



the dtic Performance Report

Presentation to the Portfolio Committee on Trade, Industry and Competition

**Second & Third Quarter Report
2023 / 2024 Accounting Period
Green Hydrogen Commercialisation
Strategy
White Paper on Electric Vehicles**



the dtic

Department of Trade and Industry

the dtic - together, growing the economy

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This report covers 1 July to 30 December 2023

(Second and Third quarter of 2023 / 2024 accounting period)

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Introduction

This is the Second and Third Quarter Report under the 2023/2024 Annual Performance Plan (APP), which focuses on key high impact outcomes and 45 outputs. During the quarter, work was done across the 45 output areas, with significant progress in a number of these.

This report summarises progress made across all 45 outputs





Top Highlights

Overview

1. This report covers the half year from 1 July to 31 December 2023. The third quarter report, which would normally be presented in March or April, has been brought forward to take account of the Parliamentary schedule as we draw to the close of the 6th Administration. The performance data is provisional and may require minor adjustments as more information on the impact of programmes are collated.
2. In the reporting period, the SA economy was faced with a tough global operating environment (both Japan and the UK went into a technical recession during the period; while Germany hovered in the recessionary zone) and sharp domestic challenges (with energy and transport logistics), which impacted on SA performance. The US economy performed strongly and though Chinese growth was less stellar than historically, it remained in strong growth territory.
3. A number of important achievements were reached and milestones passed by the dtic-group in the period, which included considerable work that laid the basis for implementation of the start of trading under the AfCFTA, engagement to extend AGOA beyond 2025 and rebalancing trade with China.
4. Based on the work completed, some adjustment to targets will be effected – mainly to increase the targets in light of more favourable conditions in some instances, and reductions where warranted by fiscal adjustments to the dtic budget by National Treasury.
5. The new approach in the Annual Performance Plan (APP) is based on leveraging resources from both the fiscus and the balance-sheets of development finance institutions (such as the IDC, NEF and ECIC) and combining these with private sector resources secured either through regulatory requirements (such as competition mandates during merger proceedings) or through partnerships, as exemplified by the sector masterplans.
6. The Presentation contains a brief set of highlights – a small sample of a much wider portfolio of work that was completed. A number of case studies are presented to make the aggregate numbers more meaningful and to identify workers, entrepreneurs and community members whose lives were impacted by the dtic-group.

Overview

The Presentation that follows covers work done within the dtic mandate, focused on industrialisation, transformation and building state capability. The work detailed in the report directly addresses these areas. But industrial policy must also play a role in achieving broader national objectives.

Reducing Poverty, Inequality and Unemployment

This is done through measures to promote economic growth and the new focus in the APP on job creation. Job creation is the most significant of the three, as it contributes most directly to reduction of poverty and can assist with lowering levels of poverty.

First, the Department set a goal of *covering* at least 1 million workers with the programmes of the dtic-group, and during Q2 and Q3, it met this target. It must now deepen the impact of its programmes on those workers with greater impact on saving existing jobs whilst expanding new jobs.

Second, the APP sets a goal of *creating* 100 000 new jobs, both through the social employment programmes and more crucially, though new permanent jobs. During the two quarters, the combined jobs created or due to be created, met the target. Job creation is the function of investment, trade measures and promotion of competition. The report covers the work done in these areas to facilitate new job creation.

Promoting Industrialisation and transformation

The new APP of the dtic-group seeks to combine the efforts of multiple agencies and the Department, working with the private sector through the masterplans and social compacts. While considerable progress has been made, there remain a number of gaps and more needs to be done, to integrate work within the dtic-group, and with other parts of the state.

Investment promotion has encouraged firms to continue to commit to new investment, in spite of a challenging environment, leading to the investment pledges target being met. The Report covers some of the work done to facilitate investment, which often requires unblocking challenges in visas, work permits or municipal-level authorisations.

The focus on transformation has been on encouraging the growth of a wider pool of industrialists – among young people, women and black South Africans, and to complement these efforts with broadening the economic inclusion beyond entrepreneurs to also cover workers and communities.

Selected Highlights

Investments facilitated over the two quarters

1. R157 billion in new investment pledges were secured during Q2 & Q3, excluding ones subject to regulatory approval
2. Stellantis, the world's fourth biggest automaker, signed an MoU with the dtic to consider building a new auto-factory, with a R3 billion investment in the Coega Special Economic Zone. This would, once completed, bring the Peugeot vehicle production to SA.
3. The Ford Motor Company announced a R5.2billion investment for the production of the Ford Ranger plug-in hybrid electric vehicles (PHEV) in Silverton, Tshwane.
4. Sunelex pledges an investment of R10.2billion towards energy projects (PV 525MW & Battery 80MW, resulting in a project with 605MW).
5. Amazon announced an investment for data centre infrastructure and solar project with an estimated 6500 jobs to be created, with the project commencing in January 2024 and it will be completed in December 2029.
6. Mohlalefi Engineering pledged at the SA Investment Conference of 2023 to invest R120 million in expanding operating capacity.
7. At the NAACAM Show the automotive component suppliers announced new investments of R4,8 Billion.

The Report contains a number of additional large and medium investments.

Key factory openings or expansions

1. Investment of R220 million by Rainbow Chicken in Hammarsdale abattoir expansion, resulting in the construction of 78 new contract grower houses and the employment of 750 workers.
2. Defy Appliances – announcement of new fridge and freezers with off-grid power source that provides new refrigeration solutions for communities with limited grid connection or those who seek to 'go green' at household level.

The Report covers a number of other projects that have been completed and where production has started, as well as imminent plant openings.

Selected Highlights

Trade interventions

1. Opening market access - the Saudi Food and Drug Authority (SAFDA) approved the acceptance of halaal certification from South Africa for red meat and the **lifting of the ban for meat products** from South Africa
2. South African **rooibos tea breakthrough in Chinese market** – China reduced duties on rooibos with new tariff classification and customs duty from 1 January 2024.
3. Government supported SA jobs by imposing anti-dumping duties on Pneumatic Tyres imported from China.
4. Government activated anti-dumping duties on poultry from Brazil, Denmark, Ireland, Poland and Spain and introduced a rebate on chickens in light of bird flu prevalence

Trade and Investment relations

1. **USA:** Government engaged US Administration and Congressional reps in Washington DC in July 2023 on AGOA and geo-political issues. Hosted a Presidential Roundtable in New York City with US Chamber of Commerce and BUSA delegates in September 2023 and concluded an agreement with US Trade Representative Katherine Tai to host the AGOA Forum. The 20th **AGOA Forum was held** in Johannesburg, from 2- 4 November 2023, the largest Forum to date comprised of 18 distinct platforms, with over 5 000 participants.
2. **BRICS:** SA hosted a meeting of BRICS Trade Ministers and Industry Ministers on 7 August. We hosted the **BRICS Business Summit** - the BRICS exhibition held on the 19th – 23rd August 2023 featured 230 exhibitors from various sectors. The exhibition provided industries and stakeholders with a unique avenue for innovation, trade, and mutual growth. SA hosted the BRICS Manufacturing Forum and the BRICS Business Summit.
3. **China:** The dtic hosted a meeting of the Joint Economic Commission with Commerce Minister Wang Wentao at which measures to improve SA's export of value-added products to China took centre-stage. We concluded 5 MOUs with China, which were signed during the State Visit by President Xi Jinping in August 2023. These MOUs covered cooperation on SEZ and industrial parks; green economic and industrial development; strengthening investment cooperation in digital industrialisation; deepening the blue economy cooperation and cooperation on the promotion of direct investment.
4. **WTO Fisheries:** Approval of WTO Fisheries Subsidies Agreement (Phase 1) by Cabinet.

Selected Highlights

Promotion of green energy growth-path

1. Cabinet approval of the final Green Hydrogen Commercialisation Strategy on 18 October 2023.
2. **the dtic published** the Electric Vehicle White Paper in December 2023 following Cabinet endorsement. It provides a clear roadmap for SA to produce electric vehicles, initially focussed on the export market, while energy challenges are attended to.
3. The dtic supported projects with the capacity to generate 2255 MW of energy.
4. R1.6 billion of the dtic-group's newly established Energy Resilience Fund was accessed by energy projects to reduce the impact of load shedding to support SMMEs

Transformation

1. **Black industrialists:** 690 firms supported by dtic-interventions employed 98 780 workers in Q3 and generated turnover of more than R88 billion
2. A major agreement was reached with **auto component manufacturers** to address transformation: firms in the sector will make available support worth R1,6 billion through a combination of finances and procurement commitments
3. **10 790** additional workers from various sectors benefited from the Employee Share Ownership Plan (ESOP) in mergers concluded in Q2 and Q3
4. The first worker ownership agreement in the auto industry: with **Auto Industrial Investment Holding, a company based in Kempton Park, South Africa, covering 815 workers**

Selected Highlights

Implementation under the AfCFTA

1. Finalisation of three Protocols: Digital Trade, Protocol on Women, and Youth in Trade and Investment by the AfCFTA Council of Ministers. The AU Assembly adopted two of the Protocols: on Women and Youth in Trade; and on Digital Trade. SA and Kenya were recognised as co-champions on Digital Trade under the AfCFTA.
2. Finalisation the rule of origin for autos (CH 87), and a rule of origin for taxis and trailers which would facilitate intra-Africa trade.
3. Conclusion rules of origin on all clothing and textiles covered under CH 62, while a chapter rules that has been agreed for clothing and textile under CH 61 and agreement that second-hand clothing imports would not receive trade preferences
4. The AfCFTA Council of Ministers in December 2023 unanimously supported the extension of the appointment of South African Mr. Wamkele Mene, Secretary General of the AfCFTA for a four-term from 2024 – 2028. (This was endorsed by the AU Assembly in February 2024).
5. Conclusion of legal work to enable Minister of Trade, Industry and Competition to request Minister of Finance and SARS in December 2023 to gazette the Provisional Schedule that provided for trade to start. Launch of preferential trade under the African Continental Free Trade Agreement (AfCFTA) took place at the Port of Durban on 31 January 2024 .

Steel Interventions

1. Issued a policy directive extending the Price Preference System on exports of Scrap Metal for a period of four years, 31 July 2023 to 31 July 2027
2. Scrap Metal export prohibition extended to December 2023 and additional regulations put out for public comment to close identified loopholes in the export prohibition. The Metal Trade System design phase was concluded and software development phase initiated to support government efforts to mitigate public infrastructure theft and damage
3. **Arcelor Mittal SA Newcastle** factory closure announced in November 2023 – following engagement with the company between December and January, and facilitation of discussions with Transnet, the decision to close the Newcastle factory was postponed.

Selected Highlights

Manufacturing Exports to the world and the rest of Africa

1. R523bn on manufacturing exports to the world during Q2 & Q3. Of this, R429.8bn was in products or firms linked to support initiatives by the dtic.
2. R218bn on manufacturing exports to the rest Africa during Q2 & Q3. Of this, R101bn was generated in products linked to support initiatives by the dtic.
3. Through Export Marketing Investment Assistance (EMIA) group scheme, the dtic supported participation in seventeen (17) export events during Q2 and Q3.
4. R8.9 billion in exports of Global Business Services achieved to date.

Competition: Market Enquiries, Cases approved by the Competition Commission and Tribunal

1. Concluded the Online Intermediation Platform Market Inquiry (OIPMI), which introduces new rules to open the online marketplace. The report covers APPs and internet sites which are used to order food and restaurant meals, buy groceries and order other products as well as services such as flight and accommodation booking.
2. Competition Tribunal prohibited the proposed acquisition of assets and liabilities of Sasol South Africa's (a key supplier of sodium cyanide in liquid form to the SA gold mining industry) sodium cyanide business by Draslovka Holdings
3. The Commission welcomed the decision by the Competition Appeal Court (CAC) on October 13, 2023. The ruling upholds a prior decision by the Tribunal in April 2020, finding Tsutsumani Business Enterprises CC ("Tsutsumani") guilty of engaging in excessive pricing of face masks supplied to the South African Police Service (SAPS).

Selected Highlights

Master Plans

1. Sugar Masterplan: stabilised Tongaat Hulett with financial support from the IDC and supported a court case to protect sugar farmers from decision by the Business Rescue Practitioner not to pay levies owed to the SA Sugar Association. Sugar producer UCL Company (Pty) Ltd diversified by investing R910 million in avocado and Kiwi growing, packing and exporting.
2. Poultry Masterplan: two major trade measures – anti-dumping duties and a rebate to address potential poultry shortages
3. Auto industry: Major SA-made component show hosted by NAACAM; key investment decisions made by firms in the industry; an MoU signed with Stellantis to build a new factory in SA; a White Paper on Electric Vehicles approved and released.
4. Clothing, Textile, Footwear, Leather Retail Masterplan: crackdown on illegal imported products continued, support for businesses was provided through the IDC and the new competitiveness support programme was implemented.

Regulation

1. Introduced the two Companies Bills into the Parliament and National Assembly adopted the Bills following public consultation and debate in the Committee. The Bills address income inequality through measures to mandate greater levels of disclosure of wage differentials in larger companies; it promotes the ease of doing business by simplifying and improving legislation; and it gives effect to the findings of the Zondo Commission.
2. Engaged with the NCOP on the two Copyright Bills to complete the review, following constitutional deficiencies that were identified.

Industrial policy

This section provides
context to the APP
outputs



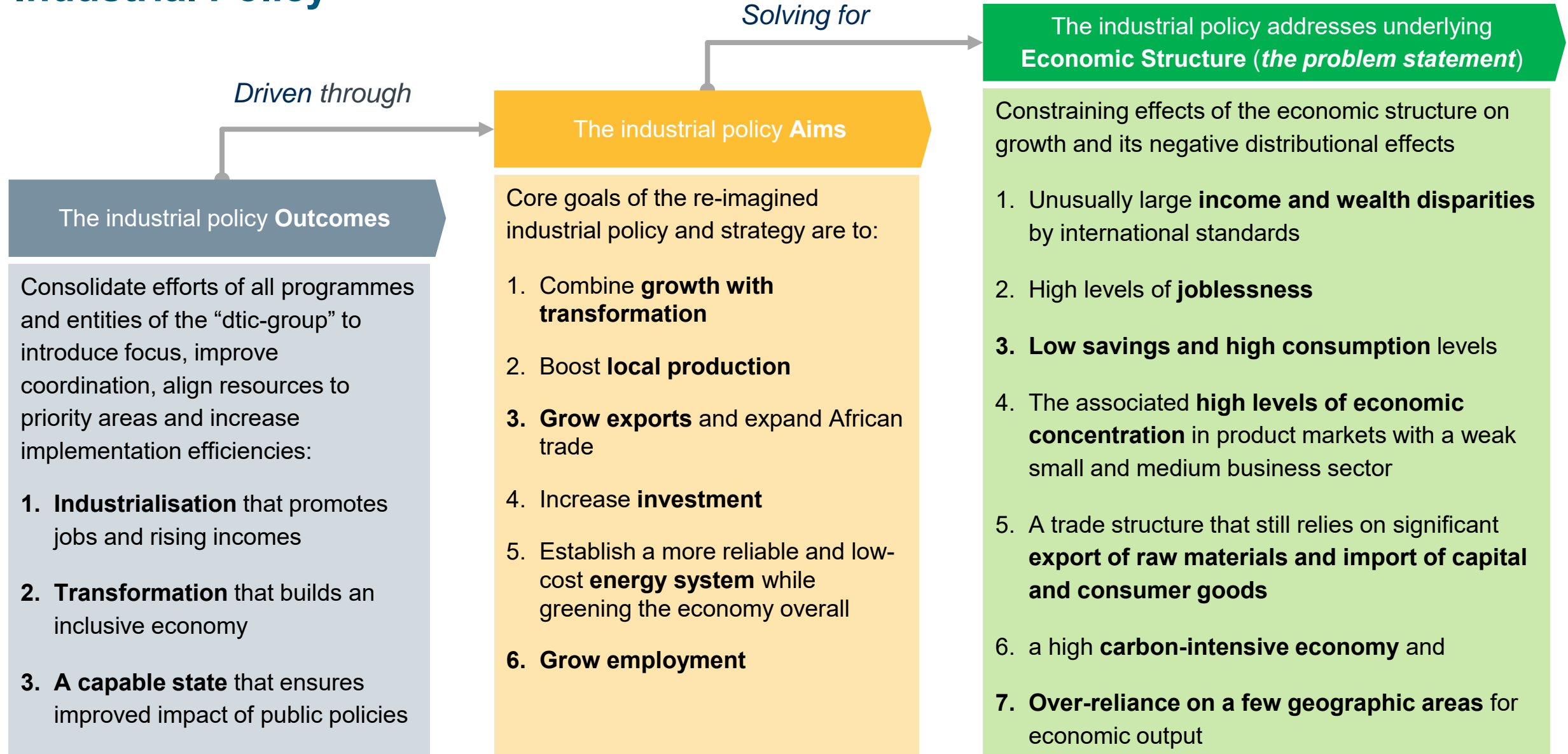
Reimagined industrial strategy

- The Sixth Administration has embodied a renewed focus and coherence to industrial policy captured under the *Reimagined Industrial Strategy*
- It builds on the lessons of industrial policy in the democratic period and includes a number of innovations, namely:
 - Fundamental changes to the way sector plans are developed and implemented,
 - New approaches to investment and export promotion,
 - The landmark development of the African Continental Free Trade Agreement (AfCFTA),
 - Major evolutions in the conduct of competition and tariff policy.
- The introduction of sector plans (**Masterplans**) at the start of the administration established a multi-stakeholder approach to industry-level initiatives, in which government, the private sector and labour collectively developed and implemented plans, involving actions around multiple dimensions of a company's operations, ranging from firming up demand to securing competitive inputs to resolving regulatory barriers and upgrading productive capacity
- **Trade policy** has been a significant focus of the administration, with a balanced approach aimed at securing domestic market space for companies to grow, and unlocking foreign market access to let companies realise their full growth potential
- A landmark achievement was the launch of the **African Continental Free Trade Agreement** (AfCFTA). The AfCFTA represents both a landmark for South Africa's trade policy, and a statement of intent on the growth path that will sustain South Africa's development in the coming decades
- Reforms to the **competition policy** have allowed agencies to take a more assertive stance in tackling concentration and unfair trading practices, most notably used in response to the COVID-19 pandemic to stem excessive pricing of COVID-19 essentials

Reimagined industrial strategy (cont.)

