working capital.

The transaction ensures security of supply of locally-produced raw material inputs to the downstream metal manufacturing industry at appropriate quality and globally competitive prices to stimulate the growth of the downstream metal industry.

Black Woman Industrialist

- **Ms S Sirohi**
- **Afro India Rolling Mills**
- **Durban, KZN**
- **252 jobs to be created**
- **IDC funding**



Case study: Metal trader

Alcu Products is a 100% black owned and managed company that trades in aluminium, copper, bronze and stainless steel. These products are either finished or semi-finished fabricated products that are then sold to end users.

IDC provided funding for the company to set up its own plant to manufacture some of the products that it supplies.

IDC funding was for the purchase of the building for housing the machinery and acquisition and installation of the plant and machinery assets.

Implementation of the project was delayed by the Covid-19 pandemic and is still underway.

Black Industrialist

- **Kevin Pillay**
- **Alcu Products(Pty) Ltd**
- **Boksburg, Gauteng**
- **30 jobs to be created**
- **IDC**



Case study: beneficiation



Thakadu Metals was founded in 2015 by young Black entrepreneur Mr Nametsegang Ruli Diseko who has experience in the mining and metals industry.

Having identified business opportunities

in the growth of raw materials used to make batteries, the company conducted a feasibility study on establishing a purification plant for crude nickel sulphate, a by-product at Lonmin's platinum mining operations.

The study confirmed the feasibility of such a venture and the IDC, having maintained a close partnership with the company, approved funding for the plant. Once completed, the facility will take the crude nickel sulphate by-product and process it to 99.99% pure battery-grade material.

Black Industrialist Youth Empowerment

- **Nametsegang Morulaganyi (Ruli) Diseko**
- **Thakadu Metals Beneficiation**
- **Marikana, North West**
- **165 jobs to be created (including construction)**
- **IDC funding and the dtic**

Case study: Fabrication



Inkwali Fabrication and Maintenance, established in 2005, is a steel manufacturing, installation and maintenance engineering business.

It is co-owned and managed by Mr Themba Zungu, the founder, and Ms S'hawukele Slondile Ncube.

Whereas in the past Inkwali have been outsourcing most of the steel cutting and other fabrication services, the IDC funding will enable them to buy their own machinery to do all the work in-house cost effectively and managing quality.

Black Industrialist
Woman empowerment
Youth empowerment

- **S'hawukele Slondile Ncube; Themba Zungu**
- **Inkwali Fabrication and Maintenance**
- **Modderfontein, Gauteng**
- **44 jobs created**

Case study: Transformers



Baynes Transformer Technology delivers manufactured and refurbished transformers, and provides after-sales service to all its clients.

All BTT's transformers are refurbished and manufactured from start to finish at BTT's premises in Johannesburg.

The company has grown and expanded over the past years and have indicated that **the dtic** Black Industrialist grant has been truly instrumental to the company's growth. In March 2020, the project reported the creation of 32 jobs and retained 11 baseline jobs.

Black Industrialist

- Ernest Baynes
- Baynes Transformer Technology
- Denver, Johannesburg, Gauteng
- 43 jobs supported
- the dtic

Transport, logistics and infrastructure

Case study: Railway sleepers



The IDC provided Mathupha Capital, owned and controlled by black entrepreneur, Monde Africa, with funding to acquire Rail 2 Rail and expand the business.

R2R produces concrete railway sleepers and since establishment, R2R has provided more than a million sleepers to Transnet Freight Rail.

Black Industrialist

- **Monde Africa**
- **Rail to Rail**
- **Kimberley, Northern Cape**
- **IDC**



Case study: Buses



VM Automotive was established in 2012 to manufacture vehicle components locally.

Now, it's one of the largest coil-processing companies in the SA motor industry.

It supplies aluminium and steel blanks

to BMW and Mercedes Benz for their X3 and C-Class models, as well as certain 3-series parts for BMW

In 2018, IDC funding helped the company acquire a blanking facility in Rosslyn. It is currently driving growth and expansion including negotiating new blanking work with other original equipment manufacturers, and the purchase of a new manufacturing facility in Berlin, East London.

Project being implemented

Black Industrialist

- **Lizo Gibson Njenje**
- **VM Automotive**
- **Rosslyn Industrial, Gauteng**
- **98 jobs to be created**
- **IDC**



Case study: Asphalt



For Kate Machaba, the dream of owning and running her own asphalt company came just 24 months after she qualified and started working in the civil engineering space. Along with her business partner and fellow civil engineer, Matshela Maloka, they launched Maloka Machaba Surfacing with funding obtained from the IDC.

Their business manufactures hot mix asphalt, does placement, different surface seals and has an onsite logistics offering. IDC provided funding for plant and equipment.

Black Industrialist
Women empowerment
Youth empowerment

- **Matshela Maloka & Kate Machaba**
- **Maloka Machaba Surfacing**
- **Polokwane, Limpopo**
- **30 jobs created**
- **IDC**

Case study: Transport logistics



Musina Intermodal Terminal is implementing an intermodal transport logistics terminal. The terminal is located in an industrial area that contains existing road-rail link infrastructure and is suited for an inland logistics hub. The infrastructure requires upgrades and

capacity expansion to efficiently handle expected volumes. The first phase comprises the handling of bulk mining commodities, containerised cargo for citrus, grain and steel products, as well as a fuel depot.

The terminal will explore potential value-adding services e.g. cold storage & bulk materials crushing and screening.

The IDC is supporting the company to upgrade the infrastructure and improve local economic growth and efficiency.

Black Industrialist

- **Anand Moodliar**
- **Musina Intermodal Terminal**
- **Musina, Limpopo**
- **72 jobs created**
- **IDC funding**



Case study: logistics



Mixcorp is an emerging logistics company established in 2014 with an intention to provide intermodal logistics solutions.

It is wholly owned by young black industrialists Mr. Mixo Kobe who also owns 70% of Maru Terminals, a company operating a rail terminal loading chrome in Steelpoort, Limpopo.

IDC funding was provided to purchase plant and equipment as well as provide the working capital required to provide a service a major entity under a 5 year contract.

Black Industrialist Youth empowerment

- **Mixo Kobe**
- **Mixcorp**
- **Elandsfontein, Gauteng**
- **78 jobs created**
- **IDC funding**



Energy

Case study: LPG



Wasaa Gasses is a 100% woman-owned Liquid Petroleum Gas (LPG) and petrochemicals distribution company.

The business was established in 2008 with the assistance of the National Empowerment Fund. Ms Qonde has years of experience in the oil and gas and IT sectors.

In 2016, the company approached IDC to fund working capital that was needed to service contracts to supply LPG to new clients.

Black Industrialist

Women empowerment

- **Nokwanele Qonde**
- **Wasaa Gasses, Kya Sand, Gauteng**
- **11 jobs created**
- **IDC funding**



Case study: Energy logistics

Black Industrialist

- **Nona Chili**
- **Makwande Supply and Distribution**
- **Alrode, Gauteng**
- **175 jobs**
- **NEF**



Government has been putting pressure on the oil majors in the liquid fuels sector to transform. NEF has been holding regular meetings with BPSA, Engen and Shell, to support transformation in the sector.

This includes discussing new deal origination for black entrepreneurs. In conjunction with the BPSA Supplier Development Fund, the NEF funded Makwande Supply and Distribution in 2015, a black female owned and managed enterprise, to increase its fleet of 8 trucks by an additional 3 trucks for fuel delivery. The business has since grown its asset base to 58 trucks, has successfully paid off the first NEF loan and has recently acquired its own depot with a second loan from NEF.



