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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1824

Mrs T P Msane (EFF) to ask the Minister of Trade, Industry and Competition:

(a) What total number of black-owned specifically Broad-Based Black Economic Empowerment Level 1 companies have received assistance from the National Empowerment Fund under the programme Corporate Fund sub-programmes Project Finance, and Liquidity & Warehousing and (b) under what trades are the specified companies? [NW2196E]

REPLY

I am advised by the Ms Philisiwe Buthelezi, CEO of National Empowerment Fund (NEF), that the NEF does not have a Fund referred to as the Corporate Fund. The funding products listed in the question are housed under the NEF's uMnotho Fund.

Ms Buthelezi has provided the following information in respect of the uMnotho Fund:

“Brief description of uMnotho Fund:

uMnotho Fund is designed to improve access for medium-sized black businesses and has the following six funding products:

1. Acquisition Finance,
2. **New Ventures Finance**,
3. Expansion Finance,
4. Capital Markets Fund,
5. **Liquidity and Warehousing** and
6. Property.

These products provide capital to black-owned and-managed enterprises as well as to black entrepreneurs who are provided with expansionary acquisition finance that allows black majority shareholding in companies, new ventures finance and black businesses that are or wish to be listed on the JSE. Funding ranges from R2 million to R75 million. The Fund is priced to achieve returns that are in line with the level of risk taken by the NEF.

uMnotho Fund performance since inception to date:

The Fund since inception to date has invested R3.3 billion in black transactions by value of investment. These investments have benefited over 143 companies that are black-owned and managed. Over 20 290 jobs have been supported through this Fund. The sectors invested include but are not limited to Property, Transportation, Tourism & Entertainment, Arts & Culture, Media, Construction, Energy etc.

Funding products under inquiry:

(i) **uMnotho Liquidity & Warehousing portfolio**

- Since inception to date the NEF has invested R154.4 million under Liquidity & Warehousing and by volume this amounts to 5 companies supported under this portfolio.
- Total jobs supported is 3 496.

(ii) **uMnotho New Ventures Finance portfolio**

- Since inception to date the NEF has invested R1.2 billion by value and by volume this equates to 63 companies supported.
- Total jobs supported is 9 164"

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