- Taken together, these initiatives have strengthened the industrial policy toolkit at a time in which critical global trends require a strong and supportive government response, especially in wake of the COVID-19 pandemic and in confronting the climate crisis
- Industrial policy played an important role in dealing with the **COVID-19 downturn** and other shocks. The state rolled out a R500 billion package in response to the pandemic, which both cushioned producers and employers against some of the costs and maintained, even built, capacity for future growth.
- The **green transformation** generates immense new opportunities for almost every part of the economy. The administration made substantial progress in defining a pathway to take advantage of them with the launch of three landmark strategies: the New Energy Vehicles White Paper, the Green Hydrogen Commercialisation Strategy, and the Renewable Energy Masterplan
- The implementation of the Reimagined Industrial Strategy has pointed to some important lessons for industrial policy in South Africa
 - Critical steps are required to further support more labour-intensive manufacturing, agriculture and manufacturing, and to promote community-based private and social enterprises;
 - Coordination is critical, with a range of government agencies and all of the spheres required to contribute to large-scale programmes to foster the enabling environment for inclusive growth; and
 - The emergence of the green industrial revolution alongside the digital and technology-driven fourth industrial revolution provide opportunities for South Africa and the rest of Africa to redefine its position in global value chains.
- A final report on South Africa's industrial policy review with cases studies and opportunities for learning will be tabled before the end of the administration, which will accompanied by a symposium on the role that industrial policy can play in the development of South Africa and its neighbours

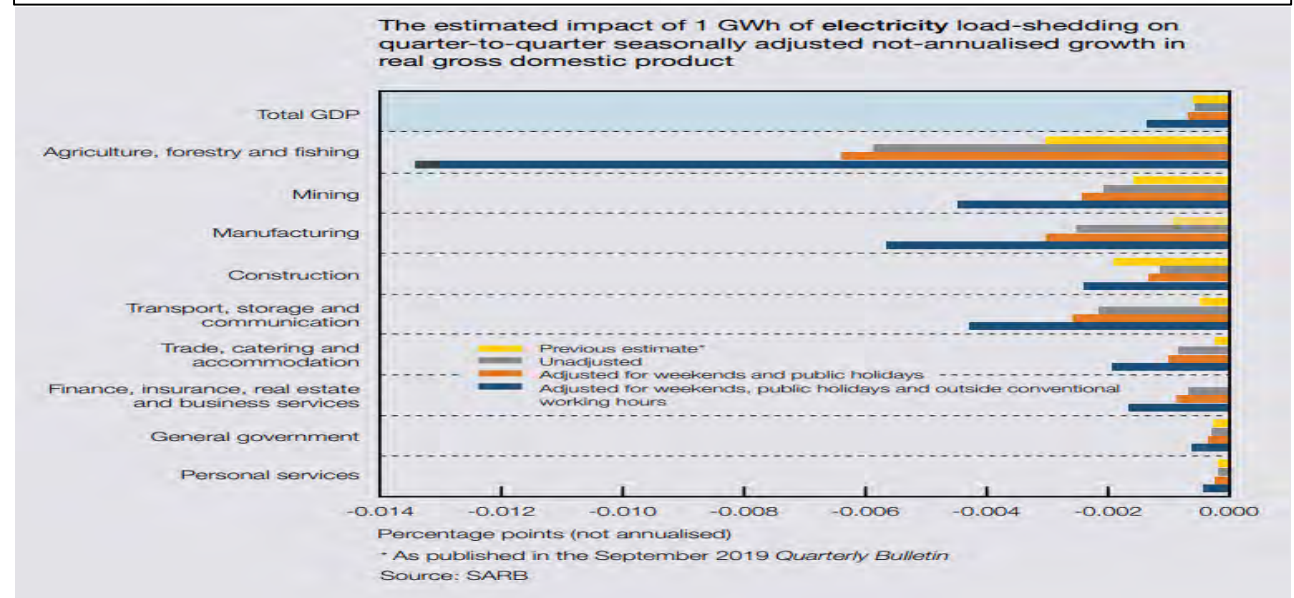
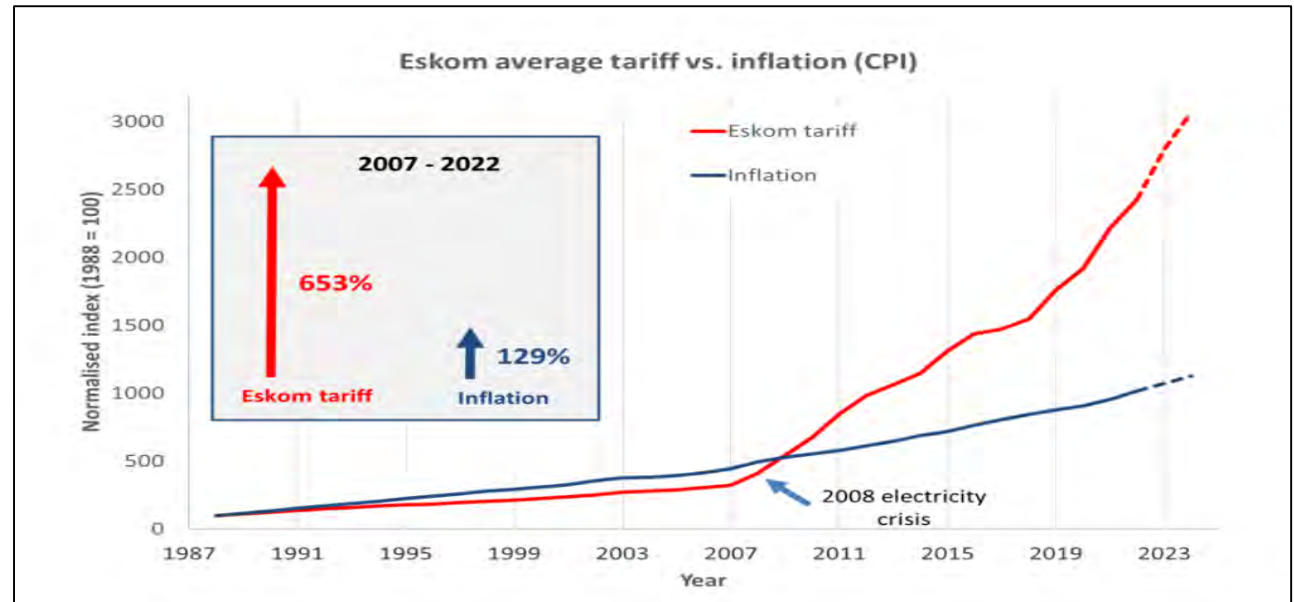
Industrial Policy



Context

Manufacturing continues to grow despite the effects of load-shedding and sharp electricity price increases

- A key factor in South Africa's slowing manufacturing growth from 2009 to 2019, is the substantial increase in electricity prices and the emergence of load-shedding.
- Sectors such as manufacturing and mining are far more vulnerable to electricity interruptions and energy prices often account for a relatively larger share of operating costs than in the services sector.
- For example, in some parts of the metal processing sector, Eskom estimates that electricity costs account for 20-13% of firms' operating costs.
- Nevertheless, some manufacturing subsectors have adjusted to higher electricity prices and more recently have also begun to invest heavily in own generation.
- The SARB estimates that the manufacturing sector is severely impacted by load-shedding with only the Agriculture, Forestry and Fishing sectors affected even more significantly.





Progress against the dtic 10 core outputs

Investment support Q2 &3



Domestic investment climate shows signs of progress...

“South Africa attracted the most FDI projects in Africa, making up 23% of the continent’s total, at 157 and the highest since at least 2016. Its FDI was valued at US\$26.8b and created approximately 15, 000 jobs, the most in the region by considerable margin. It also attracts the bulk of the region’s capital”

A pivot to growth. Ernst & Young Attractiveness Africa Report. November 2023

Despite recent recovery, the domestic investment climate still challenging

Domestic investment in South Africa faces a number of constraints, which include:

- The impact of higher interest rates, weaker household finances, and consumer confidence which impede investment.
- Logistics and power outages, which are an inhibitor to investment and growth.
- Skills shortages in specialised areas that can constrain the speed for rolling out new investment

However, despite these downside risks, the country is making strides in growing the domestic investment, through, among others:

- The investment mobilisation drive, that has begun to bear fruits.
- Alongside addressing Eskom issues, there has been overwhelming support by government, and uptake by the private sector, of the renewable energy related initiatives and programmes.

Investment pledges secured

Output 1

Output 1 Target

R200 billion in investment pledges secured across the state

Q2 achievement

R129,3 billion

Q3 achievement

R27,54 billion

% of APP target achieved

189%

R 129,3 billion in investment pledges secured across the state during Q2 and **R 27,54 billion** secured in Q3

- **R 45,4 billion** value of investment flows into projects during Q2
- **R 88,6 billion** value of investment flows into projects during Q3
- **R 207 billion** investments secured through SAIC in 2023

Top companies invested in Q2

Sunelex

R10.2 billion

Project Size and Value

- Megawatts (PV 525MW & Battery 80MW) 605MW
- Rand-Value – R10.233038 billion



Stellantis

R3 billion

Stellantis to invest R3 billion in an auto motive plant in the Coega Special Economic Zone.

Production models being considered

- 1 Ton Pick-up truck aimed at a combination of local sales and exports to the Middle East & North Africa
- ½ ton and compact SUVs



Solar MD

R2 billion

Solar MD specialises in Lithium-Ion battery storage for residential, commercial, and utility-scale applications. The company was founded in 2014, with a vision of affordable clean energy. Solar MD designs the intelligent battery management system in-house. This design allows cell-level monitoring, protection, and control.



Golden Era

R3.35 billion



Value of investment of new projects: 2022-2024

This covers the following projects:

- New Era Packaging – The state-of-the-art automated corrugating facility you visited in Wadeville. Further expansion of converting kit.
- Gayatri Beverage Cans – Installation of a new aluminum beverage can line in Germiston
- New Era Packaging (Western Cape) – An expansion of the corrugating facility in Atlantis with the installation of a new corrugator similar to the one in Wadeville. Further expansion of converting kit.
- Gayatri Cans – Installation of new capacity on the food can market
- Gayatri Paper Mills – Installation of a recycling line which will recycle 120,000 tons of paper. This is a new technology for the country where laminated boards such as juice boxes and milk cartons, currently ending up in landfills, will now be recyclable. The South African consumption of this laminated board is approximately 35,000 - 40,000 tons.
- Solar – All sites in Johannesburg – Wadeville and Germiston – totally approximately 10MW are currently being solarised. A further 10MW is under review for installation in Mogwase.

Top companies invested in Q3

Ford Motor Company of Southern Africa (FMCSA) R5,2 billion

Production of the Ford Ranger plug-in hybrid electric vehicles (PHEV)



Ford Motor Company of Southern Africa manufactures the Ford Ranger at the Silverton assembly plant in Pretoria which exports to over 100 markets globally, with a significant portion of these markets being in the United Kingdom (UK) and European Union (EU) member states.

FMCSA announced that the Silverton Assembly Plant will expand its production to include the plug-in hybrid electric vehicle (PHEV) in the Ranger programme.

Production is expected to commence during Q3 of 2024. To accommodate this expansion, FMCSA has invested an additional R5.2 billion (US\$272 million) to ensure consistency in building world class vehicles

Veer Energy

R2 billion



This greenfield investment in establishing a PV Solar Farm is expected to create 150 full time jobs

They are planning to install renewable energy capacity of 150 MW

Undoni Point

R4 billion



Umdoni Point Retirement Village is a greenfield project Located in Kwa-Zulu Natal , Pennington, this investment is expected to create 1400 full time jobs They are also expecting to install renewable energy

Country Bird Holdings

R500 M



**Project/
company name**

Poultry Palace / Supreme Poultry are part of the CBH group

Description:

Completion of the chicken further processing plant which has the processing capacity of 1,500 million tons per month of fully cooked or partial cooked chicken. Ideally situated for local and export markets. In addition, a 2.5mVA solar facility was installed.

Province:

Gauteng – Germiston

Value:

R500 million

**Proposed
date:**

18 January 2024

Employment:

330 People

Investment impact of old pledges

Case Study: Future Life Healthcare - Launch of Factory at Dube Trade Port, 5 October 2023

FUTURELIFE is a manufacturer of nutritional health products, It completed the first phase of its new cutting-edge manufacturing facility at Dube Trade Port Special Economic Zone (SEZ), in Kwa-Zulu Natal.

The investment has allowed for the acquisition of advanced machinery and equipment, ensuring that the factory operates competitively. The consolidation of operations supports the company to produce high quality goods:

- **Phase 1** is part of a planned series of investments
- **Phase 2** investment in a series of additional sustainability initiatives over the next 18 months including photovoltaic solar power generation and rain water harvesting infrastructure .

These initiatives are part of the R75 million commitment

**Value of announced Investment :
R75 million investment announced at 4th SAIC
Investment Conference in April 2023**

**New Jobs to be created : 220 jobs over 3
years**

**Phase 1 - Relocation of facility and staff into
Dube Trade Port,
Launch of facility on 5th October 2023**

**Over the past three years, Futurelife has
become the fastest-growing breakfast
cereal and breakfast bar brand in
South Africa, with an estimated one box of
Futurelife cereal sold per second in the
country.**



Case Study: NAACAM Investment Announcements



The R4,8 billion investment announcements made by automotive component manufacturers at the Naacam components show is an indication of the importance of the South African automotive components sector to the local economy. These investments will be committed and implemented between September 2023 and December 2024.

Atlantis Foundries	R 566,200,000
Shatterprufe	R 400,000,000
Acoustex	R 25,800,000
CRH Africa Automotive	R 200,000,000
Purem	R 98,000,000
Formex Industries	R 76,000,000
John Moffat Prolock	R 6,000,000
Auto Industrial Group	R 180,000,000
SATMC	R2,500,000,000

Case Study: Proctor and Gamble (P&G)

P & G a US multinational company in the FMCG Sector has invested R 900 million over the past 4 investment conferences since 2018. The number of direct and indirect jobs created is 555 jobs. These investments are expansions and new product lines to serve the South African market as well as Sub-Saharan Africa, making South Africa the regional manufacturing hub for production. P & G exports to Namibia, Swaziland, Mozambique and Botswana. They are also exploring new export markets in the African region. The commissioning of the Pampers Premium care line has brought the latest technology to South Africa.



Launch of the Pampers Premium Care line-7 November 2023

SAIC YEAR	PROJECT	INVESTMENT (Millions of Rand)
2019	Always localisation, Additional Pampers lines	300
2020	Warehouse Expansion	260
2022	Ariel liquid localisation + Solar investment	200
2023	Started local manufacturing of Pampers premium, Always new variants (expansion of production line)	130
	TOTAL	R900 M

Case Study: DEFY South Africa (Pty) Ltd - Off the Grid Solar Products

- ❑ The Defy R&D team invested resources to develop solutions towards the development of **Solar Hybrid Chest Freezers and a Fridge range**, which connects directly to solar panels and the electrical grid. No inverters or batteries are needed.
- ❑ The Hybrid range runs using both electrical grid and Solar energy; however, it will use as much solar as it can to run the unit, reducing consumers electricity bill. This results in a saving of up to 44% energy consumption in the fridge.
- ❑ With the 2023 project items for investment, Defy plans to continue with the modernisation of factory infrastructure and plants and the upskilling of employees. The project includes automatic retrieval of stock, high speed production lines, monitoring system, introduction of new products, upgrading of network infrastructure, and upgraded warehouse system

Project Timelines

- ❑ Ramped up the production line in November 2023, actual product launch was in January 2024



Ezakheni Factory

Value of announced Investment :
R288 Million

Jobs: Jobs retained 1700
900 employees For Ezakheni
approx.. 800 employees for Jacobs
factory

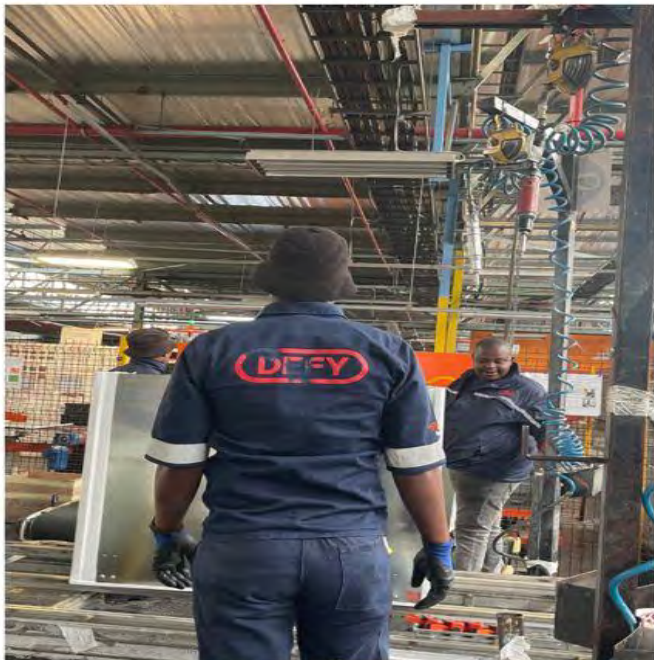


Factory visit to Defy Appliances – a company that made an investment commitment at the SA Investment Conference.

Defy Appliances is also an early exporter under the AfCFTA.