Case study: Energy logistics



BP Bridgeview (Pty) Ltd t/a BP Bridge City is a 100% black youth owned entity. The shareholders approached the NEF for R4 970 000 for the start-up of the newly built BP service station in Kwa Mashu Bridge City. Both the operating company and the property company are 100% owned by Mr Wandile Zulu and Mr Siyabonga Hlengwa.

Black Industrialist Youth empowered

- **Siyabonga Hlengwa & Wandile Zulu**
- **BP Bridge City**
- **Kwa-Mashu, KZN**
- **34 new jobs to be created**
- **NEF**

BP built the service station and installed all the necessary equipment. BP Bridge City has a service station, a Pick n Pay convenience store, a Hot Dog Café, a Wild Bean Cafe and an ATM..



Case study:Energy Retail



Kwenta Group CC is a 100% black women owned entity. The entity is 80% owned by Ms. Nawaal Motlekar, 45 year old female, with her two siblings (Ms. T Mdluli and Ms. N Mdluli) both owning 10% each. Ms. Motlekar approached the NEF to acquire the Shell service station on the M2, which is

Black Industrialist

Women Empowerment

- **Nawaal Motlekar, Ms T Mdluli and N Mdluli**
- **Kwenta Group CC**
- **Johannesburg, Gauteng**
- **120 Permanent Jobs**
- **NEF funded**

Located between the Denver and Cleveland off ramps in Denver, Johannesburg. The purchase price for the service station was R16,2m. The service station comprises of a forecourt and three quick service restaurants (QSR) namely, Debonairs, Vida Café, Steers and KFC (KFC not included in acquisition).

The NEF funded R5 million toward the acquisition of the Service Station.

Chemicals and Healthcare

Case study: chemicals



Pooling their savings, & supported by an IDC loan and a grant from **the dtic**, 3 Black Industrialists launched the 100% black owned Kevali Chemicals in 2014

In 2018 it opened a 3 000m² chemical plant in Harrismith's Maluti-A-Phofung special economic zone

It manufactures chemicals with a focus on hygiene and sanitation, water treatment and adhesives and serves a range of markets including beer, wine and alcoholic beverages; water, juices and non-carbonated drinks; dairy; fresh produce; red meat; poultry; fisheries; food processing; paper; petrochemical and refinery; automotive; mining; municipalities; water waste treatment; general manufacturing; power generation; metal and steel; and pharmaceuticals

Black Industrialist

- **Bongumusa Kunene**
- **Kevali Chemicals**
- **Harrismith, KZN**
- **38 jobs supported**
- **IDC loan**
- **the dtic Black Industrialist Scheme**

Case study: Ink



Unistar Inks It is a family owned business and has been in existence for 12 years in Durban.

It is a 100% black owned entity that is 51% female owned.

It manufacturers and supplies specialised water and solvent

based ink used in printing and labelling applications.

Unistar is the only Black owned manufacturing company within this industry and is a level one B-BBEE contributor.

It has been pursuing market and new product development (ultraviolet ink) as this product is currently 100% imported product.

With IDC support for the business, Unistar has successfully started manufacturing and trialed this product at various customer sites.

Black Industrialist
Women empowerment
Youth empowerment

- **Riasha and Dason Pillay**
- **Unistar**
- **Durban, KZN**
- **64 jobs created**
- **IDC funding**



Case study: Cleaning products

Future Chemicals is a start-up company that set up a manufacturing plant to make detergents and cleaning products in Butterworth, Eastern Cape.

It is 49% owned by Mr Silas Ngxotho, who has working experience in the detergents and chemicals manufacturing space, and his daughter Zodidi (51 %) who is earmarked to take the business forward.

The company manufactures dishwasher soaps, disinfectants, bleach, general purpose cleaner, self-shine polish, liquid hand soap and fabric softener.

IDC funding was used to purchase plant and equipment for the start-up company.

Black Industrialist
Woman empowerment
Youth empowerment

- **Silas and Zodidi Ngxotho**
- **Future Chemicals**
- **Butterworth, Eastern Cape**
- **6 jobs created**
- **IDC funding**



Case study: Dust suppressant



Dalisu Holdings was formed as a JV between Dalisu Speciality Products, a 100% black-owned company, and Mpact to produce a dust suppression service to the mining industry. It produces sodium lignosulphonate (SLS), obtained from black liquor as a dust suppressant and has developed and branded this product

It has also developed a methodology to produce Sodium Sulphate from Salt Cake obtained from Mpact's pulping process. The IDC has funded the construction of the high purity 82 tons per day (tpd) Sodium Sulphate plant, which will be used to commercialise this process. The construction of the plant is 90 % complete, with plant commissioning projected to start at the beginning of October 2020. Commercial production will start in December 2020



Black Industrialist

- **Mohlomi Mothobi**
- **Dalisu Holdings**
- **Piet Retief, Mpumalanga**
- **184 jobs created**
- **IDC and the dtic**

Case study: Chemical Products



Hitech Chemicals (Pty) Ltd is one of South Africa's leading manufacturers and distributors specialising in the blending, packaging and distribution of chemical products for a wide range of industries. These products include solvents, detergents, adhesives and a

range of other related products.

Hitech applied for finance from the IDC under the IDC's Black Industrialist MCEP funding scheme. The funding was for a plant and equipment loan to fund labelling and barcoding machines, a compressor, mixing vessels and a blow moulding plant. The business also received a working capital facility.

Black Industrialist Youth empowerment

- **Gopaul Naidoo**
- **Hitech Chemicals**
- **Queensburgh, KwaZulu-Natal**
- **18 jobs created**
- **IDC funding**





The project aim is to address the widespread extent of the AIDS epidemic through prevention (the most effective method of managing the HIV). Gemilatex is a 85% Black owned and 51% Women Owned business that has been awarded the National Transversal allocation for the supply of condoms from 2018 – 2021. The NEF has invest R13 million to date (R6.6million for a Bankable Feasibility Study and R6.3 million working capital).



In 2019 the NEF approved R37 million toward the construction of a condom manufacturing factory in the Eastern Cape.

To date Gemilatex is one of the only entities that is able to meet its tender allocation of 50 million which it aims to increase to 280 million units once the plant is constructed. Once constructed, the investment will lead to the creation of 289 sustainable jobs in a peri- urban location.

Black Industrialist Women empowerment

- **Nompumelelo Mhlontlo**
- **Gemilatex**
- **East London IDZ,
Eastern Cape**
- **289 jobs**
- **NEF**

Case study: Medical kit



The IDC provided funding for a bankable feasibility study for the manufacturing of a kit to collect urine samples. Dr Akhil Desai developed the product.

The IDC funding included medical device trials and registering with regulatory bodies.

As the project is at an early stage of product development, no factory has been built yet and therefore no jobs have been created.

Black Industrialist

- **Akhil Desai**
- **Sensible Health**
- **Woodmead, Gauteng**
- **No jobs created**
- **IDC funding**



Case study: Hospitals



The project's vision was to consolidate the fragmented health care market and develop centres of excellence. The NEF was approached by Dr Diliza Mji to kick-start the project with the commercialisation of 4 hospital licenses for 630 beds, spread over three provinces: Western Cape,

Gauteng and Free State. Further funding was provided to construct these hospitals. All four hospitals are currently operational (Paardevelei, Modderfontein, Harrismith and Bloemfontein), The group also grown through acquisitions (i.e. Gateway and Hillcrest hospitals) to extend its reach to the KZN and Mpumalanga provinces.

