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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3388

DATE PUBLISHED: 23 SEPTEMBER 2022

Mr M Tshwaku (EFF) to ask the Minister of Trade, Industry and Competition:

(a) What are the reasons that the National Empowerment Fund (NEF) took so long to process the funding application of the Appetite Land and Agri company, as the offer to purchase has now expired and there seems to be reluctance by the seller to renew it, (b) how will his department intervene in this regard, (c) what measures will his department put in place to compensate the specified company when the seller refuses completely due to the delay, as it can be viewed as a lost opportunity by the company due to NEF incompetence and (d) who is the NEF fund manager responsible for the account?
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REPLY

The CEO of the National Empowerment Fund (NEF) has furnished me with a detailed reply, which disputes the version apparently put to the Honourable Member.

In the reply, the CEO advises that the NEF “discussed the investment opportunity with the client to prepare the investment report and potential investment terms. Some key challenges arose during the due diligence stage of the application. Consequentially, in terms of due process, the application did not proceed to the Investment Committee of the NEF for final approval. A solution is being explored with the seller to address the outstanding information required to finalise the due diligence process and to ensure that the rights of all parties are protected. The opportunity is still available, and the seller is willing to work with the NEF to find a solution to the impasse emanating from his past reluctance to share the required information.”

I will be happy to arrange a discussion between the Honourable member and the NEF to provide more details.

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