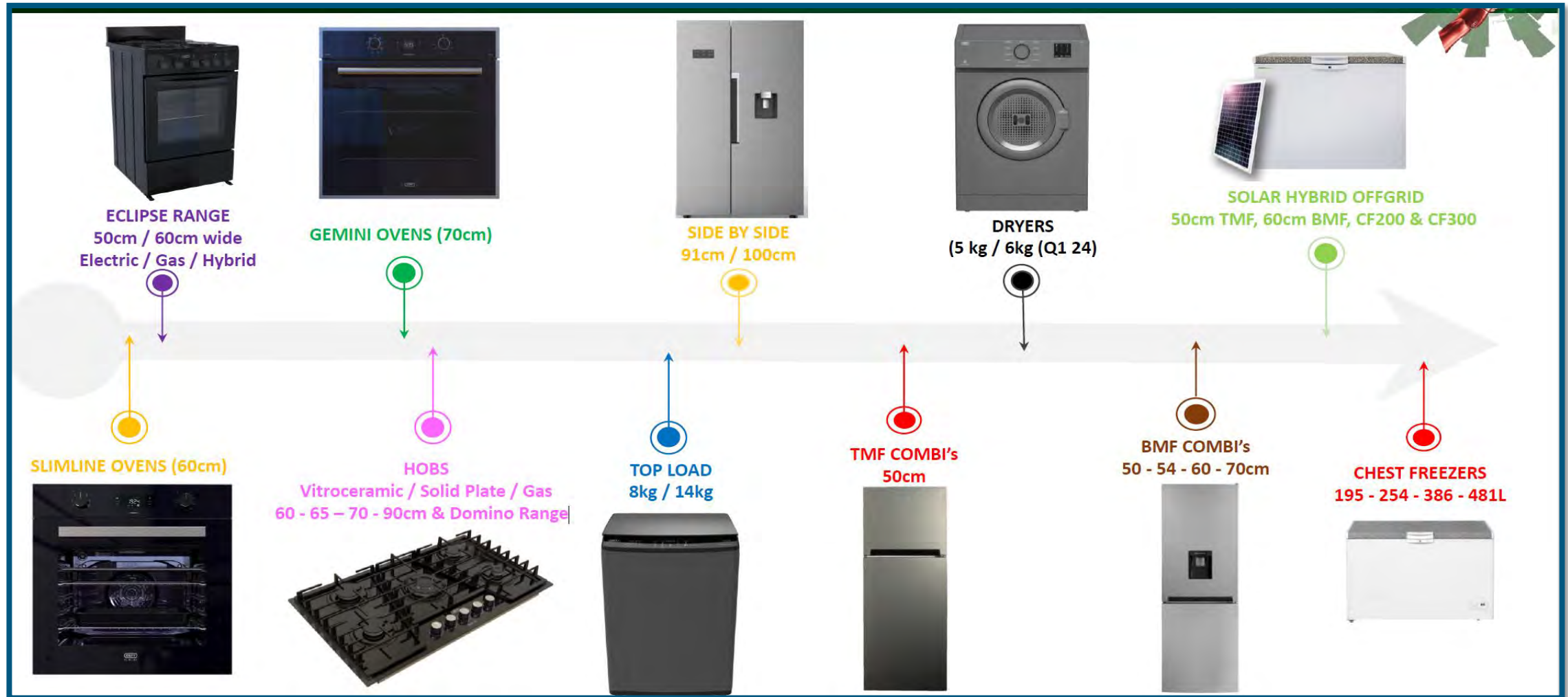


Minister Ebrahim Patel meets Shop Steward Langelihle Khumalo, Chairperson of NUMSA Committee of Defy



Case Study: DEFY South Africa Off- Grid Solar Products

Defy Production Range



Investment announcements

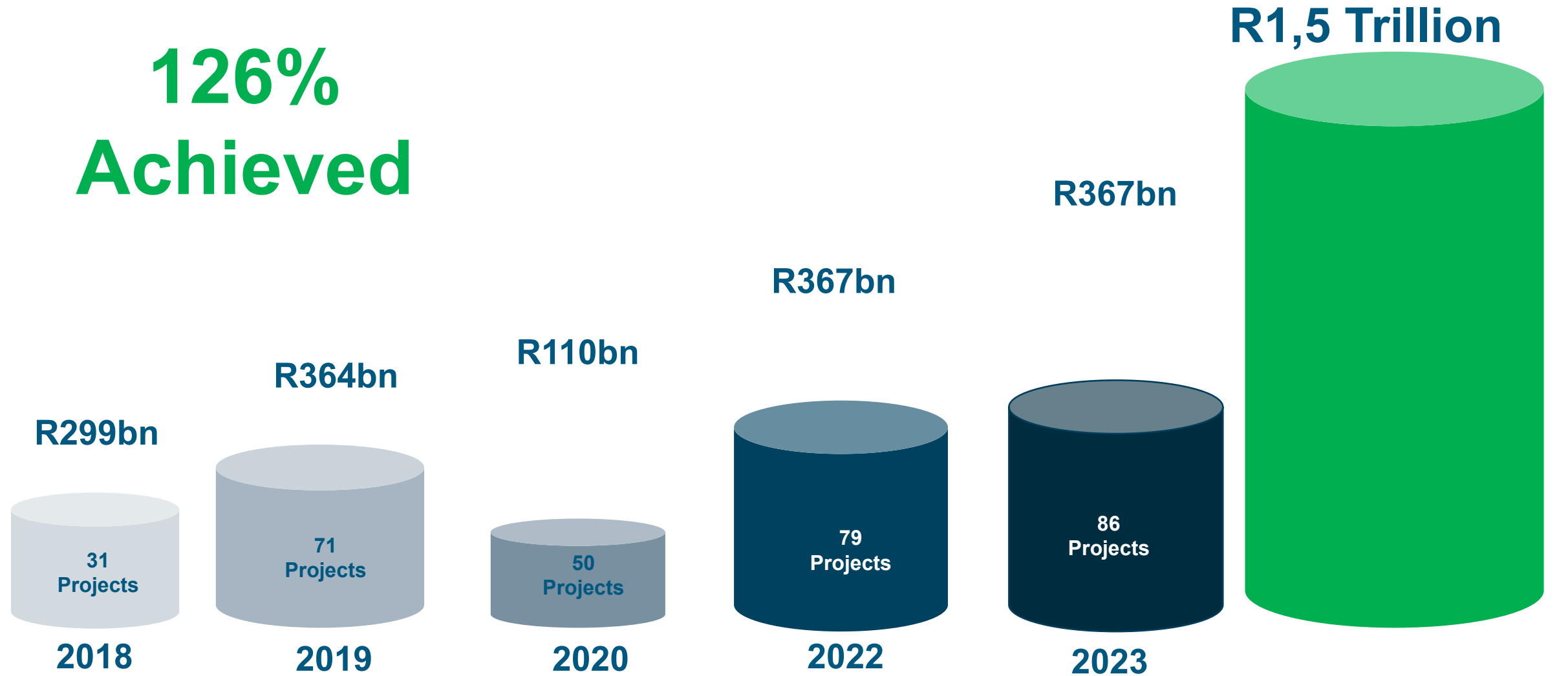
Five-year narrative



The Investment Mobilisation Drive

First five year iteration from 2018 to 2023

**126%
Achieved**



SAIC 2023 Announcements Update

Committed investment flows

R 1,5 trillion

After the 2023 SAIC, the **5 year investment mobilization drive** target stands at R1,5 trillion – 126% of the target of R1,2 trillion

86 entities made new investment announcements and with expansions and adjustment in prior year data, the final investment tally for SAIC 2023 is **R372,48bn.**

	Number	Value	Amount flowed	% Flowed
Projects announced	79	R332,2	R109,5bn	33%
Completed	26	R22,8n	R18,7bn	80,8%
Under construction	30	R168,7bn	R78,1bn	46,3%
Early stages	13	R42bn	R0,6bn	1,4%
On hold	3	R2,3bn	R0,3bn	10,8%
DFI	6	R93,1bn	R11,5bn	12,3%
Private finance	1	R3,3bn	R0,7bn	21,2%

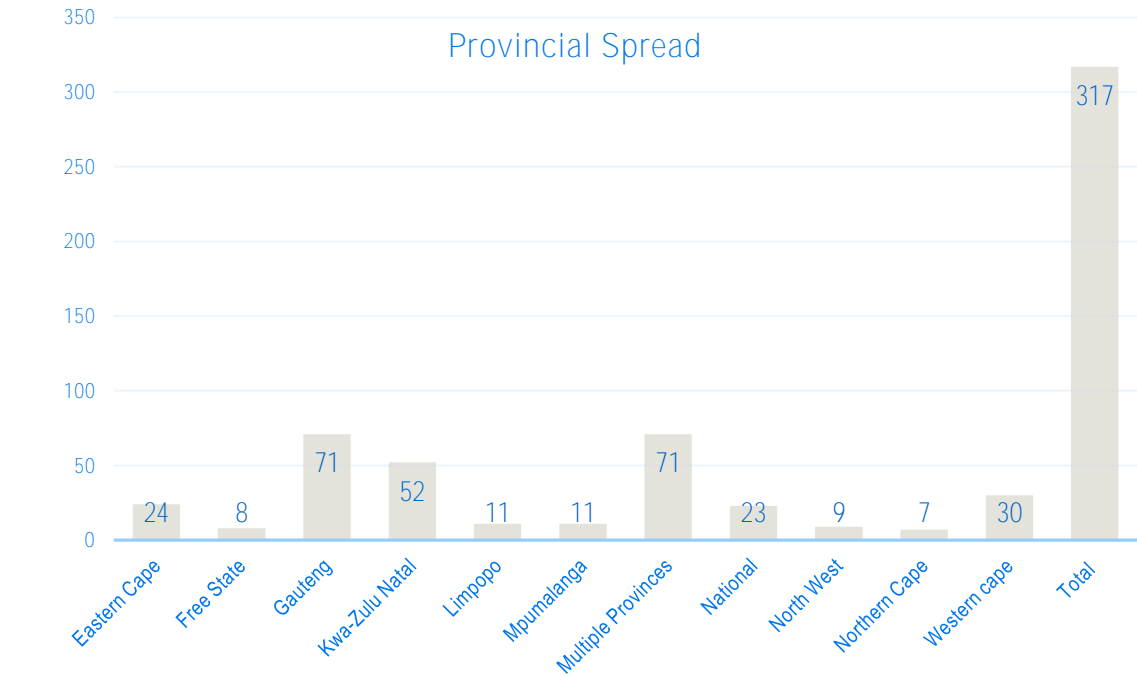
5 Year Investment Mobilization Drive

Investment Flows, Provincial and Sectoral Spread

R 562,3 billion

Committed investments has flowed as at 13 December 2023

	Number	Value	Flows	% flow
Total projects	317	R1,5tn	R562,3bn	37,2%
Projects completed	111	R273,7bn	R265,2bn	96,9%
Projects under construction	99	R525bn	R217,4bn	41,4%
Projects in early stages of implementation	59	R343,7bn	R6,2bn	1,8%
Projects on hold	27	R52,9bn	R5bn	9,4%
Private finance	5	R18,8bn	R4,9bn	25,8%
DFIs	16	R221,6bn	R63,7bn	28,7%
Announcement additions		R55,7bn		
Announcement reductions		-R15,5bn		



Province	No of projects	Province	No of projects
Eastern Cape	24	North West	9
Free State	8	Northern Cape	7
Gauteng	71	Western Cape	30
KwaZulu Natal	52	Multiple provinces	71
Limpopo	11	National projects	23
Mpumalanga	11		
TOTAL	317		



Investment unblocking

Quarter 2 -Visas, Work Permits investor facilitation

Output 23

1 Regulatory assistance

- 10 companies were assisted in fast-tracking regulatory issues

2 Investor facilitation

- 21 Site Visits conducted in relations to facilitation of recommendation of Business Visas
- 3 Companies were assisted with Unblockings for Energy One Stop Shop (EOSS) related to Power Purchase Agreements

3 VISAs

- 157 VISAs for 19 companies from India, China, Belgium and Lithuania were unblocked

	Visa type	Number
1	Visas	100
2	E Visa	4
3	Intra company Transfer	6
4	Short Term Work Visa	42
5	Business Visas	3
6	General Work Visa	2



Quarter 3: Case study - Visas, Work Permits Investor facilitation

1 Regulatory assistance

- 12 companies were assisted in fast-tracking regulatory issues

2 Investor facilitation

- 11 Site Visits conducted in relations to facilitation of recommendation of Business Visas
- 16 Companies were assisted with Unblocking's for Energy One Stop Shop (EOSS) related to Power Purchase Agreements

3 Visas

- 92 Visas for 20 companies from India, China, France, Thailand and Africa were unblocked

	Visa type	Number
1	Visas	21
2	E Visa	23
3	Intra company Transfer	6
4	Short Term Work Visa	34
5	Business Visas	1
6	General Work Visa	5
7	Critical Skills Visa	2

Case Study – Wilmar, Isondo Project and PG Glass Group

WILMAR

- Unblocked an application under section 12 (i) of the tax legislation, dealing with investment incentives. The application was approved.

ISONDO PROJECT

- Facilitated meetings with GDIZ and Isondo and service provider for expedited proposal for Construction of Isondo Building at GDIZ.

PG Glass Group

- Facilitated meeting between Eskom, Ekurhuleni Municipality and PG Glass and finalised Load Reduction Agreement.



Case Study – Unica Steel, Standerton Mills and HKC SA

UNICA Steel

- Facilitated a meeting with Unica Steel and Incentive Branch resolving incentive matter.

Standerton Mills

- Facilitated a meeting with Eskom and Lekwa Municipality to manage power outage and solutions for Standerton Mills.

HKC SA

- Facilitated pre-expediting Bank Guarantee Letter to enable issuing of rebate certificate by SARS to release goods from customs.



Case study - Unblocking of Glencarols' electrical challenges

SITE PROFILE FOR GLENCAROL ERF 222 BABELEGI, SOUTH AFRICA



- The electricity infrastructure in the Babelegi Industrial Park is currently experiencing a level of vandalism which is crippling industries and impacting production.
- **the dtic** assisted with coordinating all the companies in the Industrial Park to agree to pull all their resources together to resolve all their infrastructure challenges.
- **the dtic**, National Treasury and Private sector formed a public-private sector task team to resolve these challenge
- **the dtic** through the Critical Infrastructure Fund (CIP) also provided support with fencing and security in Babelegi.

Case study – Advocating new investment



Deputy Ministers of Trade, Industry and Competition
Nomalungelo Gina and Fikile Majola addressed the Special
Economic Zones (SEZ) Chief Executive Officers (CEO) Forum at
the OR Tambo SEZ, in Kempton Park, on 22 June 2023.



Case study – Community consultation on Namaqua SEZ

The community of Pofadder and surrounding areas came in their numbers to a public participation meeting hosted by the dtic on the establishment of the Namakwa Special Economic Zone (NamSEZ), at the Pofadder community hall in the Northern Cape, on 10 August 2023.





Local Output

Additional Local Output

Output 2

Output 2
R40 Billion in additional local output committed or achieved

Year-to-date achievement
R82.3 Billion

% of app target achieved
206%

- **R 35.7 billion** in additional local output committed in Q2 and **R 28.9 billion** in additional local output committed in Q3
- **R 41.6 billion** in additional local output in Q2 and
- **R 53.5 billion** in additional local output in Q3

Core Outputs

Additional Local Output Top Companies Q2 & Q3 (Actual + Committed)



Case Study: Human insulin production agreement

An agreement to localise production of human insulin was reached between Novo Nordisk, a global leader in diabetic research and innovation and Aspen, Africa's largest pharmaceutical manufacturer.

The contract will enable the local production of human insulin in SA through the conversion of insulin into finished dose vials. The collaboration will aim to supply over 1 million patients – 16 million doses in 2024 with a further upscaling to 4 million patients in 2026.

The Covid-19 pandemic taught us that science and innovation can provide humanity with significant tools to fight disease and ill-health, enabling productive lives for people across the world. As populations expand, and lifestyles and diets change, we face a rising tide of non-communicable diseases, which are chronic in nature and place a significant burden on communities and families, as well as health systems, the fiscus and economies.

This is a first step that can pave the way for both licensing and additional manufacturing opportunities, in areas such as sterile cartridge production and the production of high demand and the new class of drugs such as the glucagon-like peptide1 (GLP1), which is largely inaccessible at present to African patients. The production of insulin will utilize the Aspen sterile infrastructure in the city of Gqeberha, including some of the infrastructure that was utilized for COVID-19 vaccine manufacture. Aspen will deploy 250 people for this production which will commence in early 2024 and will reduce the transport-related carbon footprint by 68%.



Announcement between Novo Nordisk, Aspen Pharmacare, WHO Director General and Minister of Trade, Industry & Competition, New York, September 2023

Case Study: meningococcal Meningitis vaccine

Meningococcal Meningitis vaccine tech transfer agreement 2023.

South African biopharmaceutical manufacturer, Biovac signed a memorandum of understanding (MOU) with global South Korean-based manufacturer EuBiologics in September 2023 for the technology transfer of a Meningococcal Meningitis pentavalent conjugate vaccine.

Biovac noted that the collaboration is a significant development, as it would allow for the local production and distribution of a life-saving vaccine for use across Africa.

Meningococcal meningitis is a bacterial form of meningitis, a serious infection of the thin lining that surrounds the brain and spinal cord. Meningococcal meningitis can be associated with an overall case- fatality ratio of 10% to 15% for meningococcal disease even with appropriate antibiotic therapy and can be as high as 50% in persons with meningococemia, the invasive form of the disease.

Importantly as many as 20% of survivors have permanent clinical sequelae, such as hearing loss, neurologic damage, or loss of a limb. Meningococcal meningitis is present worldwide; however, regions of the world have different circulating serotypes.

The highest unmet medical need is in the meningitis belt of sub-Saharan Africa, stretching from Senegal in the west to Ethiopia in the east, where there are new circulating serotypes such as serotype X.

Case Study: Amka Products

Amka is a South African home-grown company with over 60 years in the Health and Beauty Industry with more than 1000 workers, four manufacturing plants, four hundred products, sold in 35 African countries.

The IDC’s Chemical Products and Pharmaceuticals unit disbursed R30 million in 2020 through our COVID-19 essential supplies MCEP funding, bringing the total to R150 million that has been invested by the IDC since 2012.

From the onset, Amka focused on the unique needs and opportunities of Africa's emerging markets. Today, it is a major manufacturing and marketing enterprise with specialised expertise in Africa. With a portfolio of over 50 popular brands, Amka is one of the leading local manufacturers in skin care, bath care, hair care, home care, perfumes, deodorants and sunscreens. Their brands include some of South Africa’s well-known brands, such as Clere, Satiskin, Mousson, Revlon, EverySun, Tropitone, Cuticura, Lip Ice and Schick.



Type of Funding	General Loan
Type of Product	Manufacturer of beauty products
Sector	Chemicals, Medical and Industrial Minerals
Province	Gauteng
District Municipality	City of Tshwane
Active Jobs	3553
Ownership	Black Industrialist

Case Study: VM Automotive

VM Automotive was established in 2012 to manufacture vehicle components and is now one of the largest coil-processing companies in the local motor industry. They are a specialist materials company that provides world class blanking manufacturing of aluminium and steel parts.

It supplies aluminum and steel blanks to BMW X3 and will cater for the new model Mercedes Benz C-Class that was launched on the 1st of July 2021. IDC has funded VM to acquire a blanking facility in Rosslyn and provided funding for the supply and purchase of new blanking work with other original equipment manufacturers, and the acquisition of a new state of the art manufacturing facility in Berlin, East London, which offers the first Schuler Laser Blanking Line in the Southern Hemisphere.



Type of Funding	General Loan
Type of Product	Blanking Service and Press Tool Maintenance
Sector	Automotive and Transport Equipment
Province	Gauteng & Eastern Cape
District Municipality	City of Tshwane & Buffalo City
Active Jobs	445
Ownership	Black Industrialist

Case Study: Afro India Rolling Mills



Type of Funding	General Loan
Type of Product	Beneficiation of scrap metals
Sector	Mining and Metals
Province	KwaZulu Natal
District Municipality	eThekweni
Active Jobs	26
Ownership	Women owned, Black Industrialist

Afro India Rolling Mills is a start-up company in Isipingo, Durban, that beneficiates copper and aluminium scrap to produce copper and alloyed aluminium ingots. AIRM is an associate company of a scrap recycling business, Afro India Recyclers, from whom it procures scrap to manufacture and export a high-value product. This ensures the beneficiation of scrap locally as compared to scrap being exported in its direct form to India and China.

This is aligned with the IDC’s industry development goal, which is to ensure the security of the supply of locally produced raw material inputs to the downstream metal manufacturing industry at the appropriate specified quality and globally competitive prices to stimulate the growth of an internally competitive downstream metal industry.

This project falls in the Non-ferrous Metals Value Chains focus area, where the objective is, amongst others, the development of non-ferrous upstream value chains with specific reference to copper and aluminium. AIRM will add value to scrap that would have otherwise been exported in its scrap form, hence supporting the Government’s beneficiation strategy that IDC has a mandate to catalyse.