Black Industrialist

- **Dr Diliza Mji**
- **BusaMed Health Care Infrastructure Project**
- **National**
- **Ca. 2000 + jobs**
- **NEF**



Plastics

Case study: Pipes



Flowtite SA was formed to acquire Nizen and Fiberpipe, to manufacture glass-fibre reinforced plastic (GRP) pipes. Fiberpipe and Nizen had the sole manufacturing license for SA, from Flowtite Technology AS (Norwegian company) for the branded GRP pipes.



Fiberpipe supplies the pipes to the water boards and municipalities for the distribution of water. The pipes can also be used for sewage. IDC financing funded the acquisition of assets as well as working capital.

Black Industrialist Youth empowered

- **Xola Bomela & Bantu Mselana**
- **Flowtite SA**
- **East London, Eastern Cape**
- **120 jobs**
- **IDC**

Case study: Plastic products

Naeem Food Industry, based in Lenasia, was established in 1982. It has a national footprint with distribution centres located in Johannesburg, Cape Town and Durban.

It has used the Black Industrialist Scheme funding from **the dtic** for machinery and equipment to support contracts to supply plastic cups to South African Airways and plastic containers to supply other companies. At the time of its latest claim in July 2019, the company reported that it had retained 62 jobs and created 5 new jobs.

Black Industrialist Youth empowered

- **Muhammad Ismail**
- **Naeem Food Industry**
- **Lenasia, Gauteng**
- **67 jobs created**
- **the dtic**

Green economy

Case study: Insulated panels



The Insulation Company is a greenfields operation to be established for the production of polyurethane insulated metal and board panels, also known as metal insulated sandwich panels (MISP) and Flexible Faced Boards (FFB) for building and insulation applications.

This project represents the first continuous MISP and FFB production facility in SA.

IDC funding will be used for refurbishing a second-hand plant, acquiring new equipment, as well as conducting market study. The business is owned and managed by Trevor Mashabane who has international partners.

Black Industrialist

- **Trevor Mashabane**
- **The Insulation Company SA**
- **Germiston, Gauteng**
- **31 jobs created**
- **The IDC and the dtic**



Case study: solar geysers



Itakane is a long standing client of the IDC who has been manufacturing Solar Water Geysers under the National Solar Water Heater Program. The company was established in 2007 by entrepreneurs Mr October and Mrs Gertrude.

Its services include manufacturing of low pressure solar geysers, tanks, reservoirs and similar containers of metal. The IDC supported Itakane Trading with working capital, a revolving credit facility and bond. IDC's financial support was also used for manufacturing and funding business expansion in the renewables energy sector.

Black Industrialist Woman empowerment

- **David Charles October**
- **Itakane Trading 138**
- **Elsiesrivier, Western Cape**
- **52 jobs created and 52 jobs saved**
- **IDC**



Case study: Bio Fuels



Salamax will be the first to produce bioethanol from low cost, non-food based, second generation biomass from enzyme technology. It's aim is to produce bioethanol from biomass such as grass and leaves.

Salamax is developing a novel dual-enzyme (MODAZYMETM) as a catalyst for sugar extraction from cellulose in grass or leaves, where the extracted sugar is then chemically broken down to produce ethanol.

The NEF has invested R7million to conduct a bankable feasibility study that will be developed as a pilot plant that will test the efficacy of the proposed ethanol production method at a commercial scale. The pilot plant will be developed in partnership with the CSIR.¹²⁸

Black Industrialist

- Daniel Mogano
- Salamax
- Pretoria, Gauteng
- Feasibility Study
- NEF

Property, construction and building materials

Case study: Bricks



Kopano Brickworks is a clay brick manufacturing company based in Stilfontein.

The company in a joint venture formed in 1999 by Corobrick, and employees and management after

employees convinced Corobrick to sell a part of the company to them rather than closing down the operation which was not performing.

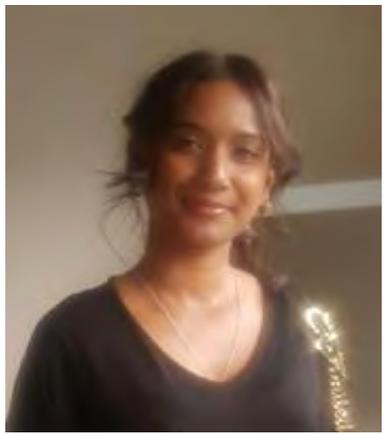
In 2019, IDC provided funding for the business to buy Corobrick's remaining shares in the company and the assets owned by Corobrick used by the business as well as to fund working capital.

Black Industrialist

- **David Matlou**
- **Kopano Brickworks**
- **Stilfontein, North West**
- **102 jobs supported**
- **IDC**



Case study: Stone surfacing



Tynox is a specialist stone fabrication and installation company. It has been fabricating and fitting designed high quality stone surfaces in homes, offices and public spaces all over SA since 2012.

IDC provided funding for expansion, including funding for the company to move to new premises, machinery and working capital.

The funding allowed the company to expand its operations.



Black Industrialist
Woman empowered
Youth empowered

- **Keshnee Pillay**
- **Tynox Stone**
- **Kempton Park, Gauteng**
- **23 jobs created**
- **IDC**

Case study: Bricks & supplies



Punda Maria manufacturers cement bricks, concrete lintels, and concrete pre-cast hollow-core slabs. It was established in 2014 by General Nelwamondo along with his children (2 sons and a daughter).

IDC provided funding for the company to expand its Factory buildings and brick-making capacity and buy equipment to make nails and roof tiles.

Black Industrialist Youth empowered

- **Vulenzani Nelwamondo**
- **Punda Maria Bricks & Suppliers**
- **Thonoyandou, Limpopo**
- **27 jobs created**
- **IDC**

Case study: Stone cladding

Baobab Exclusive African Stone was a start-up company which applied to the IDC for funding in order to buy plant and equipment to beneficiate natural raw stone for use as cladding. All cladding available in South Africa in panel format (i.e. like a tile) was previously imported.



Black Industrialist Woman empowerment

- **Lethabo Makgabo**
- **Baobab Exclusive African Stone**
- **Montanapark, Gauteng**
- **35 jobs created**
- **IDC**

The company is 51% black-owned and 31% women owned.

Case study: Paving & construction blocks

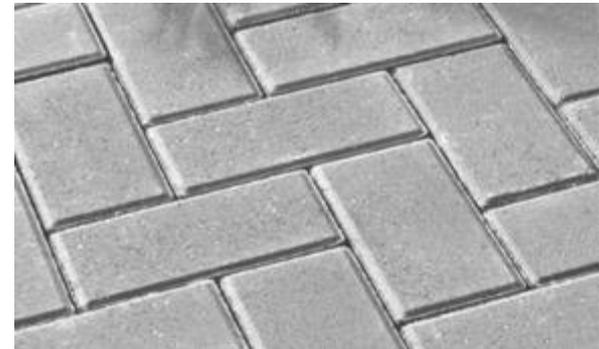
Located in Randfontein west of Johannesburg, Brikcon is a youth-owned start up. It manufactures building and paving bricks – servicing the surrounding industries and hardware stores in the area.

The IDC funded the company to buy brick-making equipment and funded a workers' trust to purchase transport equipment that will provide the business with logistics support.

The company started operating in January 2020.

Black Industrialist Youth empowerment

- **Fabio Montsho**
- **Brikcon SA**
- **Randfontein, Gauteng**
- **9 jobs created**
- **IDC**



Case study: Roof Tiles



ZK Roof Tile Manufacturers is a start-up concrete roof tile manufacturer, registered in 2017 by Zohra Khan, Faheem Khan, Mubeen Khan and Ahmed Khan.

