



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NO. 278

DATE OF ORAL REPLY: 4 MAY 2022

Mr D W Macpherson (DA) to ask the Minister of Trade, Industry and Competition:

Whether he has found that the Government's broad-based black economic empowerment policy has been effective in broadening opportunities for black South Africans; if not, what is the position in this regard; if so, what are the relevant details?
[NO1715E]

REPLY:

The broad-based economic empowerment policy has broadened opportunities for black South Africans in a number of ways, including through:

- the emergence of a number of new firms in the economy through measures that have been introduced.
- the expansion of turnover or output by affected black-owned firms,
- the growth in the number of workers owning shares in the companies they work for, amounting now to several hundred thousand workers
- expansion of skills development by firms, as part of their BEE scorecards, which assists in expanding the skills base of the economy
- an increase in the number of black managers and professionals employed in and by firms across the economy and
- improved resources mobilised for bursaries and social programmes through broad-based entities and encouragement of youth employment by firms.

The dtic provided a Report to Parliament in September 2020 setting out case studies of a large number of firms supported by the dtic and entities and this included details on the impact of the firms on GDP output and employment.

The Report provided details of how the BEE framework has evolved over time, evolving from

- the focus initially on ownership of shares by individuals in established firms, to
- the promotion of broad-based empowerment vehicles that provide benefits to larger numbers of shareholders, including women
- the black industrialist programme aimed at promoting firms owned by black South Africans
- Worker ownership equity provisions.

The Black Industrialists Programme is unique in that it targets majority black owned entities that we can build a productive class of black entrepreneurs that own, manage and actively control industrial concerns in the secondary sector of our economy. More than R32 billion had been invested through funding initiatives within the dtic, reaching nearly 800 black industrialists, and protecting and retaining nearly 120 000 jobs, in a diverse set of activities, from food production to clothing and textiles, transport and logistics, chemicals, green energy and digital industries.

The Department subsequently published a Report on Black Industrialists, in 2021.

The recent report on major B-BBEE transactions, published by the B-BBEE Commission, indicates that out of the 136 entities with the B-BBEE credentials, over 30% have some have broad-based and/or employee schemes, indicating a significant step change from the case in the 1990s, where few BEE deals considered worker and community participation as a priority.

The Equity Equivalent Investment Programme (EEIP) has also allowed multinational firms to participate in broad-based black economic empowerment. The JP Morgan R340m investment scheme aims to support nearly early-stage businesses and create over one thousand (1000) jobs over an eight-year period.

The policy will require further review and adjustments to ensure that more South Africans can benefit and that we more strongly align the transformative aspects of BB-BEE policies with the need to strengthen economic growth, job creation and deepening South African industrialisation.

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