Case Study: Enstra Paper



Type of Funding	General Loan
Type of Product	Manufacturer of kraft paper from recycled wastepaper
Sector	Textiles, Wood and Paper Products
Province	Gauteng
District Municipality	City of Ekurhuleni
New Jobs	-
Retained/Existing Jobs	261 staff members permanently, 42 learnerships and 14 casual labour
Ownership	Black Industrialist

Enstra Paper (Pty) Ltd is a leading producer of various recycled kraft paper grades in the country and belongs to a larger group of companies, Corruseal Group. Enstra products are sold mainly to corrugated board companies within the group and unrelated paper packaging manufacturers who then produce corrugated boxes, food and grocery bags for their customers.

They also produce and sell high-quality printing paper and security paper. Enstra has received funding from the IDC to assist increase their capacity to meet the growing demand for recycled kraft paper. This will be achieved by building a new waste fibre recycling plant to substantially increase the capacity of recycled fibre ensuring the supply of more fibre stock of better quality along with a more reliable plant of modern technology to allow the paper mill capacity to be fully developed. The new waste fibre recycling plant will increase plant production capacity from the current 450 tons/day to 550 tons/day.

This investment will support the increased usage of recycled waste paper in the country and divert it from landfills thus contributing to the circular economy and increase the usage of wastepaper which will have a downstream effect of job creation and increased economic activity on SMEs and independent waste collectors.

Case Study: Bitterfontein Wool Processing/Gerber & Co



Bitterfontein is a recently established company whose purpose is to process raw wool into yarn for its jersey retail operations, felt insulation products, commission scouring and felt for hats as part of its production value chains. The company was also established to service the growing requirements of its own 7 retail stores, which distribute its Gerber & Co branded woollen products, Core Merino activewear brand and an agreement to supply Polo’s retail stores with 100% Merino wool jerseys.

The funding received from the IDC will be utilised to keep up with the increase in the demand for wool and related products, plant and machinery for the extraction of Lanolin and the cleaning of water in the production process. The IDC’s strategy has identified wool processing capacity as a white space in the value chain and a major opportunity for localisation. The increase in the wool processing capacity facilitates the downstream processing opportunities and is completely aligned to both the IDC and the R-CTFL masterplan objectives.

Type of Funding	General Loan + CTFLGP
Type of Product	Wool Processing
Sector	Textile and Wood Products
Province	Western Cape
District Municipality	Paarl – Drakenstein
New Jobs	73

Case Study: Hesto Harnesses



Hesto is an established Tier 1 supplier to major vehicle manufacturers in South Africa based in Stanger, KwaDukuza, KZN. They manufacture wire harnesses, instrument cluster/combination meters, and moulded parts and supply them to Toyota South Africa Motors (TSAM) and Isuzu Motors South Africa (Isuzu).

IDC provided funding support which to assist with the revival and recovery of their production line and the preservation of jobs. IDC continues to support projects like these, that support the transformation and localisation initiatives listed in the SAAM 2035 Masterplan and will promote local component suppliers at a Tier 1 level supplying components to local OEMs.

Furthermore, the role of Hesto and manufacturing wire harnesses for NEVs will become more important, as wire harnesses are considered the nervous system or blood vessels of a vehicle, meters, and other devices that support vehicle electronics.

Type of Funding	General Loan + MCEP
Type of Product	Manufacturer of wire harnesses
Sector	Automotive and Transport Equipment
Province	KwaZulu Natal
District Municipality	iLembe
New Jobs	3094
Retained/Existing Jobs	7952
Ownership	Black Industrialist

Core Outputs

Case study: Power Transformers

- ❑ Contipower Ltd has imported and locally distributed power transformers. They have now set up Continental Africa Transformers (CAT) as their subsidiary to manufacture high-voltage transformer bushings and Ring Main Units (mini substations).
- ❑ CAT will manufacture medium and high-voltage electrical equipment through technology and knowledge transfer agreements with international OEMS Moser Glacier Company for transformer bushings and Končar for Ring Main Units. These products will be manufactured under license from their technical partners. MCG is a Switzerland OEM in business for 104 years covering both the medium and high voltage range of up to 550 kV.
- ❑ CATCO will be the first to market with locally manufactured high voltage transformer bushings and will also be the only local manufacturer of class 1 RMU's.



Type of Funding	General Loan
Type of Product	Manufacturing of Electrical Equipment
Sector	Machinery, Equipment & Electronics
Province	Gauteng
District Municipality	City of Johannesburg
New Jobs	36
Retained/Existing Jobs	-
Ownership	Black Owned

Case study: Public Procurement - Designation of Wheelie Bins

The Importance of Wheelie Bins for Waste Management the Environment

- Wheelie bins are large plastic refuse bins on a set of wheels that is used for holding trash..
- They are manufactured from 100% Virgin Polyethylene
- Different colour coding may also be used for recycling methods, they are used in households as well as businesses and factories, allowing you to easily dispose of trash items.
- The containers come in various sizes, allowing users to choose the ones that suit their specific needs.

Designation of Wheelie Bins for Local Production

- There are approximately 4.6 million wheelie bins in the South African market, of which more than 90% procured by municipalities through public procurement
- Wheelie bins have been designated for local content since August 2016. The minimum manufacturing threshold is 100%, meaning no imports are allowed into South Africa because of the capacity to manufacture and supply.
- The investment to make wheelie bins was approximately R 60 million. The Designation of the Wheelie Bins has assisted MPACT to not only invest in one but two machines and moulds. This has greatly assisted the local producers in servicing demand at a rate of nearly 100% of the local market.

Economic Impact

- The expansion that happened in 2022 has currently led to production of 770 litre wheelie bins, Jumbo foldable crates, and bottling crates.
- As part of import replacement, MPACT currently manufacturers wheelie bin wheels.
- The following municipalities procures locally: Cape Town (**80 000** units); Ekurhuleni (**50 000** units); Tshwane (30 000 units); Johannesburg (**40 000** units). Currently exports to: Namibia (**15 000** units); Botswana (**4 000** units); Zimbabwe (**1000** units) and Nigeria (**1000** units)
- The Localisation Designation has assisted in creating additional demand and jobs. Currently the industry employs about 335 people directly and 210 people indirectly through the value chain.



Case study: Public Procurement – Electrical and Telecom Cables

The Importance of Cables in the rapidly changing electricity supply and ICT sectors

- The South African Cable Manufacturing facilitates, provides access and supports industries such as mining; automotive, marine; building and construction; appliances; aerospace; ICT; electricity and signal transmission, closed circuit television, etc.
- South Africa has leading manufacturers of high, medium and low voltage electrical cable and wire products. Some of the companies are Aberdare Cables, CBI-electric; African Cables, Tulisa Cables

Designation of Electrical and Telecom Cables for Local Production

- Cables have been designated for local content since May 2013. The minimum manufacturing threshold is 90%, meaning that only 10% of the components used in the manufacturing of cables can be imported.
- In 2012 just before designation, 9 cable factories employed 3244 workers. Currently, more than 14 factories employ an estimated 5000 workers.
- Plans to invest massively in order to build new infrastructure over next decade with a focus on energy, water, freight transport and digital communications, will provide significant new opportunities for localisation. .

Economic Impact

- The South African Wires & Cables Market size is projected to reach US\$7.46 billion by 2026, and it is estimated to grow at the compound annual growth rate of 4% during 2021-2026.
- The major growth factor is attributed to the rising demand for wires and cables in the automotive industry, increased adoption in the ICT sector to transfer data and provide high-end communication, and the rising demand for fibre optic cable
- Black-owned businesses and women-owned businesses are active in the sector.
- Specific downstream initiatives include cable drum manufacturing, tapes used in the manufacturing of cable, PVC compounds and services.



Case study: Industrial Procurement NIPP in the ICT Sector

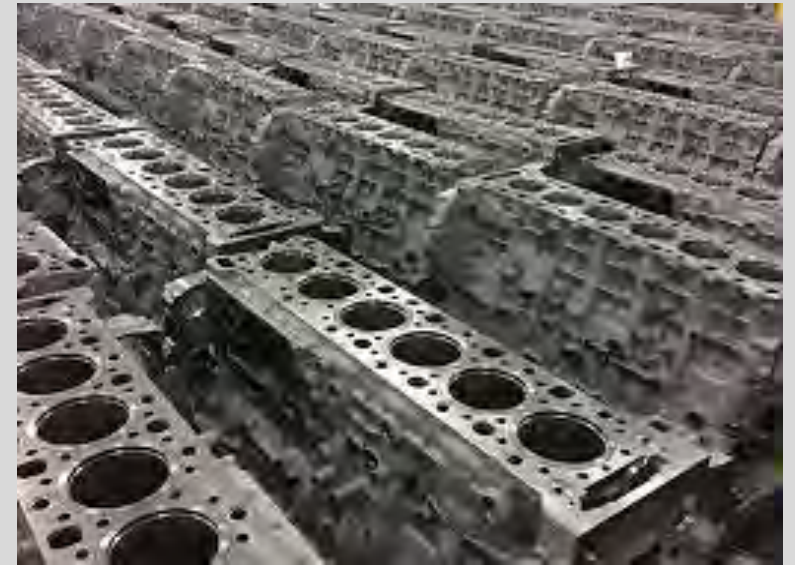


Huawei was awarded a contract by Telkom SA Limited to supply various network solutions and devices. As a result, Huawei incurred a National Industrial Participation (NIP) Obligation. Huawei invested **R232 Million** in the development of a Joint Innovation Centre (JIC) to develop cutting-edge technology - 5G, LTE, VR, cloud service, safe city solutions, IoT, high-end smartphone applications, smart home solutions, data centers, cloud computing digital services in South Africa.

Core Outputs

Case study: Industrial production – Automotive Component Manufacturer

- **Atlantis Foundries**, based in Atlantis, in Cape Town manufactures automotive iron cylinder block components which are supplied to Daimler Truck AG and Detroit Diesel Corporation.
- The company is being supported through the Automotive Investment Scheme and has to date made an investment of R134 million on machinery and equipment.
- The project reported additional local output to the value of **R180 million** for April to December 2023 and over the same period exported R2 billion to Germany and North America.
- The company retained 743 jobs through this project.



Picture caption: iron cylinder blocks.



Exports

04

Manufacturing exports (Global)

Output 3

Output 3

R700 billion in
manufacturing exports

Year-to-date achievement

R 761 billion

% of app target achieved

109%

- **R 523 billion**

manufacturing exports to the World*
during Q2 & Q3

- **R 169.5 billion**

manufacturing exports to the world
during Q2 linked to **dtic** support
initiatives

- **R 260.3 billion**

- manufacturing exports to the world
during Q3 linked to **dtic** support
initiatives

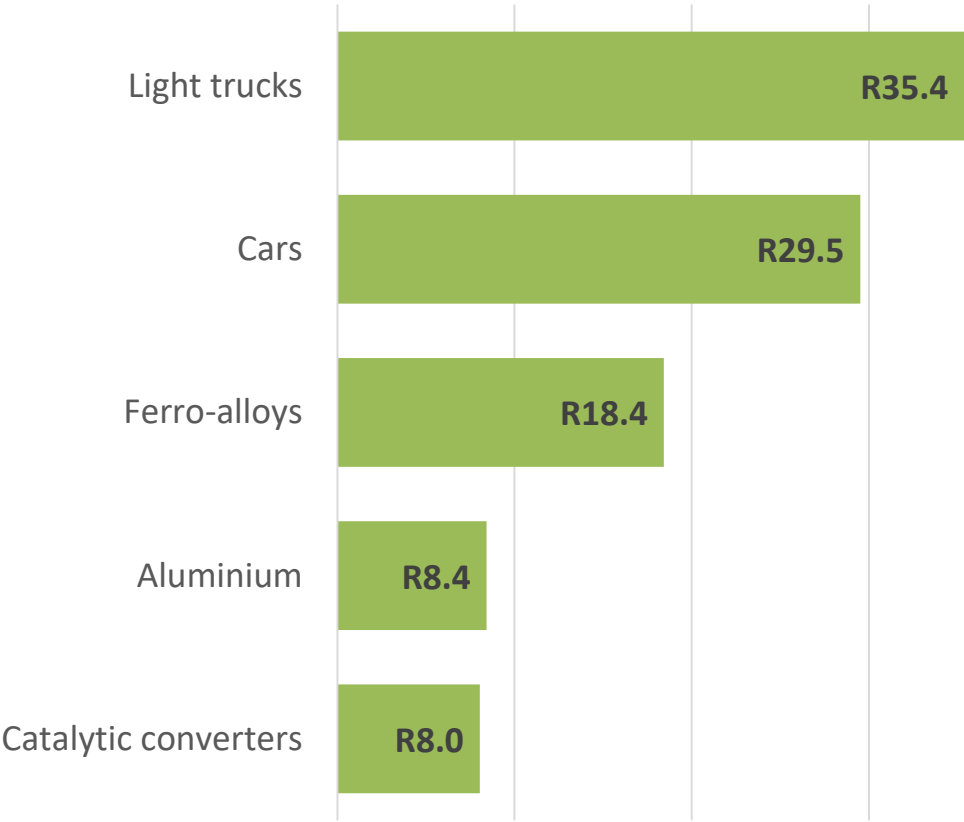
- The total manufacturing exports to the world during Q2 & Q3 was valued at **R523bn**:
 - Q2: R251bn
 - Q3: R272bn
- Of the R523Bn, **R429.8bn** was generated directly through support initiatives by **the dtic** and entities as follows:
 - Funding for exhibitions and missions: R699.4m
 - Exports supported by Export Councils funded by **the dtic**: R180.5bn
 - Exports supported through Industrial Policy initiatives: R3bn
 - Rebates, the APDP, as well as non-proliferation permits: R166.7bn
 - Investment facilitation and spatial development support: R13.4bn
 - Industrial financing: R65.5bn

* SARS provisional data for July 2023 – December 2023 subject to updates

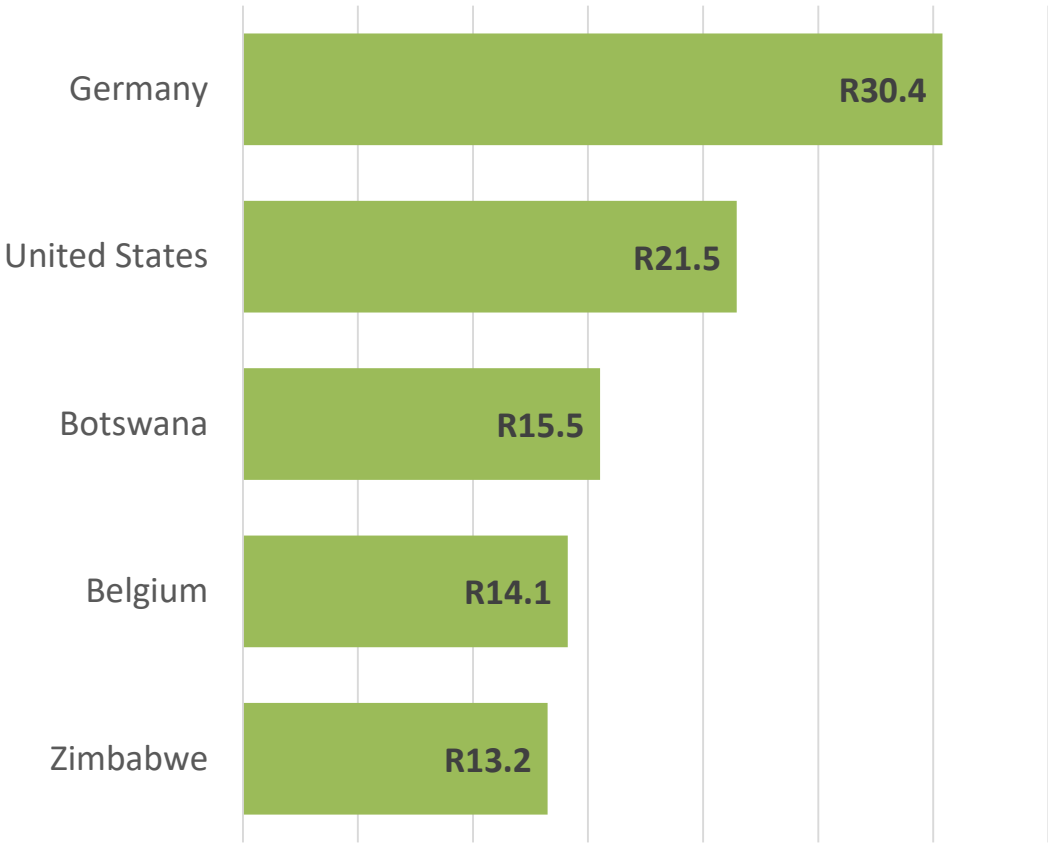
Manufactured exports

South African exports in Q2 fared **better than expected** despite anticipated headwinds linked to international monetary policy tightening, increasing instability in the Middle East, and ongoing electricity supply interruptions domestically.