ZK identified a gap in the market to manufacture concrete roof tiles

and ridges to service demand within the Polokwane area.

IDC provided funding for the company to buy machinery needed to manufacture the tiles. Implementation of the project was delayed due to the Covid-19 pandemic. The factory is expected to create 67 jobs once operational.

Black Industrialist Women empowerment

- **Zhora Khan**
- **ZK Roof Tile Manufacturers**
- **Polokwane, Limpopo**
- **67 jobs to be created**
- **IDC**



Case study: Precast concrete



Young black industrialist Mr Paballo Monyepao found significant demand for kerbs around Polokwane and neighbouring areas and this was being met by companies in Gauteng.

He saw this as an opportunity and applied to the IDC for funding to purchase equipment and for working capital, to develop his company.

IDC approved funding for Gabs Precast Concrete to set up a plant in Polokwane to manufacture precast concrete kerb stones. The project was delayed but has started operating.

Black Industrialist Youth empowerment

- **Paballo Monyepao**
- **Gabs Precast Concrete**
- **Polokwane, Limpopo**
- **23 jobs to be created**
- **IDC**



Case study: Telecoms infrastructure



Black Industrialist Woman empowerment

- **Mamokete Ramathe**
- **Gio Construction & Plant Hire**
- **Johannesburg, Gauteng**
- **217 jobs supported**
- **IDC**

A loan from the IDC helped Ms Mamokete Ramathe, a Black Industrialist, acquire “Gio Construction and Plant Hire”, facilitate further funding, and provide her with working capital.

Ms Ramathe’s company lays fiber optics, sets up wireless telcomms infrastructure and hires out plant. This involves planning, civil works, setting up infrastructure, laying the fiber, testing, and activation.

Case study: Social housing

The Instration group is 100% black-owned and controlled. The company is actively engaged in turnkey integrated property development solutions. Devland Gardens was established to develop social housing units in Devland and help meet government's housing target. The project consists of 870 units. The project is currently under construction.

Black property development

- Muvhango Netshitangani, Tebogo Modishane , Lwazi Khumalo, and Samvu Gumede
- Devland Gardens
- Devland (Johannesburg), Gauteng
- 832 jobs (750 construction jobs and 82 operational)
- NEF funded



Case study: Student accommodation

Ordicode, is a 100% black owned and managed business with 80% woman ownership and 20% owned by a student Trust.



The NEF funded Ordicode for a construction of student accommodation building made of 106 units of 2 bedrooms each. Ordicode availed the building to University students by February 2020.

The building is situated in the heart of Braamfontein near the Gautrain station. The design invigorates this prominent area - the ground floor is designed as retail space occupied by Shoprite Usave.

Black Woman Property development

- **Neo Mokhobo and Dawn Mokhobo**
- **Ordicode**
- **Braamfontein, Gauteng**
- **351 jobs (343 construction jobs and 8 operational)**
- **NEF funded**



Case study: Construction & Civils



Pic: The late Dr Thandi Ndlovu

The late Dr Thandi Ndlovu established Motheo in 1997 focusing primarily in general building, civil engineering and rail infrastructure.

The NEF initially funded Motheo in 2012 and then again in 2014. At that time Motheo was a black women owned and controlled construction company.

Motheo has grown significantly over the years and has undertaken a number of key projects. NEF funding supported the retention of 1 884 jobs which are spread across SA. The NEF funding was used for working capital and expansion of the business. The NEF successfully exited Motheo investment with all funding facilities fully repaid in late 2019.

Black construction firm Women Empowerment

- Dr Thandi Ndlovu
- Motheo Construction Group
- Gauteng
- 1 884 jobs
- NEF



Case study: Student accommodation

MapChief was established in 2015 by Mr Thabo Mongoato and Ms Ephy Motlhamme. It is 100% black owned and 50% black-female owned.



NEF approved funding for MapChief for the construction of a 77-units student property in Pretoria West. The property comprises 5 storeys and basement parking. The property currently is under construction, once completed it will house over 308 University students.

Black property development

- Thabo Mongoato and Ephy Motlhamme
- MapChief
- Pretoria West, Gauteng
- 128 jobs (120 construction jobs and 8 operational)
- NEF funded



Case study: Retail

NEF originally provided funding for a Black retailer to buy the business. This is not part of the black industrialist programme.

The business is in retail, selling fresh vegetables, fruits, meat, grocery and fresh flowers. It operates on a floor space of around 2200 sqm in a property owned by the NEF.

Goseame was then majority owned by black owners including management and staff.

However, following a number of defaults, the NEF took over ownership and management of the business and has maintained the jobs.

Black retailer

- NEF took over after the BEE sponsor defaulted
- Goseame
- Polokwane, Limpopo
- 260 jobs
- NEF



Case study: Student accommodation

Tshellaine is a 100% black youth owned and 50% black- woman owned business that was founded by Tshepo Lekgau and Elaine Phasha. Tshellaine currently rents out off-campus accommodation to 128 UJ students on a leased property.

They approached the NEF and GPF for funding to purchase a site and construct a 66-unit student building. The development is expected to house 264 students. Construction of a new building is currently under construction.

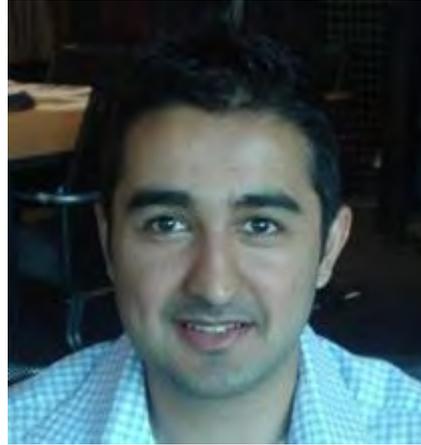
Black property ownership Youth empowered

- Tshepo Lekgau and Elaine Phasha
- Tshellaine Holdings
- Soweto, Gauteng
- 255 jobs (245 construction jobs and 10 operational)
- NEF funded



Case study: Social housing

NEF approved funding for YG Property the development of Social Housing units. The development includes 3 buildings (1 four storey, 1 five storey and 1 seven storey) in Kempton Park Central.



Young Black property dev

- Yusuf Gani
- YG Property Investment
- Kempton Park, Gauteng
- 322 jobs (310 jobs are construction and 12 are operational)
- NEF funded

The SHRA (Social Housing Regulatory Authority) also provided grant funding. The funding was for the development of 312 social housing units to be rented out. Currently construction is underway.



Tourism

Case study: Graskop Gorge Lift

The **Graskop Gorge Lift (GGLC)** is a unique offering in the Mpumalanga tourism belt. The business first approached the NEF for development funding to invest in first of its kind tourism experience in Mpumalanga

Through a Private Public Partnership, the GGLC was awarded the opportunity to establish lift infrastructure in the Graskop Gorge. The lift experience is a breath-taking 360 degree view of the gorge that descends 60m to the floor of the Gorge where tourists can enjoy guided tours of the biodiversity.

The NEF has invest R38.4million to establish the Lift infrastructure and working capital.

The Gorge was opened in December 2018 and has exceeded all expectation with tourist visitor numbers exceeding projections.

Tourism

- **51% Black-owned**
- **Graskop Gorge Lift Co.**
- **Graskop, Mpumalanga**
- **44 jobs**
- **NEF**



Case study: Accommodation

The project is developing a 5-star lodge overlooking the Sabi River.

It borders the Kruger National Park, only minutes from the Kruger Gate entrance.

The lodge has 18 luxury units, all equipped with private plunge pools.

The community benefits through a 10% profit share. The lodge was set to open in March 2020 but was delayed due to the Lockdown.

NEF Funding was used for the working capital furniture and fittings.

Tourism

- **Owned by 5 black entrepreneurs**
- **Leopard Sands**
- **Kruger National Park, Mpumalanga**
- **44 jobs**
- **NEF**



Case study: Accommodation

Amazin Hotel is a 3 star Park Inn in Polokwane, Limpopo. The NEF and IDC had provided funding for its development. The Hotel is located next to a golf course



and the Peter Mokaba stadium.

BBBEE ownership is 83% (including the NEF equity). Black woman shareholding is 30%.

Operations started in February 2017, currently with the impact of Covid-19 occupancies have been lower. Lately with level 2 of Covid-19 lockdown restrictions the hospitality sector will start operating and start building occupancies.



Tourism

- **Mofasi Lekota**
- **Amazin Hotel**
- **Polokwane, Limpopo**
- **508 jobs (83 operations & 425 construction)**
- **NEF**

Case study: Accommodation

The proposed 20 room lodge, in the Magaliesburg, is owned by Sibongile Luthuli and Ricardo Luthuli.

It will offer accommodation, conferencing, food & beverages, a curio shop and a spa. These will be supplemented by activities such as hiking, quad biking, bird watching, adventure cycling and fishing.

NEF's participation will unlock a woman-led lodge in the tourism attracting rural town of Magaliesburg.

The project will initially create 11 jobs.

Expected date of opening October 2020

Funding was used for the construction of the lodge

Tourism

Women empowered

- **Sibongile Luthuli and Richard Luthuli**
- **Golden Valley Lodge**
- **Magaliesberg, Gauteng**
- **11 jobs**
- **NEF**



Case study: Accommodation

Miami Lodge is an existing lodge that offers accommodation in Polokwane. The Lodge is 100% black owned and managed, with a total of 53 rooms with tea and coffee making facilities, sleeping 108 guests sharing. The Lodge has a dining area/ restaurant offering a la carte menu, a bar, 3 conference rooms that accommodate a total of 700 delegates and offers dry cleaning/ laundry services. The Promoter made an application to the NEF of R6.2 million for the renovation and expansion of the lodge. The promoters' contribution into the transaction is existing land and buildings with a carrying value of R14m as security.

Tourism

- **David Mogale**
- **Miami Lodge**
- **Polokwane, Limpopo**
- **11 jobs**
- **NEF**



Case study: Hotel and Spa



2Ten Hotel is a 4-star, black-owned hotel located on the hill top of the Sibasa Town, with a scenic view of Thohoyandou.

The IDC provided funding for the expansion of the hotel to increase its capacity from 34 to 99 rooms to address the mismatch between the large conferencing facilities and the small number of hotel rooms, which resulted in potential over-night guests being turned away.

The expansion also included a roof-top Al fresco restaurant and a gym.

Tourism Youth empowerment

- **Livhuwani and Shudufhadza Magwebeni**
- **2Ten Hotel**
- **Sibasa, Limpopo**
- **76 jobs created**
- **IDC**



Case study: Guest house



Meloding Guest House operates as a four-star guest house in the Bela Bela local municipal area of the Waterberg District in Limpopo.

IDC provided funding for the guest house to expand by purchasing an adjacent residential property and converting and refurbishing the existing house into 10 accommodation units and a conference facility.

Tourism

- **Matholre Tsakane Pila**
- **Meloding Guest House**
- **Bela Bela, Limpopo**
- **9 jobs created**
- **IDC**



Case study: hotels



Nisabase Ebuhlanthi SPV acquired Premier Lodge South Africa with the assistance of the IDC.

Premier lodge is an established and leading Hotel Group with Hotels across SA. It owns four

Hotels: The Mecure Midrand Hotel; The Mecure Nelspruit Hotel; The Mecure Bedfordview Hotel and Mecure Randburg Hotel.

Ebuhlanthi is a wholly-owned subsidiary of Batsomi Investment Holdings which was founded by Mr. Jacob Modise.

Tourism

- **Jacob Modise**
- **Nisabase Ebuhlanthi SPV**
- **Randburg, Gauteng**
- **Jobs: 2 created**
- **IDC**



Case study: Hotel



The Houghton Hotel is a 61-room boutique Houghton Hotel and part of The Leading Hotels of the World brand.

The IDC approved funding for the company to buy a newly-built hotel building to operate the hotel from.

The company is majority owned by Mr. Malwandla Siweya. The funding enabled transformation in the tourism sector.

Tourism

- **Malwandla Solly Siweya**
- **The Houghton Hotel**
- **Houghton Estate, Gauteng**
- **462 jobs created**
- **IDC**

Digital technologies

Case study: Traffic management

David Jiyana founded and owns Procurex Advisory. The company is a specialist supplier of Traffic Management Systems software and hardware. Its products include traffic contravention management system; speed cameras, city centre surveillance, biometric access control to name a few, and it supplies government and corporate clients. Procurex approached the NEF for working capital to execute 2 contracts.

The NEF funding helped ensure that the company could execute the contracts awarded by the Department of Health and Steve Tshwete Municipality and employ an extra 20 people on a temporary basis. Procurex outsourced some of the installations to the value of R2m to SMME's who benefited. The business' experience and successful track record bodes well for future growth.

Black Industrialist

- David Jiyana
- Procurex Advisory
- Midrand, Gauteng
- 41 jobs
- NEF



Case study: Information management

The NEF wants to actively drive the participation of black companies in the 4th Industrial Revolution. Rikatec is 61% black youth-owned and managed. NEF owns 10%.

The NEF provided funding for working capital and expansion.

Rikatec focuses on information management systems for vehicles, and uses big data and machine learning to detect vehicle breakdowns, predictive maintenance, vehicle wear and tear, vehicle resale value, driver profiling and driver ratings. The company has created 10 jobs and anticipates growing employment.



Black Industrialist Youth empowered

- Rivoningo Mhlari
- Rikatec
- Rivonia, Gauteng
- 10 jobs
- NEF



Case study: Mobile app



Black entrepreneur Mbavhalelo Mabogo established Quickloc8 in 2015. He identified a gap in the market for a smartphone tracking platform for vehicle tracking, monitoring and telematics

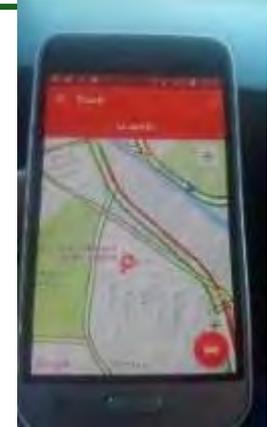
for the lower end of the market. Current tracking technology available in South Africa is mostly too expensive and not within reach of smaller businesses.

The applicant positioned itself to offer high end tracking capabilities at a considerably lower cost to users (individuals and businesses).

NEF funding of the business assisted with business working capital, and acquiring working assets and stock. The funding maintained 2 permanent jobs and created an additional 21 new jobs .

Tracking systems

- Mbavhalelo Mabogo
- Quickloc8
- Cape Town, Western Cape
- 21 new jobs (23 total jobs)
- NEF



Competition - merger agreements

The Competition Act requires that black economic empowerment criteria be used to assess the public interest impact of mergers and acquisitions. A number of competition settlement agreements have been reached which establishes dedicated funds to promote local supplier development. Some agreements specifically commits a firm to maintain or expand its local procurement, including from SMEs.

The first such Fund arose from a dispute between Government and Walmart, leading to the Competition Appeal Court determining that a R200 million Fund be set up to support smaller suppliers, mainly for black South Africans. Subsequently similar Funds were agreed with firms such as Coca-Cola, AB InBev, Old Mutual and Pepsico.