Top 5 manufactured exports, Q2 2023, R' Billion



Top 5 destinations for manufactured exports, Q2 2023, R'Bllion

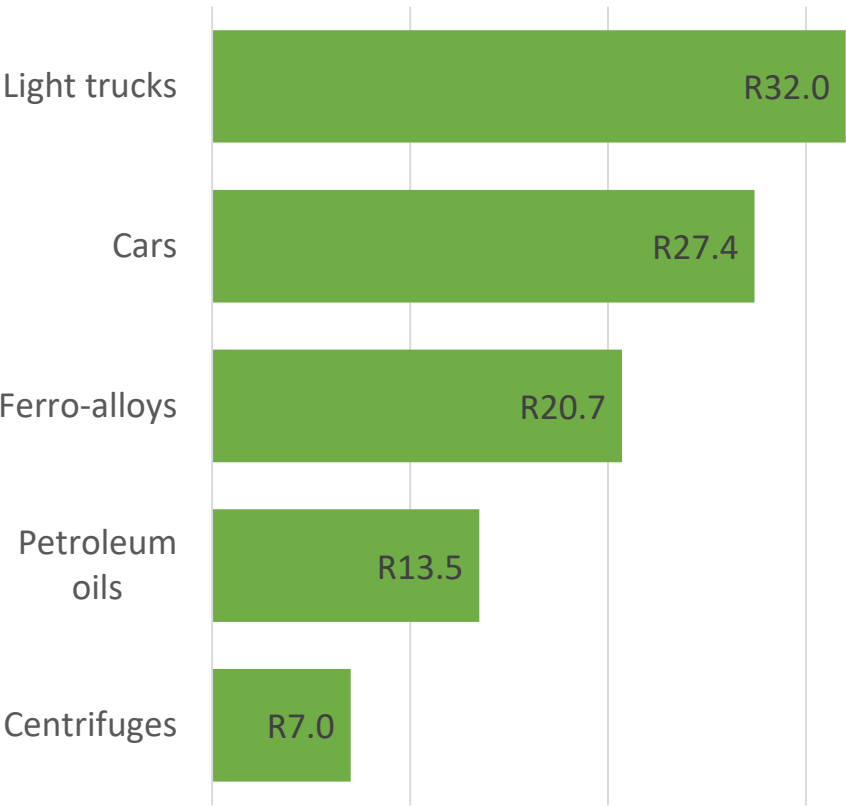


** SARS provisional data for July 2023 – September 2023 subject to updates*

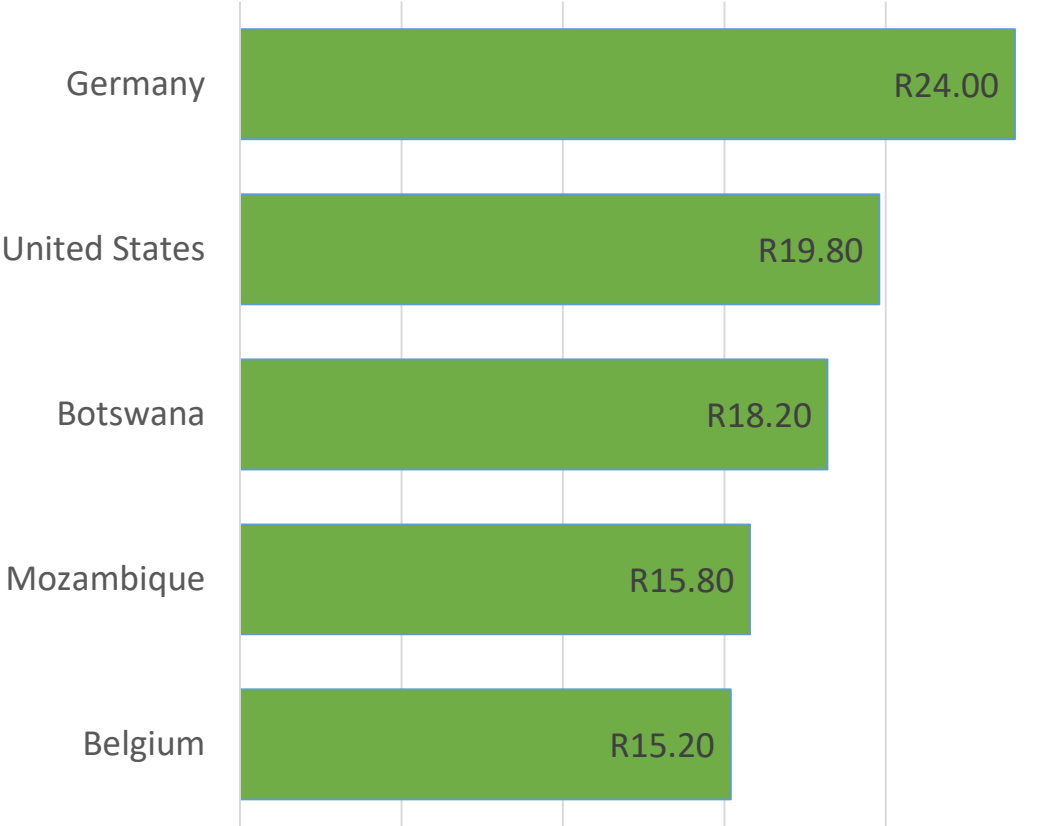
Manufactured exports

South African exports to the **World** continued to grow in **Q3** despite lower year-end GDP figures, following on the better than expected growth registered in **Q2**.

Top 5 manufactured exports, Q3 2023, R' Billion



Top 5 destinations for manufactured exports, Q3 2023 R' Billion



** SARS provisional data for October 2023 – December 2023 subject to updates*

Core Outputs

Manufactured exports

Top Exported Products by Country, Q2 2023

	Germany	USA	Botswana	Belgium	Zimbabwe
1	Automotives, cars	Automotives, cars	Petroleum oils	Automotives, trucks	Automotives, trucks
2	Automotives, trucks	Aluminium	Automotives, trucks	Ferro-alloys	Cosmetics
3	Catalytic converters	Ferro-alloys	Cosmetics	Sulphur & sulphuric chemicals	Petroleum oils
4	Other chemicals	Catalytic converters	Flat-rolled steel	Automotives, cars	Household cleaners
5	Automotive components	Other chemicals	Pasta, grains & other prepared starches	Chemical alcohols	Automotives, cars

* SARS provisional data for July 2023 – September 2023 subject to updates

Core Outputs

Manufactured exports

Top Exported Products by Country, Q3 2023

	Germany	USA	Botswana	Mozambique	Belgium
1	Automotives, cars	Automotives, cars	Petroleum oils	Ferro-alloys	Automotives, trucks
2	Automotives, trucks	Aluminium	Automotives, trucks	Organic agents	Ferro-alloys
3	Catalytic converters	Ferro-alloys	Automotives, cars	Automotives, trucks	Sulphur & sulphuric chemicals
4	Other chemicals	Catalytic converters	Medicaments	Other steel rods	Automotives, cars
5	Automotive components	Flat-rolled steel	Automotive components	Cereal grouts	Acyclic hydrocarbons

* SARS provisional data for October 2023 – December 2023 subject to updates

Manufacturing exports (Rest of Africa)

Output 4

Output 4

R300 billion in
manufacturing exports
to Rest of Africa

Year-to-date achievement

R 313 billion

% of app target achieved

104%

- **R 218 billion**

manufacturing exports to other
African* countries during Q2 & Q3

- **R 25.7 billion**

manufacturing exports to other African
countries during Q2 linked to **dtic**
support initiatives

- **R 75.4 billion**

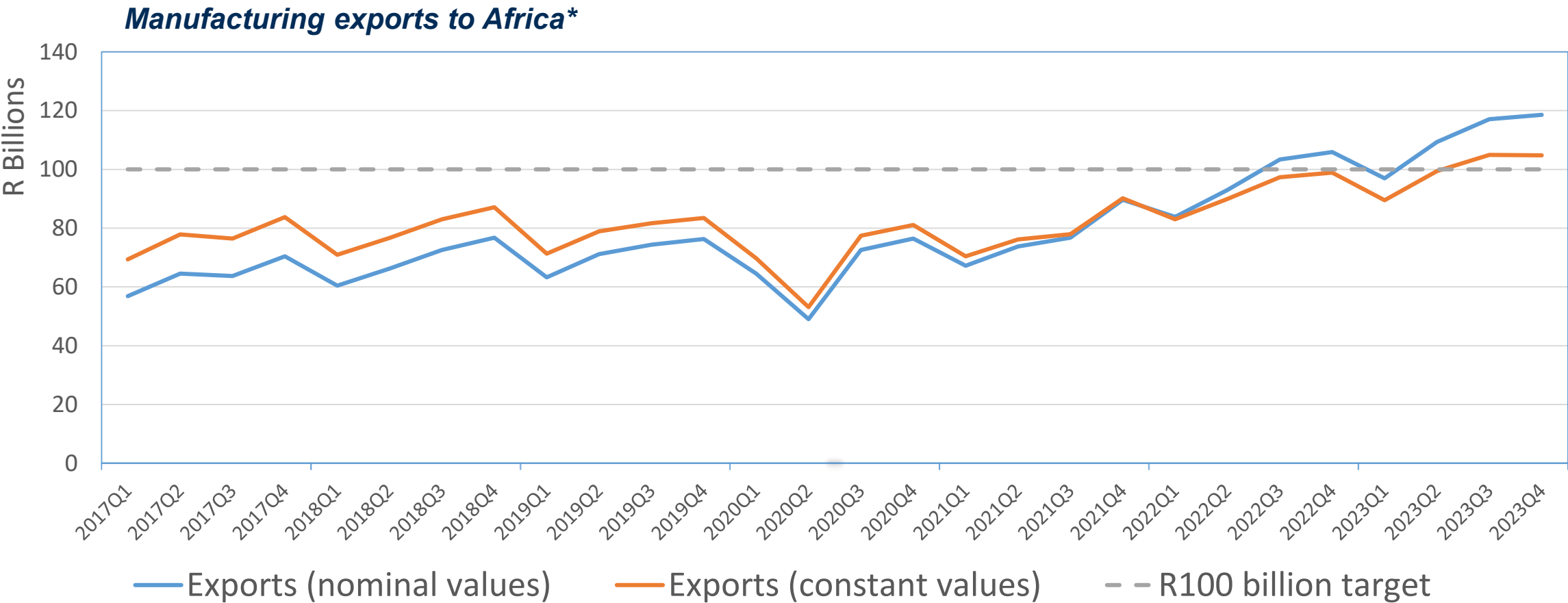
manufacturing exports to other African
countries during Q3 linked to **dtic**
support initiatives

- The total manufacturing exports to other African countries during Q2 & Q3 was valued at **R218bn**:
 - Q2: R101bn
 - Q3: R117bn
- Of the R218bn, **R101bn** was generated directly through support initiatives by **the dtic** and as follows:
 - Funding for exhibitions and missions: R5.6m
 - Exports supported by Export Councils funded by **the dtic**: R70.8bn
 - Exports supported through Industrial Policy initiatives: R168.9m
 - Rebates and the APDP: R14.1bn
 - Investment facilitation and spatial development support: R2.5bn
 - Industrial financing: R13.5bn
 - Export orders secured as a result of insurance risk cover provided: R41.9m

** SARS provisional data for July 2023 – December 2023 subject to updates*

Manufactured exports to rest of Africa

South African manufacturing exports to the rest of Africa during Q2 and Q3 2023 surpassed the highest export levels reached in 2022. Exports in Q2 grew 7.1% compared to Q1.



*Constant value adjustment uses CPI values. CPI =100 in December 2021.

Export Marketing & Investment Assistance: Export Initiatives

the dtic through, Export Marketing Investment Assistance (EMIA) group scheme, participated in seventeen (17) export initiative events during Q2 and Q3. The events were as follows:

SIX Q2 EXPORT INITIATIVES

1. DEF 2023 in Turkey from 25th - 28th July 2023;
2. Automechanika, Johannesburg, 5th - 7th September 2023;
3. Fruit Logistica Asia 2023, Hong Kong, 6th - 8th September 2023;
4. DSEI 2023, London, 12th - 15th September 2023;
5. World Food Moscow 2023, Moscow, 19th - 22nd September 2023;
6. La Rochelle Boat Show 2023, La Rochelle France, 20th - 25th September 2023



ELEVEN Q3 EXPORT INITIATIVES

1. Automechanika, Middle East, 2nd - 4th October 2023;
2. ADIPEC 2023, Abu Dhabi, 2nd - 5th October 2023;
3. Beauty Istanbul 2023, Turkey, 2nd - 4th October 2023;
4. Anuga 2023, Germany, 7th - 11th October 2023;
5. Africa Oil Week 2023, Cape Town, 10th - 13th October 2023;
6. US Sail Boat Show 2023, Macatawa, 4th - 8th October 2023;
7. Africa Health 2023, Midrand, 17th - 19th October 2023;
8. BME Symposium Purchasing & Logistics Exhibition 2023 in Berlin from 18th - 20th October 2023;
9. China International Import & Export (CIIE) 2023 in Shanghai from 5th - 10th November 2023;
10. Intra-Africa Trade Fair (IATF) 2023 in Cairo from 9th - 15th November 2023
11. Footwear and Leather Show 2023 in Australia from 21st - 23rd November 2023

Case study – Jamsco Automotive Assemblies



Owner: Hayley Eagle

- ❑ Jamsco Automotive Assemblies produces the stamped bracket used on the dash panel of the Ford T6 Ranger. The part is supplied to Ford Argentina and Ford South Africa.
- ❑ Jamsco also provide stabiliser bar assemblies, front hubs, rear axles, and stabilisers to Ford South Africa.
- ❑ With the support from **the dtic** from 2015 to 2021 through the EMIA Individual Scheme, Jamsco was able to gain access to international markets such as China, Germany, France, and Dubai.
- ❑ The 100% black woman-owned business is located within the Automotive Industry Development Centre (AIDC) incubation centre in Silverton, Pretoria and has a total of 70 employees.

Joy Tloubatla, a Production Supervisor, joined Jamsco in February 2017 as an Artisan. Since joining she has advanced within the company, overseeing various projects, including the production of stamped brackets for Ford Argentina and Ford South Africa .



Case study : DCD Protected Mobility



- ❑ DCD Protected Mobility was registered as an entity in 2006 and is a leader in design, manufacture, integration and support of special-purpose tactical vehicles.
- ❑ DCD manufactures a range of **Springbuck Armoured Personnel Carriers and Husky Vehicle Mounted Mine Detection Systems.**
- ❑ The company is based in Boksburg and employs 163 individuals depending on the contracts on hand. The company has participated in the **dtic** funded National Pavilions to promote its exports..
- ❑ DCD is a significant role player in Africa and contributor to Peace and Security and exports to 12 countries on the African continent.



Cornelius Grundling
CEO



Thato Nkoyane

Thato Nkoyane is the DCD Lead Field Service representative. He leads a field support team responsible for the commissioning and delivery of vehicles to the end user as well as after-sales service support. He started his career at DCD in 2009, as Quality Assurance Officer. He is also responsible for the training of technicians and drivers for the end user. Since 2021, he leads his team, traveling and working in the rest of Africa.



Case study – Bareng Cons Services



Mahlako Mohlala

Mahlako is a recent graduate in Bachelor of Accounting Science in Financial Accounting, and has been employed as a financial officer at Bareng Cons Services since January 2023. She is the sole member of the finance department and her role primarily involves generating quotes and reconciling invoices.



Director: Rita Pheladi Mohlala

Bareng Cons Services is a design, manufacturing, supply, maintenance and repairer of steel based mechanical engineering products and services.

It specialises in plant maintenance, machining, and repairing of hydraulic cylinders. Repair of gearboxes, pumps and motors. Fabrication of electrical enclosures, tanks, structures, plate and pipe work using aluminium, stainless steel, mild and carbon steel.

The company receives assistance from **the dtic** in the form the training managers program hosted by **the dtic** in partnership with the German Development Agency (GIZ). The programme also includes hosting business-to-business sessions with German businesses in Germany.

Bareng Cons Services currently exports to the Germany, Botswana and Nigeria Markets. The company has 18 employees with the potential to add 8 more artisans and apprentices on two year contracts.

Bareng Cons Services was established in March 2017 and is a black woman-owned business with manufacturing based in Boksburg, Gauteng.

Case study – Botanica

- ▶ Botanica was established in 2009 and located in rural Limpopo, South Africa.
- ▶ It specializes in producing, and supplying indigenous plant extracts, vegetable oils, and powders in a socially and environmentally sustainable way for personal care and nutritional applications.
- ▶ The Botanica range of vegetable oils includes Moringa oil, Baobab oil, Kalahari melon seed oil and Marula oil which offer remarkable benefits for the hair and skin.
- ▶ The company is a member of the Cosmetic Export Council of South Africa (CECOSA) and has 25 employees.
- ▶ Botanica has participated in trade missions organised by **the dtic** and exports have grown resulting in increased outgrowers, employees and turnover.
- ▶ As a result of these trade missions the extracts are marketed to cosmetic and nutraceutical producers worldwide; with focus on Uganda, Middle East, Mauritius, Swaziland and Australia markets.



Ananias Kobola:
Harvesting
Moringa Pods



Managing Director: Will
Coetsee

Core Outputs export promotion

Case study – Cassie Kids

- Cassie Kids manufactures non-toxic cruelty-free, mineral-based makeup for children.
- It currently has several different sales channels, ranging from direct on line sales, online stockists, as well as brick and mortar stockists.
- Cassie Kids was established in February 2021 and became a member of the Cosmetic Export Council of South Africa (CECOSA) in 2023.
- Cassie Kids partakes in various shows, expos and artisan markets, locally and globally.
- Cassie has both local and international customers and participated in the Professional Beauty London Show with CECOSA in 2023.
- The markets Cassie Kids exports to are: Botswana, Mozambique, USA, SADEC Countries, United Kingdom, China and Maldives.



Shine Chinyani joined Cassie Kids in July 2023. She has been trained in formulating products ranging from bath fizz, kids' perfume, boys' cologne, eye lash serum and glitter gel.



Shine Chinyani
formulating Bath Fizz

Case study – Lady Rose Health and Beauty (Pty) Ltd

- ▶ Lady Rose was established in 2016 by Linda Chuter (CEO and founder), who formulated her own beauty products containing natural ingredients, which would not be harmful to the skin, and work in restoring and healing the skin from the inside out.
- ▶ Lady Rose joined the Cosmetic Export Council of South Africa (CECOSA) in 2018. They have since exhibited internationally at the SANA 2023 Naturally Organic Fair in Bologna, Italy, with funding support from **the dtic** Sector Specific Assistance Scheme (SSAS) and coordinated by CECOSA.
- ▶ The support that the company received from **the dtic** has provided Lady Rose the opportunity to step into the export market. The first export order to Italy was secured and Lady Rose is currently in the process of applying for funding with SEDA and SEFA for the necessary product testing and EU registration.
- ▶ The company consists of 2 permanent and 2 part-time staff members with a growing agent network of 40 agents across South-Africa.



Rozette joined Lady Rose as an agent in 2018 after her 21-year professional career came to an end. Today she hosts ladies mornings and inspire women in her community.



**Company Founder
Linda Chuter**



Rozette Scheepers



EXPORT SUPPORT TARGETS



Implementation of the AFCFTA

Output 27

- Following extensive legal work concluded and products agreed with SACU countries, letter from Minister of Trade, Industry and Competition submitted to Minister of Finance to gazette the SACU provisional schedule of tariff concessions for the implementation of the AfCFTA.
- Rules of Origin concluded on two Clothing and Textiles Chapters.
- Chapter rule and two heading rules of origin concluded for Automotive sector.
- AfCFTA awareness workshops concluded in all 9 provinces.
- SEZ Workshop on the AfCFTA with Dube Trade Port and Richards Bay IDZ.

THE 3RD EXTRAORDINARY MEETING OF THE AfCFTA COUNCIL OF MINISTERS RESPONSIBLE FOR TRADE

TROISIÈME (3E) RÉUNION EXTRAORDINAIRE DU CONSEIL
DES MINISTRES DE LA ZLECAf EN CHARGE DU COMMERCE

TERCEIRA (3ª) REUNIÃO EXTRAORDINÁRIA DO CONSELHO
DE MINISTROS DO COMÉRCIO DA ZCLCA

الاجتماع الاستثنائي الثالث لمجلس الوزراء المسؤولين عن التجارة لمنطقة التجارة الحرة القارية الأفريقية

MKUTANO WA TATU WA KIPEKEE WA BARAZA LA
MAWAZIRI WA AfCFTA WANAOHUSIKA NA BIASHARA



Implementation of the AfCFTA

Trade under the new preferences set out in the African Continental Free Trade Agreement (AfCFTA) was launched by President Cyril Ramaphosa and the Minister of Trade, Industry and Competition of South Africa, Ebrahim Patel on Wednesday 31 January 2024 at the Port of Durban. This followed the publication on Friday 26 January in the Government Gazette of the terms under which South Africa will participate in the new free trade agreement.