The examples that follow highlight a few case studies arising from competition settlement agreements.

Walmart competition conditions: Glue and Adhesives firm

Xchem Chemicals

Ms Chris Angela Pitsi, started Xchem Chemicals in 2007. In 2012 the company joined the Massmart Supplier Development Programme and received grant funding from the Supplier Development Fund. With the assistance of funding:

- The company moved to a new and larger factory in Centurion, Pretoria.



Xchem Chemicals was able to improve its efficiencies with the assistance of process engineers funded by the program

Ms Pitsi has:

- Been producing the No Nonsense private/in-house label range for Builders Warehouse
- Recently developed her own brand - Forte Seal, and production of it is expected to start shortly.

100% Black Woman Owned

- **Chris Angela Pitsi**
- **Xchem Chemicals**
- **Glue and adhesives manufacturer**
- **Centurion, Gauteng**
- **Massmart Grant Funding**
- **11 jobs created**



Owner: Chris A Pitsi

Walmart competition conditions: Chef-wear and masks firm

Reapso

Ms Mahlatsi Mashile started her company in 2012, manufacturing chef-wear

She joined the Supplier Development Programme in 2014 and expanded production to replace imported products.

She used grants from the Supplier Development Fund to buy additional machinery and improve factory efficiencies.

With the on-set of the Covid-19 pandemic she started manufacturing masks – retaining staff and ensuring they had an income



With funding support from the Supplier Development Program, she was able to purchase raw materials and has supplied the Massmart group with 90 000 masks to date.

100% Black woman owned

- **Mahlatsi Mashile**
- **Reapso**
- **Product: Chef wear and Masks**
- **Supplier Development Fund**
- **Selby, Gauteng**
- **33 jobs created**



Owner: Mahlatsi Mashile

Walmart competition conditions: Door manufacturing firm

Lokuhle Trading

Zanele Ntsibande is a business owner who started supplying Builders Warehouse in 2015 with hollow core internal doors. She received both grant and interest-free loan funding from the Massmart Supplier Development Program. The assistance was used to build more production capacity, buy machines that could make custom made products, and ensure product compliance standards are met.



Lokuhle Trading:

- Exports product to other countries in Africa
- Supplies Builders Warehouse stores in Gauteng

100% Black woman owned

- **Zanele Ntsibande**
- **Lokuhle Trading**
- **Product: Hollow core doors**
- **Springs, Gauteng**
- **Grant and Interest Free Loans from Supplier Development Fund**
- **7 jobs sustained and 8 Jobs created.**



Owner: Zanele Ntsibande

Walmart competition conditions: Chafing fuel

Liquifire

Mr William Haywood's company is an import substitution project that manufactures chafing fuel, used for heating food. With funding from the Supplier Development Programme & an R&D grant from Massmart he was able to:

- Develop his product & ensure it meets SABS standards
- Purchase additional machinery, and improve factory efficiency with the help of process engineers



He supplies Makro's private/in-house label Bakers & Chef range Listed as a supplier in Builders Warehouse with his Redcap Gel brand

100% Black owned

- **William Haywood**
- **Liquifire**
- **Product: Chafing Fuel**
- **Silverton, Pretoria, Gauteng**
- **Massmart Grants and Loans**
- **3 jobs created**



Owner: William Haywood

Walmart competition conditions: Paint manufacturing

Kurhula Paint

Mr Harry Montjane is a business owner and paint manufacturer.

In 2012 he started supplying one Builders Warehouse

In 2018 he grew his business to become national supplier of all Builders Warehouse stores.

Grant funding and an interest-free loan from the Massmart Supplier Development Program helped in the expansion undertaken.

Kurhula Paint has recently been identified as a new private/in-house label supplier and is in the process of developing and listing as a supplier.



Massmart Supplier Development

- **Harry Montjane**
- **Kurhula Paint**
- **Product: Paint**
- **Alberton, Gauteng**
- **Grant and Interest Free Loans**
- **7 jobs created**



Owner: Harry Montjane

Walmart competition conditions: Plastic Goods manufacturing

Ikusasa Green

Mr Tami Gxowa is a owner and director of Ikusasa Green a business with 70% black ownership.

In 2014 Ikusasa Green started supplying Massmart private label products including the camp master cooler boxes.

Grant funding and an interest free loan from the Supplier Development Program was used to buy capital equipment. Ikusasa Green has gone from producing 1 product for Massmart to producing their entire Camp Master cooler range.



Their products have also been exported into other Massmart stores in Africa.

With Covid-19, Ikusasa Green produced a hosing component for the ventilators designed and made in SA

Massmart Supplier Development

- **Tami Gxowa**
- **Ikusasa Green**
- **Product: Cooler boxes, Utility boxes**
- **Dimbaza, Eastern Cape**
- **Grant and Interest Free Loans**
- **55 jobs created**



Owner: Thami Gxonwa

Walmart competition conditions: Flat Pack Furniture manufacturing

Emerald Furniture

Mr Sanil Rampersad is the owner and director of Emerald Furniture.

They started supplying Makro in 2016 with office furniture.

They bought equipment, using grant funding from the Massmart Supplier Development Program .



Owner: Sunil Rampersad

The company's investment and improved efficiencies have enabled it to compete successfully against imports, replacing imported furniture

Massmart Supplier Development

- **Sanil Rampersad**
- **Emerald Furniture**
- **Product: Flat Pack Furniture**
- **Verulam, Kwazulu-Natal**
- **Grant funding**
- **25 jobs created**



Walmart competition conditions: Firewood manufacturing

Mafube Firewood

Abel Khubeka is the owner and director of Mafube Firewood a 51% black owned business.

They started supplying Makro in 2018 with firewood. They have received grant funding from the Massmart Supplier Development Program.

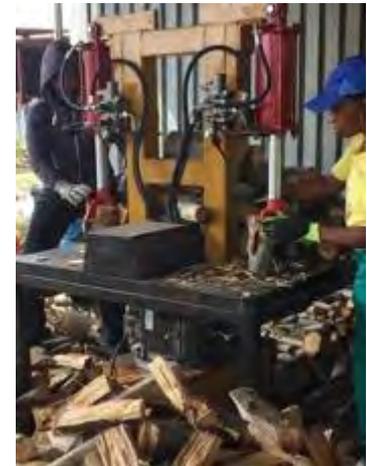


Owner: Abel Khubeka

This supplier introduction came through the Working for Water a Public Works program – Economic Development Department introduced Massmart to the Working for Water Programme. Working for Water then recommended Abel as a supplier to Massmart.

Massmart Supplier Development

- **Abel Khubeka**
- **Mafube Firewood**
- **Product: Firewood**
- **Villiers, Free State**
- **Grant funding**
- **21 jobs created**



Coca-Cola competition conditions: Sugarcane farmers

M Bisunder

Managed by majority shareholder's – M Bisunder - sons

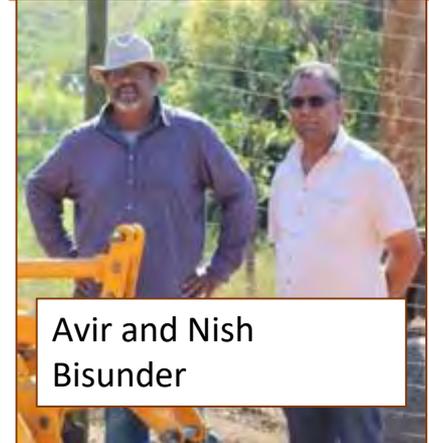
Farm had been struggling after drought in 2015/16 which had decimated their production. The Coca-Cola competition Fund assisted to enable the firm to:

- Purchase 2 sugarcane haulers – contracted to transport sugarcane for surrounding small-scale growers to the mill.
- Reduce its transport costs.
- Purchase equipment to expand farming operations & maintain ratoons (new sprouts/ shoots from the crop).



M Bisunder

- Avir and Nish Bisunder
- 100% Black owned family farmers
- Product: Sugarcane
- Grant and loan
- 15 permanent & 35 casual jobs



Avir and Nish
Bisunder

Coca Cola competition conditions: Fruit farm

Stargrow-Klipfontein

Produces apples & pears mainly for export.

Funding helped:

- To prepare land and plant trees, establishing 15ha of orchards
- To buy and establish irrigation systems, a pump house, a poison store, a spray pump and a tractor
- Export to various Africa countries Middle East and the European Union



CCBSA merger agreement

- **58.2% Black-owned**
- **Stargrow-Klipfontein**
- **Product: Apples & pears**
- **Vyeboom area, Western Cape**
- **Grant and loan funding**
- **12 Permanent Employees**
- **30 to 50 Seasonal workers**



CEO: Derich Priga

Coca Cola competition conditions: Grain farm

The Fund injected R24m as equity, into Rocky Park Farming Group.

With this assistance Sinelizwe Fakada was able to:

- Invest R11.2m in heavy duty equipment
- Develop 750ha
- Create employment for 23 people
- Crop production on dry land.



MD: Sinelizwe Fakada

Rocky Park Farming Group

- Rocky Park Farming Group established in September 2019
- Product: Maize, Sorghum, Millet, Soybean
- Ugie, Eastern Cape
- Share equity
- 7 permanent & 16 casual employees

Members of Rocky Park Farming Group

- Sinelizwi Fakade (Owner)
- Anovuyo Fakade (Operations manager)
- Lindelwa Mbande (Admin)

Coca Cola competition conditions: - Citrus farm

The farm produces citrus.

Loan from the Coca-Cola Fund was used to:

- Plant 52ha of Valencia-type oranges under irrigation
- Grow citrus output by 25% over the next 5 years as the trees grow
- Upgrade Eskom power supply and irrigation which will streamline irrigation schedules, saving water & electricity

Expansion programme led to farm employing an additional :

- 31 Permanent employees
- 21 Seasonal workers.



Thulwane

- **100% Black Owned**
- **Thulwane**
- **Product: Citrus**
- **KwaZulu Natal**
- **Grant and loan funding**
- **Permanent Employees 81**
- **Seasonal Workers 40**



Owner: Mzo Makhanya

Coca Cola competition conditions: Agro-Processing

Nirmala started in 2016 as a small operation selling homemade cold pressed juice to a few customers.

Demand for the product grew and the company had to increase its production capacity.

With funding from Coca-Cola's Mintirho Fund, Nirmala Juice was able to:

- Move into a small factory and acquire equipment
- Set up stalls in malls
- Secure shelf space in major retailers (Spar Group).

Challenges addressed:

- First factory it moved to was too large, so it moved to a smaller factory. Staff was also reduced as **operational expenses was too high**. The move required a 2nd factory to be certified again, which come with costs not budgeted for.
- Closed down 2 kiosks as they were no longer profitable.



Nirmala Juice

- **100% Female Owned**
- **Nirmala Juice**
- **Product: Cold pressed fruit juice**
- **Pretoria**
- **Grant and loan funding**
- **Five employees**



Owner: Motshabi Hlatshaneni

Mondi competition conditions: Forestry harvesting

Siyawisa Hlathi

Mr Zulu started Siyawisa Hlathi (“we fell timber”) in 2005
It started as a manual operation using chainsaws for felling and manual labour for debarking and stacking
It has grown substantially since its early days and is now a mechanised harvesting business, including short-haul & loading operations in the forestry value chain

The loan:

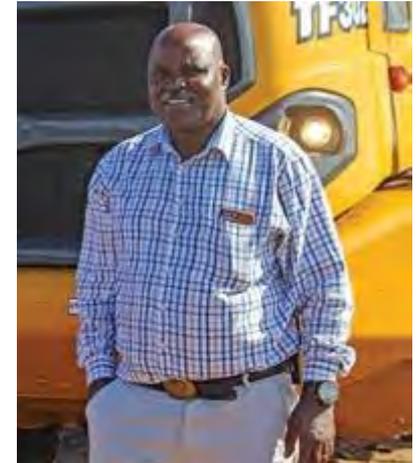
- Was used to buy forestry equipment
- Helped secure a 5-year contract.

Level 1 BBBEE contributor



100% Black owned

- **Joseph Zulu**
- **Siyawisa Hlathi**
- **Forestry harvesting services**
- **Richards Bay, KZN**
- **Mondi Zimele Discounted Loan**
- **32 jobs created**



Mondi competition conditions: Forestry Silviculture

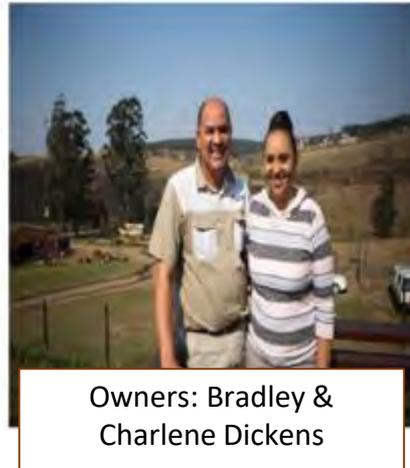
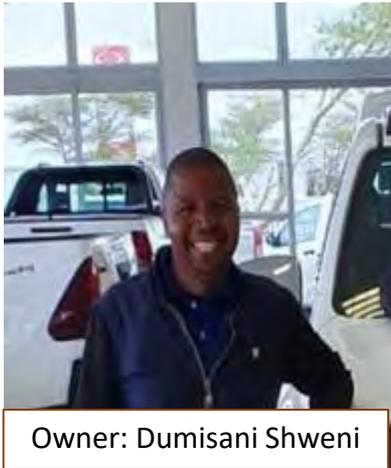
New Forestry Solutions: 100% black-owned and managed contracting business focused on Silviculture and Fire protection.

The Business Owners benefitted from Mondi Zimele's supplier development programme and received a discounted loan to start their business. The loan was utilised towards purchasing two LDV's, four labour carriers, two tractors and two trailers.

The forestry value chain comprises of

- **Nurseries** – the planting of seedlings,
- **Silviculture** – focuses on the planting of seedlings and maintenance of trees and
- **Plantations, harvesting and transportation** – which focuses on felling of mature trees to be transported to our Mills for production

These assets allow the business to carry the following operations; land preparation, pitting, planting, pest control and fertilizing, commercial weeding, coppice reduction, pruning, environmental control and fire protection activities.



Black Industrialist

- **Charlene Dickens, Bradley Dickens, Michael Shezi & Dumisani Shweni**
- **New Forestry Solutions**
- **Silviculture and Fire Protection services**
- **Ixopo/Creighton, Kwa-Zulu Natal**
- **Mondi Zimele start-up loan, discounted loan**
- **167 jobs created**



AB InBev competition conditions: Glass packaging

- The glass container market in SA, consisted of Consol (~75%) and Nampak (~25%)
- In implementing the merger conditions, SAB & 2 Black Industrialists bought Nampak Glass, investing R1.5bn, to form Isanti Glass
- 1st majority Black-owned industrial glass manufacturer in SA and produces 30% of glass containers in SA
- >60% Black owned;
- 30% Black women owned and 5 % employee ownership
- Long term off-take agreement with SAB, as well as a Technical Support Agreement.