The event took place together with the 13th AfCFTA Council of Ministers meeting held on 30 January 2024, in Durban, South Africa

Twelve countries, including South Africa, have finalised their legal modalities to enable trade to commence in thousands of products lines, ranging from food and beverages to steel products and equipment, taxis, pharmaceutical and personal care products, chemical products and household goods such as fridges and televisions.

The launch event included a display of products due to be exported and the witnessing of the first container of goods from Grinding Media South Africa (grinding balls) and Defy (freezers) loaded onto a ship destined Ghana and Kenya covered by the start of trade under the AfCFTA. Other exhibitors included: Hisense SA, Tiger Brands, Proctor & Gamble, Afro-Zonke Group, Toyota, Hulamin, Sumitomo Natural Rubber, The Reclamation Group, Conlog, BT Industrial and the Beiers Group.



South Africa's Minister of Trade, Industry and Competition addresses the meeting of African Trade Ministers to finalise modalities to enable trade to start under the AfCFTA



Deputy Minister Majola and Secretary General Wamkele Mene

Export Support outputs

Implementation of the AFCFTA – launch of first shipment in Durban Port



Seven high impact trade interventions completed

Output 28

1. Anti-dumping duties on Tyres imported from China implemented
2. Anti-dumping duties on chicken pieces from Brazil, Denmark, Ireland, Poland and Spain implemented.
3. Unlocking the resumption of beef exports to China.
4. Securing market access for beef and red meat exports to Saudi Arabia
5. Extension of price preference system (PPS) to 2027 to ensure favourable access to scrap feedstock for domestic steelmakers implemented
6. Tyre rebate provision to reduce input costs for SA tyre manufacturers implemented
7. Dunlop/ Haggie localisation of steel cord used for the manufacture of steel conveyer belts, following a tariff rebate engagement

Case Study: Market access for rooibos tea to China

Rooibos tea is a unique South African tea that has gained a strong foothold in global markets with hundreds of millions of rands of annual exports in 2022. South Africa led efforts at the World Customs Organization (WCO) for a specific tariff code applicable only for rooibos tea.

In August 2023, Minister Patel raised the tariff duties on rooibos tea with his counterpart, the Chinese Minister of Commerce, Wang Wentao, during the 8th meeting of the China-South Africa Joint Economic and Trade Commission. He requested that China considers a request to reclassify rooibos tea and to reduce the duties.

Following further consideration from the Chinese side, the Customs Tariff Commission of the State Council of China advised it will be adopting the new tariff code of the WCO. In January 2024 South Africa welcomed the decision by the People's Republic of China to substantially reduce tariff rates on imports of South African Rooibos tea.

China, the world's largest tea market, previously had tariffs ranging from 15% to 30% on rooibos tea. **This has now been reduced to 6%.**

According to the Rooibos Council of South Africa, approximately 20 000 tons of Rooibos is produced in South Africa every year generating employment for more than 5 000 people. **China featured as the 7th largest recipient market in 2023 for South African Rooibos** out of a total of 45 countries currently importing Rooibos tea.



Case Study: Anti-dumping duties on bone-in chicken pieces from Brazil, Denmark, Ireland, Poland and Spain implemented

- The South African Poultry Association (“SAPA”), submitted an application to ITAC alleging that poultry is being dumped in our market, causing material injury and a threat of material injury to the industry. The market covers SA, Namibia, Botswana, Lesotho and eSwatini.

- The Minister approved the Commission’s recommendation to introduce an anti-dumping duty. However, in making his decision, the Minister considered the rapid rise in food prices in the local market and globally at the time and the significant impact this had, especially on the poor, as well as the impact that the imposition of the anti-dumping duties might have on the price of chicken as one of the more affordable protein sources. The Minister therefore decided to suspend the imposition of the anti-dumping duties for a period of twelve (12) months or a shorter period of time depending on the prevailing circumstances at the time.



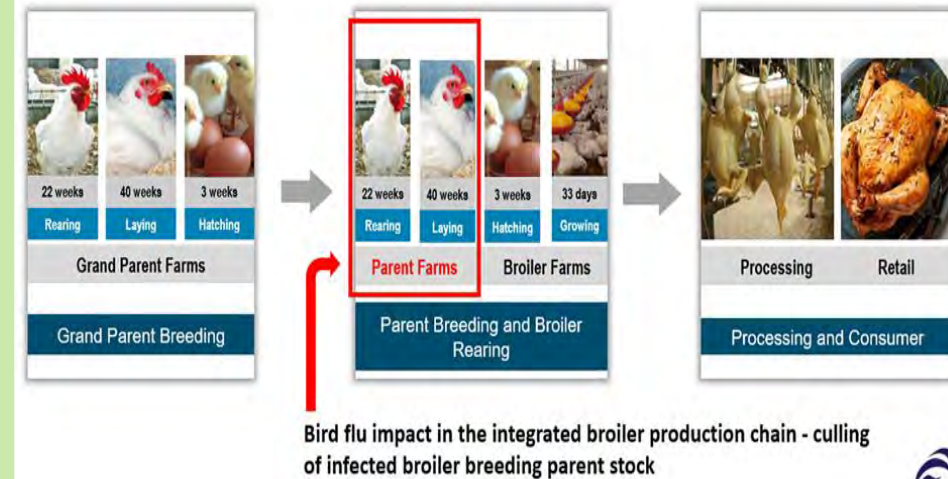
In August 2022, the Minister indicated that he was of the view that the anti-dumping duties should become effective and requested the Minister of Finance to impose the duties.

The Minister requested the Competition Commission to closely monitor the prices of frozen bone-in portions and if there is price increases aimed at taking advantage of the introduction of the anti-dumping duties, he may request the Minister of Finance to suspend the anti-dumping duties for a period.

Following consideration, SARS published a notice on 3 August 2023 to give effect the Minister’s decision.

Case Study: Creation of a temporary rebate on poultry to counter the impact of Highly Pathogenic Avian Influenza (“HPAI”) on a high protein, basic staple food

- The Minister directed ITAC to investigate the creation of a temporary rebate for poultry products in order to counter the severe impact of avian flu, which forced the culling of millions of chickens at great lost to key players across the poultry value chain. The outbreak impacted the availability of poultry products resulting in increased prices on a high protein, basic food stuff, which is a staple food for the poor.
- A temporary Tariff Rate Quota (“TRQ”) based rebate was implemented on 26 January 2024.
- This rebate does not apply to anti-dumping duties. This is to ensure continued protection for domestic poultry producers against unfair trade practices and injurious imports.
- Furthermore, it is not a full rebate in some product categories, such as bone-in cuts (0207.14.2) where importers will still have to pay a duty of 37% duty, whereas Carcasses, Offal (livers, feet, heads, and other) would not be subject to any customs duties. This is an effort to balance the recovery of local production with the availability and affordability of poultry products that are mostly consumed by the lower segment of the market.



The issuance of permits may be discontinued based on assessments by DALRRD and NAMC regarding domestic producers' recovery from the bird flu outbreak. It may also be suspended in an instance where the Minister of Agriculture, Land Reform and Rural Development advise the Commission that the outbreak is under control and 'domestic production has returned to levels which safeguard food security in SACU'.

In this regard, monthly updates on production and the path of the outbreak will be provided by DALRRD. One such Report, dated 19 January 2024, highlights the following –

- 1. The share of the HPAI outbreak by strain is concentrated on the H7 variant (H7 has 113 outbreaks versus 26 outbreaks of H5), with the outbreak to be found largely in Gauteng;
- 2. In the case of the H5 virus, just over half of the outbreaks have been reported to State Veterinary Services as resolved (57.7%), whereas less than a fifth have been resolved in the case of the main H7 outbreak (18.6%);
- 3. Just below a third (31.3%) of the H7 outbreaks in the 'epicentre' (Gauteng) had been resolved by the end of December 2023; and
- 4. The 'peak' of the outbreak seems to have passed (for both strains). DALRRD observed that, on average, 12 outbreaks were reported per week in August/September 2023 and while the outbreak is now seemingly tapering off, risks seemingly remain.

It should be noted that ITAC interventions, in this case, are guided by the path of the outbreak and the associated responses in market inventories and stock levels.



Case Study: Price Preference System on exportation of Scrap & Waste Metals (PPS)

PPS ensure local benefactors of scrap and waste metal is given first option to the input material before export.

In 2013 the Minister issued a Trade Policy Directive to ITAC for the exportation of scrap metal to be regulated. The Price Preference System (PPS) on the export of scrap metal has brought about new scrap based steel and aluminium beneficiation capacity. Major investments made since the introduction of PPS include:

- Scaw Metals R4, 5 billion in a hot strip mill
- Unica R300 million iron and steel rolling mill
- Veer Steel's R550 million Aluminium ingot and billet plant
- Velocity ventures R160 million Aluminium scrap beneficiation Kamal Cape Town Iron and Steel Company (CISCO) has the capacity of 200 000 tons per annum and positioned itself to meet billet feedstock requirements, particularly in the Tanzanian market, supporting the African industrialisation programme efforts.
- Other mini mills including Cape Gape; Force Steels; SA Steel Mills, UNICA have invested and contributed to a competitive long-steel product market resulting in the long-products being competitively priced for downstream customers and end-users
- Direct impact has been more downstream products being localised due to cheap input material: e.g.: Wire-rod, wire fencing, fishing/general purpose rope, flat sheets.



Case study – Dunlop Belting and Haggie Steel Wire Rope

DUNLOP BELTING PRODUCTS applied to ITAC for the Creation of a Rebate Provision for the Importation of Steel Cord used in the manufacture of Conveyor Belts HS code 7312.10.40.

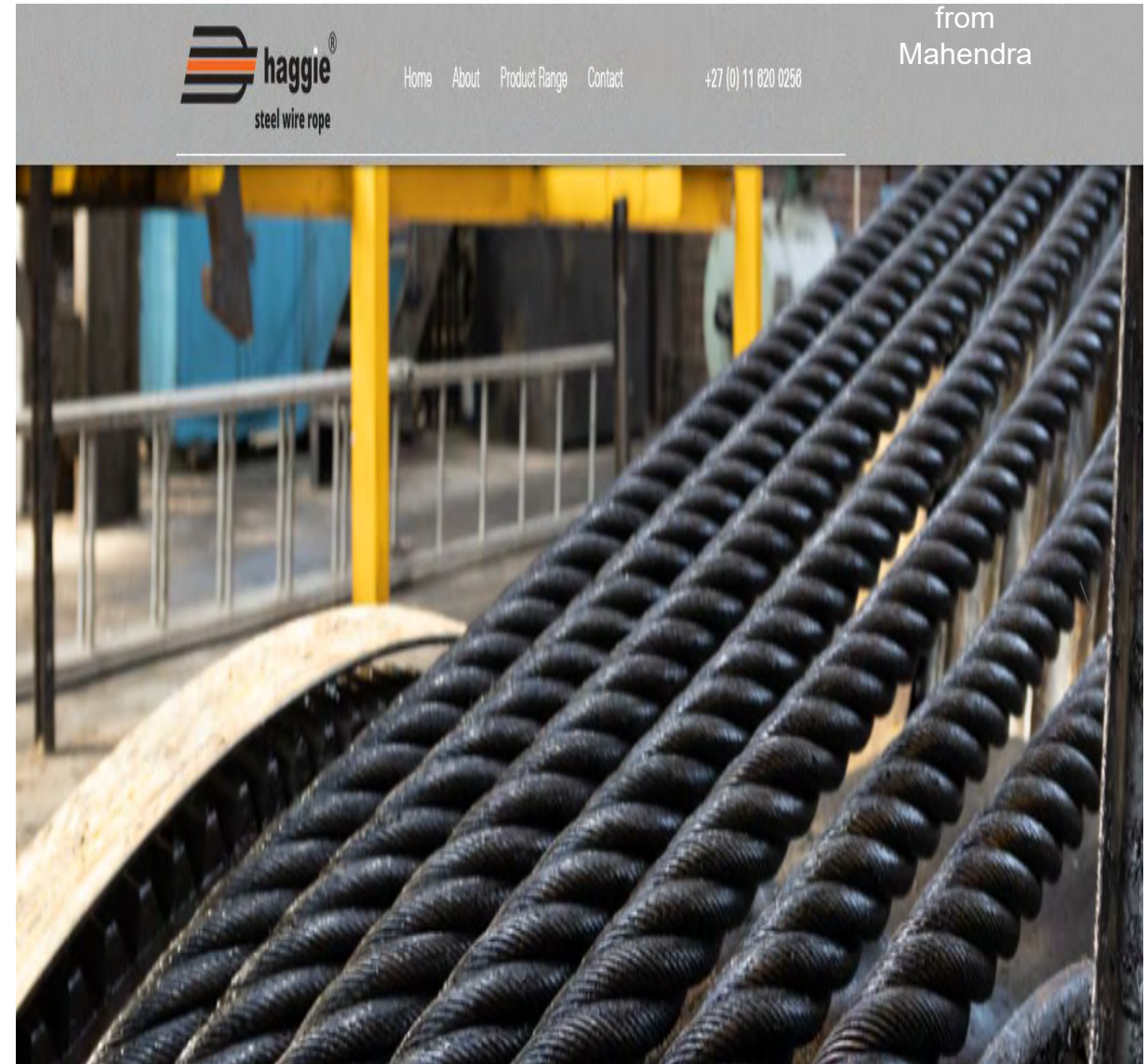
The department identified an opportunity to onshore production and support local manufacturing.

The Trade Branch contacted the local manufacturer of Steel Ropes, HAGGIE STEEL WIRE ROPE, it was determined that the products can indeed be manufactured locally by Haggie.

Both parties have agreed to support the Temporary Rebate provision whilst Haggie sets up the local manufacturing and all necessary tests are conducted.

R200 million worth of product purchased from outside SA will be redirected to locally made products per annum (or R1 billion over five years of existing and secured demand off-take being directed to locally manufacturing).

The off take agreement between Dunlop and Haggie has been signed and currently under implementation. The R200million per annum will result in direct and indirect jobs, technology, skills, new manufacturing capacity and new product line, which will also benefit from the AFCFTA opportunities.



Case study – Obtaining market access for SA red meat to Saudi Arabia

- ❑ On 21 August 2023 the Saudi Food and Drug Authority (SAFDA) approved access for SA red meat to their market. The halaal meat market globally is huge. South Africa already has a strong presence in markets like the United Arab Emirates and Malaysia. The Saudi market is valued at over \$5 billion. South Africa offers a premium quality meat product. The meat industry and Halaal authorities worked in partnership with Government in achieving this outcome.
- ❑ The approval by SAFDA is direct outcome of the State Visit by President Ramaphosa to the Kingdom of Saudi Arabia in October 2022. On the margins of the State Visit to Saudi Arabia, Ministers Ebrahim Patel and Thoko Didiza met Minister Khalid Al Falih, Minister of Investment Saudi Arabia, SAFDA together with the South African Meat industry players. A task team from both sides was established together with industry to facilitate the market access protocol for meat and red meat products from South Africa into the Kingdom of Saudi Arabia. Inspections by SAFDA were done in June 2023 at South African abattoirs and feedlots for compliance in terms of market access protocols and halaal certification into the Kingdom of Saudi Arabia.
- ❑ South African meat industry players such as Karan Beef, Beef Master, Good Hope Meats recently exhibited their meat products at the Saudi Food Expo in Riyadh 20-22 June 2023 and South African products were well received by the Saudi market.
- ❑ **First shipment of meat from Beefmaster arrived in the Kingdom of Saudi Arabia on the 18th-19th of February 2024**
- ❑ **Karan Beef meat shipment will arrive in the Kingdom of Saudi Arabia at the end of February 2024**



Protocols finalised under the AfCFTA

Output 41

Protocol on Women and Youth in Trade

- The 12th AfCFTA Council of Ministers approved the Protocol on Women and Youth in Trade in December 2023, following extensive negotiation by SA negotiators with other AfCFTA partners.
- The objectives of the Protocol are to maximise the opportunities presented through the implementation of the AfCFTA by addressing some of the challenges facing women and youth in trade.
- Key elements of the draft Protocol include provisions on facilitating inclusive socio-economic development and creating an enabling environment for women and youth through the harmonisation of regional and national programmes to support Women and Youth, trade finance, development of productive and export capacity, the formalisation of cross border trade, protection against harassment and gender-based violence.
- On 17-18 February 2024, the Protocol was adopted at a Session attended by the President and the Minister of Trade, Industry and Competition, of the African Union Assembly of Heads of State and Government in Addis Ababa, Ethiopia, on 17-18 February 2024.
- This is the first Trade Protocol on Women and Youth in Trade reached globally.

Protocols finalised under the AFCFTA

Output 41

Protocol on Digital Trade

- The digital economy offers enormous opportunities for the Continent. SA engaged on a proposed AfCFTA Protocol on Digital Trade, with a focus to develop opportunity for African content, firms and platforms to grow and develop. Our approach to the negotiations on the Protocol on Digital Trade, therefore, aimed to ensure that the Protocol supports our developmental priorities and benefits the industrialisation of the continent. This includes, for example, the prioritisation and preferential participation of African business and platforms, as well as the importance of data localisation.
- During the two quarters, negotiations finalised a number of provisions. However, there was no agreement on a number of provisions. These were referred to the Council of Ministers. During sessions of the Council in December 2023 and January 2024, South Africa proposed language that provided a basis for broad consensus. The AfCFTA Council of Ministers approved the approach.
- The key provisions of the Protocol is to create a single digital market across the continent, with necessary protections on matters relating to public interest and security considerations.
- This was considered and approved by the African Union Heads of State and Government Assembly on 17-18 February 2024 in Addis Ababa, Ethiopia. A built-in agenda was agreed for the negotiation of matters relating to public interest criteria, customs duties, rules on African content and cross-border data transfer.

Protocols finalised under the AFCFTA

Output 41

Protocol on Investment

The AfCFTA Investment Protocol seeks to foster coherence and consistency with respect to the rules and principles that govern the promotion and facilitation of investment on the African continent; and to attract great investment flows to the continent and facilitate intra-African cross-border investment.

- The main objectives of the Protocol on Investment are to encourage intra-African investment flows and opportunities and promoting, facilitating, retaining, protecting and expanding investments that foster sustainable development of State Parties.
- The Protocol on Investment was adopted by the 36th Ordinary Session of African Union Heads of State and Government in February 2023 with Articles 19 (Expropriation) and 21 (Compensation for Expropriation) bracketed for further consideration and to ensure that these are aligned with Member States' constitutional and legal requirements, taking into account historical factors in some Member States.
- Agreement has now been reached on Article 19 that relates to the core principles on expropriation. The remaining article is referred to the AfCFTA Council of Ministers.
- The annexes on the Rules and Procedures governing Dispute Prevention, Management and Resolution of disputes covered by the Protocol, will be set out in an Annex to the Protocol, which is still to be negotiated as part of a built-in agenda.
- The establishment of a Pan-African Trade and Investment Agency is also provided for under the Protocol to assist State Parties, their investment promotion agencies and their private sector through mobilizing financial resources, fostering business development and providing technical and other support for the promotion and facilitation of investment. The appropriate governance and administrative structures, functions of the Agency, as well as rules and procedures for the administration and operation of the Agency will be finalized through a proposed Annex to the Protocol.
- South Africa has expressed formal interest to host the Pan African Trade and Investment Agency.

Protocols finalised under the AFCFTA

Output 41

Protocol on Competition Policy

The Protocol on Investment was adopted by the 36th Ordinary Session of African Union Heads of State and Government in February 2023

- Ratification of Competition Protocol approved by Economic Cluster for submission to Cabinet.
- The Protocol is intended to address the anti-competitive practices at a continental level that existing national and regional competition authorities may not adequately address. Targeted anti-competitive practices include the following:
 - International cartels.
 - Cross-border cartels within our markets that are not adequately regulated by existing national and regional competition authorities.
 - Anti-competitive practices instigated by large and dominant firms that reside outside of our continent, which in the main are such firms as platforms, e-commerce and social media firms.
 - Cross-border mergers.

Protocol on Intellectual Property Rights

- The Protocol on Intellectual Property Rights was adopted by the 36th Ordinary Session of African Union Heads of State and Government in February 2023
- The Protocol puts in place a co-operation framework between AfCFTA State Parities, provide for basic standards on intellectual property rights and enforcement of intellectual property rights in accordance with national laws and other treaties to which countries are party to. This Protocol applies to all categories of intellectual property rights but the detail on the different categories will be covered in annexes to the protocol that is yet to be developed.



Global Business Services

Global Business Services

Output 5

Output 5
*R8 billion in exports of Global Business Services

*Target may be revised from R2.5bn

Year-to-date achievement
R8.9 billion

Target Achieved
111%

- In Q2, projects reported services delivered by the local workforce to customers in **New Zealand** and **Canada**. In both Q2 and Q3, services delivered to **Gibraltar** was noted.
- The trend of moving away from traditional call center services to more high-value services was also evident in the type of services offered in these three markets.
- These include online English tutoring provided to clients in Gibraltar as well as financial and insurance administration provided to New Zealand and Canada clients.
- While GBS operators in Q2 and Q3 continued to mainly service the retail and financial industries, the quarter also saw support services provided to the **healthcare** and **tourism** industries.
- South Africans are assisting hospitals and nursing homes in the United Kingdom in recruitment as well as offering tele-sales for the Australian airline, Qantas and providing support services for the airline’s loyalty programmes.

Global Business Services



Ms Azraa Jacobs and Ms Angelique Augustus
Payroll administrators at Wise Recruit

65 600

South African jobs servicing global businesses as reported by the industry association

33 400

Active jobs reported by dtic incentivised projects with an increase of
increase of 1 800 from Q2

91% of youth jobs supported

69% of women jobs supported

Global Business Services - generating export revenue

Wise Recruit (Pty) Ltd is a relatively new offshore captive to South Africa operating in the Cape Town since June 2021.

The company provides recruitment services to healthcare facilities such as public and private hospitals, nursing homes and mental health care facilities with the placement of nurses, doctors and other health care practitioners.

The company is providing long term job security through a contract to provide these services for a 10-year period.

01

02

03



04

05

06

Currently, 58 of the company’s employees are supported through the dtic incentive, of which approximately 50 are youth and 30 female.

Work opportunities that were created for graduates, as well as more experienced South Africans with support provided for 55 non-complex jobs and 3 complex jobs.

R23 million was generated in export revenue by the company over the last 18 months.



Long-term job security



Youth jobs supported



Export revenue from the UK

Global Business Services - generating export revenue

Sigma International (Pty) Ltd t/a Sigma Connected is an offshore captive receiving support through the Business Process Services and Global Business Service incentive to provide contact centre functions.

It is being supported to expand existing operations in South Africa with offices in the Cape Town.

Hired South African employees are providing call centre services to international clients in the energy, financial and retail industries.

01

02

03



04

05

06

Currently, 2 130 of the company's employees are supported through the dtic incentive, of which approximately 1 980 are youth and 1 300 are female. These include 544 youth employees from historically disadvantaged areas.

Work opportunities were created for graduates, as well as more experienced South Africans with support provided for 2 060 non-complex jobs and 69 complex jobs.

R995 million was generated in export revenue by the company over the last four years.



Export revenue from the UK



Rafiq Arendse – Multiskilled advisor



Shamiella Vallie – Collections advisor



Youth jobs supported

Global Business Services - generating export revenue



01

Nutun Business Services South Africa (Pty) Ltd (previously known as Transaction Capital Recoveries) is located in the City of Johannesburg, Gauteng Province.

02

Their core service is the collection of accounts receivables on behalf of firms for goods and services provided but not yet paid for by customers.

03

Currently 170 of the company’s employees are supported through the dtic incentive, of which approximately 150 are youth and 130 female. The company is providing long term job security through a contract to provide these services for a 10-year period.

04

The project is creating jobs for youth, graduates as well as more experienced South Africans with 2 highly-complex and 8 complex jobs.

05

R211 million was generated in export revenue by the company for the current project through services provided to the United Kingdom, United States of America, Germany and Australia.



Jobs supported



Youth Jobs



Women Jobs



Export revenue from the UK



Jobs

Jobs - 1 million jobs supported by dtic group or covered by master plans

Output 12

Q2 achievement	the dtic and entities		# Gross Jobs	Branch	Number of jobs supported
Q2 1 111 040* net Jobs supported through master plans and the dtic and its entities	the dtic		976 163	Master Plans	733 670
	ITAC		130 036	Exports	85 415
	IDC		119 034	Incentives	87 789
	NEF		19 650	Regulation (Liquor and Lotteries)	34 390
	Competition		428 109	Investment	25 899
				Total	976 163

- Q1 we piloted the new target based approach , reporting as the dtic group on the jobs supported through various interventions. The approach is continuously being refined, data cleaned and adjusted to ensure accuracy
- The Gross figure represents number of jobs supported by the dtic group without adjusting for duplications
- The Net figure takes into account all instances where jobs supported by one company have also been recorded by various entities across the dtic group i.e duplications are removed from the gross to avoid multiple counting of the same number of jobs
- For example Masterplan figures represent the total number of jobs in that sector. Therefore, the principle adopted is that, in cases where Branches/DFIs provide support to industries or companies covered by a Masterplan, the jobs are removed from one of the Programmes

Jobs - 1 million jobs supported by dtic group or covered by master plans

Output 12

Q3 achievement	the dtic and entities	# Gross Jobs	Branch	Number of jobs supported
Q3: 1 258 004* net Jobs supported through master plans and the dtic and its entities	the dtic	989 085	Master Plans	740 075
	ITAC	130 545	Exports	86 074
	IDC	119 034	Incentives	97 004
	NEF	20 317	Regulation (Liquor and Lotteries)	39 201
	Competition	455 818	Investment	26 731
			Total	989 085

- Q1 we piloted the new target based approach , reporting as the dtic group on the jobs supported through various interventions. The approach is continuously being refined, data cleaned and adjusted to ensure accuracy
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Jobs - 1 million jobs supported by dtic group or covered by master plans

The Biggest contributors to target achievement include:

- **Competition policy interventions** – Q2: 428 109 and Q3: 455 818 biggest contributors from a sectoral perspective was retail sector, financial services and transport, logistics and freight
- **Jobs covered by Masterplans** – Q2: 733 670 and Q3: 740 075 biggest sectoral contributions from the steel sector, automotives and clothing textile leather and footwear sectors
- **Incentive programme and industrial financing** – Incentives Q2: 87 789 and Q3: 97 004, IDC Q2: 119 034 and Q3: 119 034 ; NEF Q2: 19 650 and Q3: 20 317

Top companies with the highest number of jobs being supported due to assistance from the dtic, IDC and NEF

- **Incentives:** Hesto Harnesses (PTY) LTD **9 202** jobs, Toyota South Africa Motors (PTY) LTD **7 364**, Ford Motor Company of Southern Africa (Manufacturing) (PTY) LTD **5 536**, Webhelp SA Outsourcing **4 291**
- **IDC:** Northam Platinum Limited **21 152**, Life Healthcare Group Holdings Ltd **15 436**, Siyanda Bakgatla Platinum MIne (Pty) Ltd **10 417**
- **NEF:** Khabokedi Waste Management (Pty) Ltd **2 352**, Icebolethu **1 843**, Busamed (Pty) Ltd **1 136**, Orange Farm Community Trust **1 056**, KPML Group **1 050**.

HESTO HARNESSSES



TOYOTA



Life Healthcare

NORTHAM
PLATINUM HOLDINGS LIMITED



KHABOKEDI



Icebolethu
Group

KPML
GROUP OF COMPANIES
Motho Ke Motho Ka Batho

Core Outputs

Jobs - 100 000 jobs pledged and created (50 000 full-time jobs)

Jobs Pledged

Q2: 19 078

Q3: 18 873

UCL Company 1 502 jobs
PG Bison (Pty) Ltd 1000 jobs
Abo Wind Lichtenburg 1 006 jobs



Jobs Created

Q2: 22 758

Majority of jobs created through support by:
the dtic: 10 379
IDC: 5 288
Competition Commission: 4 287

Q3: 33 361

Majority of jobs created through support by:
the dtic: 22 001
IDC: 5 283
Competition Commission: 6 077

Master Plans – jobs impact of work: coverage of master plans

Q3: 740 075* workers inclusive of women and youth across the country covered by the six masterplans coordinated by **the dtic**



* Based on data from industry associations and official data.



Transformation – black industrialists

Industrial production & Jobs - Black Industrialist Firms

- As part of efforts to promote inclusive growth, the dtic developed the Black Industrialist Programme to facilitate tangible black participation in strategic sectors across core value chains, including labour intensive sectors
- Historically, the dtic measured the level of financial support provided to black industrialists.
- As part of the shift under the new APP to an impact-based system, the dtic is now monitoring the performance of the dtic-Group supported black-industrialist (BI) companies in terms of the Output and Jobs created.
- This is a better measure of impact than simply tracking financial support.
- The project made significant progress during Q2-3 and preliminary results are as follows, for the portfolio of projects assisted by the dtic-Group in the past 2 years



Premier Lesufi and Deputy Minister Fikile Majola visit to iSanti Glass, the first black majority owned glass manufacturing company in South Africa, Germiston, Ekurhuleni.

Industrial production - black industrialist* output

Output 11

Output 11
R40 billion in black industrialist output achieved

Achievement
R88.3 Billion in black industrialist output achieved

Target Achieved YTD
221%

The aggregate data is from 596 portfolio of projects supported by the dtic-Group in the past 2 years where data was collected:

- **R88 billion** turnover of measured firms supported by dtic-group measures totalled on by the end of Q3. This number is expected to rise by Q4.
- The dtic group is monitoring more than 1000 portfolio projects that has been supported

* Data on Black Industrialist firms continues to be regularly quality checked, verified and updated

Jobs – Black Industrialist* Firms

Output 14

Output 14

23 000 jobs supported in
black industrialist firms

Q3 achievement

98 778 jobs supported in
black industrialist firms

Target Achieved YTD

429%

6 case studies
follow



Based on aggregated data from 690 active projects supported by the dtic-group in past 2 years:

- 98 778 jobs supported in black industrialist firms assisted by **the dtic-Group** by Q3. This number is expected to rise by Q4.
- The dtic group is monitoring more than 1000 portfolio projects that has been supported

* The bulk of jobs supported fall within the mining and manufacturing sectors

Case Study - Transforming access to amenities through Black-owned development

Mohlalefi Engineering (Pty) Ltd manufactures ground-support products that are used to improve safety in the mining industry. The businesses is the **first black-owned OEM with patented technology servicing the mining sector.**

To date, 70 jobs have been created with a potential to unlock more than 400 jobs by 2027.

The company is supported through a combined funding support from the NEF, the Industrial Development Corporation (IDC) and **the dtic.**

Mohlalefi a 100% black-owned business situated in Alberton, Gauteng, supplies the mining sector with critical infrastructure and consumables.

Transformation: Black Industrialist

Manufacturing Industry

Expansion



Picture caption: Employee working on the Anchorflex Grout Bolt.

Transforming access to amenities through Black-owned development

Transformation: Black Industrialist

Women Empowerment

Manufacturing Industry

Itera Trading and Investments (Pty) Ltd manufactures clothing items for national clothing retailers. These include Edcon (Jet), Mr. Price, Ackermans, and Pep Stores.

The NEF funding assisted the Company broaden variety and efficiencies in its production lines. The investment **created 67 new jobs and retained 119 jobs.**

The NEF approved **R5 million** to enable Itera Trading for expansion of the factory manufacturing capacity for men's fashion items.

Itera is a **100% black women-owned** business based in **Phuthaditjhaba, Free State Province**



Itera employees at the plant.

Transforming access to amenities through Black-owned development

Transformation: Black Industrialist

Women Empowerment

Logistics Industry

Makwande Supply and Distribution (Pty) Ltd operates in the transport and logistics sector, specialising in the transportation of fuel to retail and industrial clients.

The funding enabled the **creation of 17 new jobs while maintaining 355 existing positions**. It is positioning itself as a medium-sized operator seeking growth nationally.

The NEF approved **R5.8 million** funding to enable **Makwande** to establish a depot in the Mbombela area, extending its services to rural Mpumalanga and Limpopo.

The Company is a **100% black women-owned** business operated by Nona Chili.



Picture caption: Makwande Truck enroute to deliver fuel.

Case Study - Transforming access to amenities through Black-owned development

Irwing 310 (Pty) Ltd t/a Topsteel operates in the steel fabrication manufacturing sub-sector, supporting the food and allied industries as well as critical electrical distribution industry.

Through this investment, the company will contribute towards import substitution of fabricated steel while supporting **41 full time jobs**. The investment will also reduce dependency on the Eskom electricity grid and ensure business continuity during loadshedding.

The NEF has approved a sum of **R9.2 million** into this business.

The is a **100% black-owned** entity (75% women and 25% youth-owned), located in Kuils River, Cape Town.

Transformation: Black Industrialist

Women and Youth Empowerment



Manufacturing Sector

Topsteel employee transporting an electrical box from the vehicle .

Transforming access to amenities through Black-owned development

Transformation: Manufacturing sector

Manufacturing Sector

Alternative Energy Fund

Global Wheel (Pty) Ltd specialises in the manufacturing of commercial, agricultural, earthmoving and military steel wheels/rims and is the largest producer in the Sub-Saharan region.

The investments assisted in **maintaining approximately 193 jobs and also alleviate the effects of loadshedding** on the business. Some of their customers include companies such as Bell Equipment, Basil Read Mining, Exxaro Coal and General Motors.

The NEF funded the company with the total investment of **R58.2 million**.

The Company is a **100% black-owned** and managed business based in **Heidelberg, Gauteng**.



Picture caption: Global Wheel employees on site.

Core Outputs – Case Study

Case Study - Transforming access to amenities through Black-owned development

Elidna Trading (Pty) Ltd specialises in logistics and transportation of bulk goods from manufactures to customer distribution centres across the country.

The funding supported the entrepreneur to grow from a micro to a medium enterprise with capacity to trade with large businesses such as the Spar Group. The transaction will maintain one job and create **11 new jobs**.

A total of **R13.8 million** was approved by the NEF for the purchase of commercial vehicles and working capital.

The Company s **100% black-owned and managed** by Mr. Andile Dlamini and is based in Gauteng.



Picture caption: Elidna employee securing the products to be delivered.

Transformation: Black Industrialist

Logistics Industry

Job creation

Transformation - equity equivalent investment programme agreements

Output 10

Output 10

R800 million in Equity
Equivalent Investment
Programme agreements

Q2 achievement

R1.6 billion

% of app target achieved

377%

- **R 3billion** commitments achieved to date (Q1 – Q3)
- **R1.6 billion** achieved in Q2 through an EEIP–like agreement with auto components and tooling manufacturers designed for firms not compliant with BBEE requirements in APDP2.
- **R 289 million support realized** through implementation of EEIP Agreements in Q3
- **R 664 million support realized** through implementation of EEIP Agreements in Q2
- **R 43.9 million of disbursed** financial support to black enterprises through EEIP Agreements in Q3 and **R 119 million disbursed in Q2**
- **40 enterprises** that received support through EEIP Agreements, **28 in Q2** and **12 in Q3**.

Transformation – auto components equity equivalent investment programme EEIP- like agreements

1

the dtic has reached an EEIP-like Agreement with auto components and tooling manufacturers, designed for firms that are not compliant with the B-BBEE requirements of the APDP2.

2

These firms, whether local or foreign owned can participate by contributing to a Transformation Fund managed by the Automotive Industry Transformation Fund (“AITF”). Firms wanting to participate must have a minimum B-BBEE level 8 and level 6 by 2025.

3

The participants will provide support equal to 2.72% of annual turnover, over a ten-year period, with:

- A third (32%) being contributed a development fund
- Two thirds (68%) being spent on procurement from black owned suppliers.
- Participation in this fund will help firms qualify for APDP2, but will not impact their generic scorecard

4

R1.6 billion Rands will be made available for financial support and procurement opportunities for Black owned enterprises in the automotive sector.



Transformation - workers

Employee Share Ownership Plan (ESOP)

Output 15

Output 15
20 000 additional workers with shares in their companies
Q2 achievement
3,325 additional workers benefitted
Q3 achievement
7 465 additional workers benefitted
% of target achieved
85% (Annual target - Q1 to Q3 achievement)

Q2	
Sector	Number
Petroleum	456
Food and beverages	400
Auto	816
Manufacturing: sealants	374
Capital Equipment	68
Packaging material	300
Metals	110
Agro Processing	200
IT	113
Textiles	418
Technologies	70
TOTAL	3,325

Q3	
Sector	Number
Printing label	80
Agro-processing	27
Manufacturing	125
Mining of Platinum group metals	1,000
Payment solutions services	64
Gas	28
Renewable Energy and Investments	84
Manufacturing of Steel products	572
Security Activities	5192
Administrative and support activities	288
Fund Management activities	5

Case Study: Highlight of ESOP in Q2

Auto Industrial Investment Holding Merger

- ❑ The company specializes in the machining and assembly, ductile and grey iron castings and hot steel forgings of components such as brake discs and drums, steering knuckles, wheel carriers, flywheels, wheel hubs and pinions, enabling car manufacturers to offer quality vehicles with latest technology.
- ❑ Post merger, Historically Disadvantaged Persons (HDP) will own 64.8% and the IDC shareholding will be 14%.
- ❑ Customers include BMW, Ford General Motors, Mercedes, Nissan, Toyota and Volkswagen (VW)
- ❑ ESOP of 10% benefitting 815 workers



Transformation - EEIP B-BBEE Compliance Approvals

- ❑ B-BBEE ownership can be effected through direct or indirect interest in a measured entity of black individuals; black-owned companies; trusts; broad-based ownership schemes; employee share ownership schemes; or partnerships.
- ❑ The B-BBEE Act affords multinational companies who are not able to sell equity in a local subsidiary, or where a measured entity cannot effect a direct equity interest by black South Africans, an opportunity to contribute towards transformation through the **Equity Equivalent Investment Programme (EEIP)**, that is, allowing multinationals to promote and advance the following critical areas: Enterprise and Supplier Development; Support for Black Industrialists; Research and Development; and Critical and Core Skills *in lieu* of direct equity ownership, for them to do business.