Isanti Glass

Majority black owned

- **Shakes Matiwaza and Deon Dhlomo**
- **Isanti Glass**
- **Product: Glass packaging**
- **Roodekop, Gauteng**
- **690 jobs supported**



Owner: Shakes Matiwaza



Owner: Deon Dhlomo

Old Mutual competition conditions: Photography venture

Distilled Photography

Mr Siyabonga Gcenzengana, a young black entrepreneur, started the company in 2016.

It services corporate clients in the Sandton area, but has expanded into private functions (e.g. weddings).

Old Mutual's loan:

- Was used to buy photography equipment. This saved the company expenses as it had previously been hiring equipment which was costly and eroded profits.
- Helped Mr Gcenzengana further develop his skills as well as that of an employee he is mentoring, as he has more time using his own equipment, and there are no limitations placed on the use of the equipment

100% Black youth

- **Siyabonga Gcenzengana**
- **Distilled Photography**
- **Service: Photography**
- **Morningside, Johannesburg**
- **Old Mutual**
- **Loan funding: R 252,665**
- **Created 3 permanent jobs & 2 freelancer jobs**



Owner: Siyabonga Gcenzengana

Old Mutual competition conditions: Financial services

AdviceCube

- Business Advisory Services – tax accounting, BEE Consulting etc.
 - An independent Level-1 BEE Insurance Brokerage firm,
 - Established in 2018 through Seed funding from the Old Mutual Supplier Development Fund
- Leverages Old Mutual partnership to access market.
- Turnover has grown from R2 million to just under R7 million per year and projected to grow R8-R9 million per year
- Absorbs learners from SITA programmes, in collaboration with Old Mutual Skills Programme

100% Black-Owned

- **Veenal Singh**
- **AdviceCube**
- **Business Advisory Services**
- **Bryanston**
- **Seed funding: 6,031,210**
- **Created 26 permanent jobs**



Owner: Veenal Singh

Old Mutual competition conditions: Financial services

SM TAX

The company started in 2013 by two friends from varsity (UCT) while doing a master's degrees in Accountancy and Actuarial Science - Mr. Bichule Sibica (45% ownership) and Ms Sivenathi Nontshiza (55% shareholder)

They started the business with just 8 employees providing digital tax and accounting services, business start-up services and business support

Services include bookkeeping, payroll administration, financial reporting, pre-investment support, SARS registration & compliance, name registration, tax returns, financial advice & estate planning

Its vision is to grow the economy through improving financial inclusion and using technology for a larger impact

After the Old Mutual Loan, 40 jobs were created. However, today due to the COVID 19 impact they are down to 24 full time employees.

**100% Black and youth,
55% woman owned**

- **Buchule Sibaca & Sivenathi Nontshiza**
- **SM TAX**
- **Service: Intermediary services**
- **Cape Town**
- **Old Mutual loan: R 2,113,116**
- **Jobs: 40**



Owners: Buchule Sibaca & Sivenathi Nontshiza

Old Mutual competition conditions: Mianzo Investment Holdings

Mianzo Investment

- Luvo Tyandela is the founding member, Managing Director as well as a Portfolio Manager at Mianzo Asset Management group.
- Intermediary Service Business Advisory:
 - Old Mutual refers clients, and he packages Asset Management solutions for them
- Old Mutual invested R51m in Mianzo Asset Managers through its black owned private equity firm called Kegeni Venture Capital.
 - Mianzo Investments in turn disburse the funds through Kigeni Ventures.
 - Kigeni funds in 35 Degrees – Green Solar Energy.
 - 35 Degrees has a 20 year agreement with Old Mutual to provide Old Mutual Buildings with green energy.

100% Black-Owned

- **Luvo Tyandela**
- **Services: Asset Management**
- **Location: Cape Town**
- **Jobs Created – 35 (in 35 Degree start-up)**
- **2 Jobs in Kegeni Fund management**



Owner: Luvo Tyandela

Some conclusions and observations

Some conclusions and observations

- The presentation provides a snapshot of work being done within the Department and its entities to show the kind of economic activities that are promoted and encouraged through the broad-based black economic empowerment programs
- Public investment through these programs are in many cases well-directed and purposeful. They are contributing to ensuring a more diversified ownership profile in the economy, greater numbers of black industrialists and a deeper base of entrepreneurship being created. Yet there are also examples of enrichment schemes that do not contribute to real transformation.
- The transformation agenda must include equitable provincial spread so that development is a reality across the country – this may require dedicated resources to the IDC/NEF to promote this
- Township and rural enterprises and small enterprise development – though falling principally in the scope of the Department of Small Business Development – must also be promoted through transformation policies. This will open the economy to many more South Africans.

Some conclusions and observations

GROWING FOCUS ON WORKER EMPOWERMENT

While the presentation focuses mainly on one aspect of the transformation policies, namely the black industrialists, there are a number of other aspects of the development objectives that is not covered here, such as worker empowerment.

For example: Competition settlement agreements provided for worker equity in three companies, covering

- Coca-Cola (currently 5% with an expected increase on this),
- Pepsico (13% shareholding with a board seat),
- ABInbev ($\pm 0.2\%$ shareholding in global firm) and
- Astron in the Caltex transaction (5% currently)

These three initiatives alone are providing shareholding rights to more than **25 000 workers** in the food, beverage and energy sectors, valued at more than **R7bn**.

Some conclusions and observations

NOT ALL PLAIN SAILING - CHALLENGES

While there will be many examples of successes, a number of black industrialists continue to face challenges with breaking into markets or managing sustainable enterprises. Some of the difficulties include:

- Limited access to support and facilities from commercial banks, based on lack of business track records or collateral
- Concentrated markets where incumbents (existing dominant firms) effectively limit entry of new players – for example, exclusivity leases in shopping malls have kept smaller grocery retailers out of major market platforms
- Limited market experience in some sectors, which result in over-expansion, or limited ability to respond to fast-changing market conditions or reliance on a limited number of large customers
- Weak governance arrangements in company boards
- Loss of major customers or contracts or export markets
- Recently: impact of Covid-19 on businesses

Some conclusions and observations

CHALLENGES MUST BECOME OPPORTUNITIES

Aside from the problems at the level of the individual entrepreneur, other challenges we have identified are:

- Within the Department, we can reduce duplication of screening and approval processes, so that staff can be redeployed to post-investment support and overhead costs can be reduced
- Across Government, programs need to be more integrated, so that industrial funding is accompanied by procurement support, access to infrastructure, export promotion etc – creating a joined-up package of support
- Between the state and larger businesses, more can be done to connect the support that is being offered to emerging businesses – a good example is the combination of orders by larger business to their smaller suppliers ('offtake agreements') tied with industrial funding support by the state, as has been piloted in a number of cases recently
- Between policy and outcomes, it is necessary to link economic inclusion more closely with growth and job creation

Some conclusions and observations

NEW FOCUS

Broad-based transformation is vital and continue to be Government policy.

Greater focus on transformation policies are needed, to

- determine what mechanisms work and what do not
- make changes where these are warranted by the evidence and experience and
- scale up the successes so that more South Africans benefit.

In the period ahead, the public measures will include the following elements

- Addressing market access challenges: the Competition Act amendments enable the authorities to investigate concentrated markets and where these inhibit entry of SMEs and black South Africans, remedial action can be taken
- Addressing experience challenges: stronger support networks and access to business coaching and technical partnerships for black industrialists. The new auto industry transformation fund will include strong partnerships between large auto assemblers and black component suppliers

End