Samsung EEIP

- ❑ In 2019, as part of its R280 million Equity Equivalent Investment Programme (EEIP), Samsung South Africa announced its Research and Development (R&D) Academy project partnership with the University of the Western Cape (UWC).
- ❑ The EEIP R&D Academy, through its Future-Innovation Lab, aims to provide opportunities to deserving previously disadvantaged youth (aged 18–35) to gain skills in software development and digital social innovation.
- ❑ The outcome of the programme is to ensure that students are employable and attaining permanent employment through Samsung's partner network.



Thapelo Selebedi a 31 year old from Khayelitsha a beneficiary of the Samsung Future-Innovation Programme.

Transformation - EEIP B-BBEE Compliance Approvals

Dell EEIP

- ❑ Dell EEIP was approved in 2015 for a period of 10 years. Dell established Khulisa Training Academy in hope of fulfilling their goal of helping to grow communities by bringing technology to the million. In addition to providing the students with experience.
- ❑ Dell acts as a mentor for candidates. Khulisa Training Academy is a B-BBEE programme that is designed to teach underprivileged students who have completed their high school education and want to study further in IT, high performance computing skills.
- ❑ For the past seven years, the Khulisa Academy has been producing certified individuals with skills in SUSE, Red Hat, Linux, and several other CHPC-focused training. Since its inception, the academy has grown in popularity within the IT industry which has led to a number of second-year students being headhunted by IT industries.



Mr Siyanda Zokoza, a qualified software developer who graduated in 2015 then joined the EEIP program in January 2016.

A photograph of a business meeting. In the foreground, a person's hands are visible, holding a black pen and pointing at a document. The document contains several charts, including a pie chart and a bar chart. In the background, other people are partially visible, some holding tablets. A green rectangular box is overlaid on the right side of the image, containing the title and page number.

Transformation – Market Concentration

13

High-impact outcomes on addressing market concentration

Output 16

Output 16

10 High-impact outcomes on addressing market concentration at sector or firm level

Q2 achievement

7

% of app target achieved

90% (Annual target including Q1 achievement)

Online Intermediation Platform Market Inquiry (OIPMI)

- The final report of the OIPMI was given to the Minister on 30 September 2023
- Report covered areas we all make use of regularly such as using APPS and internet sites to order food/ restaurant meals, buy groceries, buy a range of products from clothes to computers to electronic goods, book flights and accommodation, advertise or find property and cars
- The Inquiry released 7 sets of remedies to be implemented at the sector and firm levels to address competition concerns. As a result:
 - Consumers will be assisted through price restrictions being done away with, and being provided more information to make choices
 - Platforms such as Takealot and Booking.com will provide support to black owned businesses wanting to use their platforms – this includes providing them with free advertising credits, providing funding to identify, on-board and promote the growth of SMEs that are black owned
 - Smaller platforms will get greater visibility
 - South African SMEs and black owned businesses will be easy to find on a number of platforms – with special sections buyers can go to when looking for South African goods and black owned businesses



High-impact outcomes on addressing market concentration

Online Intermediation Platform Market Inquiry (OIPMI) - Q2 Highlight

Market	Highlights on Impact on the market
Google Search	<ul style="list-style-type: none"> Enhance visibility and discoverability of SA platforms, and SMME and black-owned platforms on Google through training, SA flag identifier and SA platforms sites unit. To address self-preferencing concerns in a similar way as envisaged in EU.
Travel & Accommodation	<ul style="list-style-type: none"> Rival platforms will be able to adopt their own pricing strategies by offering different prices to different types of travellers (i.e, offering lower prices to domestic travellers) Accommodation providers will be free to price differently on their own online distribution channels Promote innovation on accommodation provider's own online room distribution technologies SMEs particularly HDP-owned SMEs to improve their visibility, discoverability and performance on the Booking.com platform, giving them more exposure to travellers.
E-Commerce	<ul style="list-style-type: none"> Fair competition between Takealot and sellers on its marketplace To enhanced price competition The removal of the self-preferencing conduct will ensure that Takealot competes on equal footing with sellers on its marketplace. In turn this will improve the competitiveness on these sellers many of which are small businesses The HDP programme to be implemented by Takealot will promote the HDPI owned businesses that use Takealot's marketplace

Market	Highlights on Impact on the market
<ul style="list-style-type: none"> Software Application Stores 	<ul style="list-style-type: none"> Google will support and promote South African app developers and apps, and raise their profiles through making it easier for consumers to find and identify South African apps on Google Play. Google will display South African apps more prominently will provide South African App developers - specifically HDP app developers - support to advertise their apps and attract more users
<ul style="list-style-type: none"> Food Delivery 	<ul style="list-style-type: none"> More price competition between different food delivery platforms Transparency in pricing, improved consumer choice Small & independent restaurants to be more competitive, and not be seen as being more expensive than large restaurant chains Small & HDPI owned platforms to get an opportunity to do business with franchises (enhance their competitiveness)
<ul style="list-style-type: none"> Online Classifieds 	<ul style="list-style-type: none"> Enhance competition between property portals, with no one portal being advantaged Remove barrier for smaller portals, enhance their competitiveness Enhance the competitiveness of smaller estate agents and dealerships
<ul style="list-style-type: none"> Google Ads 	<ul style="list-style-type: none"> Ads Credit for SMEs amounting to R 180 million

Mergers: Protecting Public Interest (Q2)

Output 38

11

Mergers participated in based on **public interest** considerations

11

Large and intermediate mergers decided on by Competition Authorities in Q2 which Ministry previously participated in including Q2 (all approved subject to public interest conditions).

The Minister's participation in mergers is aimed at ensuring that public interest issues in terms of Section 12(A)(3) of the Competition Act are considered and addressed in the approval of mergers

There were 70 merger notifications received. Participated in **11** based on public interest considerations.

The Cider House acquisition of the Strongbow brand (Intermediate), the Huaxin (Hong Kong) acquisition of Natal Portland Cement (NPC) (Intermediate), as well as the Auto Industrial Investment Holding (Large) mergers, approved by the Competition Commission are set out in the case studies below.

Mergers: Protecting Public Interest Q3

Output 38

16

Mergers participated in based on **public interest** considerations

11

Large and intermediate mergers decided on by Competition Authorities in Q3 which Ministry previously participated in including Q3 (all approved subject to public interest conditions).

The Minister's participation in mergers is aimed at ensuring that public interest issues in terms of Section 12(A)(3) of the Competition Act are considered and addressed in the approval of mergers

There were 72 merger notifications received. Participated in **16** based on public interest considerations.

The Alfeco Holding / Pro Roof Industrial Park mergers, an Intermediate mergers approved by the Competition Commission are set out in the case studies below.

Mergers: Protecting Public Interest

Tribunal decision on Proposed acquisition Sasol South Africa

In November 2021, Draslovka sought to acquire the assets and liabilities of Sasol's sodium cyanide business. The Commission initially prohibited the merger on November 26, 2021. Draslovka and Sasol submitted a consideration application for merger approval on December 10, 2021.

Sodium cyanide, a chemical compound used to extraction of precious metals like gold and silver, an important input for the gold mines operating in South Africa. Sasol is the only producer of liquid cyanide in South Africa and the gold mining sector is dependent on Sasol for the supply of liquid cyanide.

Also of concern is the fact that Draslovka has the capability to produce cyanide in powder and solid form which makes it easy to export from their production facility in the Czech Republic, the merger if approved could have increased the risk of displacing local production with imports.

Sibanya Stillwaters and DRD Gold intervened in the transaction, while **the dtic** expressed its concern in writing to the Commission, during Q3, the Tribunal prohibited the proposed merger.



Mergers: Protecting Public Interest

Competition Appeal Court decision – Tsutsumani Business Enterprises

The Competition Appeal Court (CAC) on October 13, 2023 upheld a decision by the Competition Tribunal in April 2020, finding Tsutsumani Business Enterprises CC ("Tsutsumani") guilty of engaging in excessive pricing of face masks supplied to the South African Police Service (SAPS). In April 2020, the Tribunal found Tsutsumani in violation of section 8(1)(a) of the Competition Act for excessive pricing of face masks to SAPS. A penalty of R3.5 million was imposed on Tsutsumani.

Tsutsumani initiated a review application challenging the Tribunal's decision. The CAC's recent ruling confirms the Tribunal's decision and dismisses Tsutsumani's review application.

The CAC judgment in sends a clear message that excessive pricing of essential goods and services, especially within the context of public procurement during a pandemic or national disaster, will not be tolerated by competition authorities.

Case Study: Highlight of key mergers in Q2

Cider House acquisition of the Strongbow brand

- In its recent acquisition, Heineken Group was required to divest its Strongbow business which was acquired by Cider House a majority HDP owned business.
- The acquiring firm committed to the follow conditions:
 - Will employ an additional 219 employees over 2 years
 - Establish an evergreen ESOP where workers will hold 5% equity in the acquiring firm
 - New CAPEX of R1.45 billion over 5 years
 - Will procure from SMME and/or HDP suppliers to an aggregate value of R1.5 billion over 5 years



Huaxin (Hong Kong) Acquisition of Natal Portland Cement (NPC)

Commitment to invest R600 million over 5 years in plant upgrades which should reduce import of cement to the KZN markets

Establish an evergreen ESOP where workers hold 4% equity in the acquiring firm



Case Study: Highlight of key mergers in Q3

Alferco/Pro Roof trading (SA Steel Mills)

In consolidating the business Pro Roof took the strategic decision to dispose of SA Steel Mill and identified Alferco an experienced steel producer to purchase the business.

Products includes long steel products, heavy sections, angles, iron channels, structural beams, columns, reinforced bars, billets and bars.

An **ESOP of 10% benefitting 572 workers** will be establish 36 months post merger approval.





Transformation – Social Employment Fund

Social Employment Fund: 1 July – 30 September 2023

The dtic-group administers the Social Employment Fund (SEF) on behalf of the Presidency. It forms part of the Presidential Employment Stimulus launched in October 2020 as part of the Economic Reconstruction and Recovery Plan. The SEF is overseen by **the dtic** and the partners involve include the Presidency and the IDC.

- ❑ The aim of the SEF is to create work that serves the common good in communities, targeting 50 000 participants, who will work for at least a year.
- ❑ During the period under review, a total amount of 61 444 were created/retained.
- ❑ The next few slides contains case studies which highlights the impact of the SEF on communities and participants.

The table below shows in which sectors the job creation for the period under review took place.

Sector	Jobs %
Education	24%
Greenery & the Environment	11%
Township Development	9%
Health	8%
Food Security	17%
Gender-based Violence	14%
Creative and Cultural	4%
Other (mixed development)	13%
	100%

Case Study - African Conservation Trust

Impact Case Study: Participant Household Survey

In November 2022, the African Conservation Trust conducted a survey of the household size of all SEF participants, to gain a greater understanding of the project reach. A total of 2830 responses were received.

The survey showed that a large number of indirect beneficiaries are being impacted by the project, not only the direct community that is benefitting from communal food gardens, cleaner environments, repaired roads, and other voluntary efforts.

Snapshot:

Province	Total SEF Participants	Indirect Beneficiaries	Total Direct & Indirect Beneficiaries	Average Household Size
Free State	502	1936	2438	4,9
KwaZulu-Natal	1823	14854	16677	9,1
Mpumalanga	505	2468	2973	5,9
Total	2830	19258	22088	7,8



The total direct and indirect beneficiaries of 2830 SEF participants was 22 088 people. Thus, on average, each SEF participant is helping a household of 7,8 people in some way. Many of the SEF participants are the sole breadwinners in the family.

Social Employment Fund (SEF)

Case Study - African Conservation Trust

Breakdown by Site:

No.	Site Name	Local Municipality	Total SEF Participants	Indirect Beneficiaries	Total Direct & Indirect Beneficiaries	Average Household Size	Urban/Rural
1	Free State	Maluti-a-Phofung	502	1936	2438	4,9	Urban
2	Mpumalanga	Bushbuckridge	505	2468	2973	5,9	Peri-Urban
3	Richards Bay	uMhlathuze	25	162	187	7,5	Urban
4	St Lucia	Mtubatuba	145	1316	1461	10,1	Peri-Urban
5	Umsunduzi	uMshwathi	87	291	378	4,3	Peri-Urban
6	Amangwane	Okhahlamba	130	909	1039	7,8	Rural
7	Amazizi	Okhahlamba	142	914	1056	7,4	Rural
8	Gumbi	Uphongolo	121	882	1003	9,0	Rural
9	Ithala	eDumbe / Uphongolo	101	908	1009	10,0	Rural
10	Mandlakazi	Nongoma	121	1298	1419	11,7	Rural
11	Myeni	Jozini	351	2868	3219	9,2	Rural
12	Sibaya	uMhlabuyalingana	24	165	189	7,9	Rural
13	HIP East	uMfolozi	54	575	629	11,5	Rural
14	HIP South	uMfolozi	19	195	214	11,3	Rural
15	HIP West	Ulundi	49	438	487	9,9	Rural
16	Loziba	AbaQulusi / Ulundi	107	909	1016	9,6	Rural
17	Jama	AbaQulusi/Nquthu	347	3024	3371	9,7	Rural
			2830	19258	22088	7,8	

Social Employment Fund (SEF)

Case Study - African Conservation Trust

I am Nanikie Maaboi, from a small village called Athol. I am one of the workers at SEF. For me this project has been a great opportunity, since I was unemployed for 10 years, even lost hope that I will ever get a job.

This project helped me gain more knowledge about farming, so that I can able to use my own resources to provide for my family. As for the income, I am able to manage my children's school needs and save money, because I have my own home garden that sometimes I'm selling the vegetables to the community.



Nanikie Maaboi with his team in the Athol Community maize garden.

Social Employment Fund (SEF)

Case Study - Mineworkers Development Agency (MDA)



MINEWORKERS DEVELOPMENT AGENCY
your partner in sustainable development

The MDA was founded in 1987 as a response to more than 50 000 job losses, with the sole mandate of providing alternative socio-economic livelihoods for former mineworkers and the communities. The work of the MDA is centralised in Marikana. The SEF project in the MDA is viewed as a stand-alone project, which assists in the MDA mandate of providing alternative socio-economic livelihoods. The programme incorporates the following programmes:

Environment / community upliftment
Education
Recycling

The SEF programme is a stepping stone for participants to gain skills and work experience. Through gaining these skills, participants can set up and run their own clean-up crews.

In round one of the SEF program, Mineworkers Development Agency had 1,491 participants; 471 of them were male and 1,020 were female. Of those participants, 962 were youth.

Funds committed by SEF:

Wage: R29 577 654.00

Non-wage: R7 205 250.00

Total jobs: 1 491

Areas: Rustenburg and Madibeng



Social Employment Fund (SEF)

Case Study - Mineworkers Development Agency (MDA)

Marikana has a population of 30 000 and the age demographic is predominantly young.

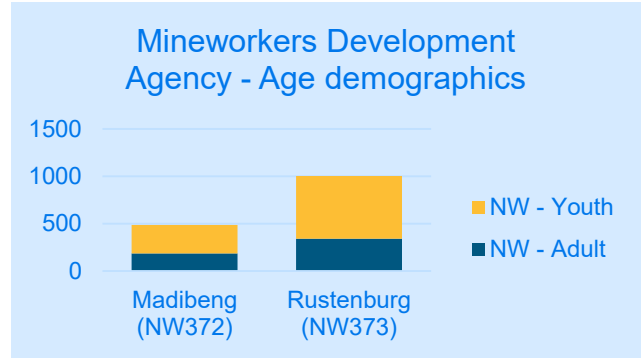
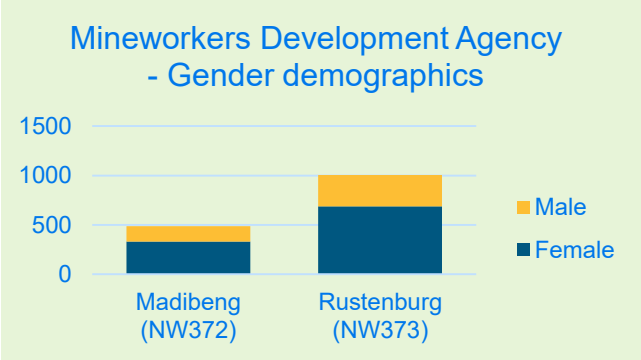
Living conditions in Marikana are generally poor, with most households living in small, crowded houses with limited access to basic services, such as water and electricity.

The cleaning teams, as part of the SEF programme, are involved in removing trash and debris, cleaning up abandoned buildings, removing illegal waste dumps, etc. The impact on the community has already been seen, with a reduction in pollution, aiding in the reduction of the spreading of diseases and has improved the aesthetics of the community.

The MDA received land for the food security programme and this programme has provided employment for local people via the SEF programme. Support through this is also being provided to the schools and other institutions in the area through them having access to fresh crops.

MDA is in progress of setting up 100 home gardens, with the support and training from participants in the SEF programme.

The SEF participants also assist with keeping the school grounds and school areas clean, as there is no money to hire staff to do this. The SEF participants come in to assist with maintenance, mowing lawns, painting, etc.





Industrial Support

Industrial production - overview on industrial support

Mobilization of support

the dtic mobilizes industrial support through the fiscus and partnerships with the private sector to enable structural transformation and support to firms to enhance their competitiveness

Non-financial schemes

the dtic has a range of non-financial support schemes ranging from rebates on duties to trade tariff support and actions by the competition authorities and development finance institutions

Impact on local production

While the incentive programme require administrative efficiency, the real test of the impact is on increased local production for the domestic market and for exports

Industrial production - industrial support

Output 6

Output 6
R30 billion in support programmes administered by or in partnership with the dtic-Group

Year-to-date achievement
R 22 billion

Target Achieved
75%

- **R22 billion** Incentives disbursed by **the dtic-group** to over **1 000** projects during the last three quarters

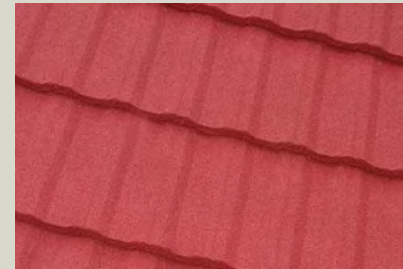
- **R16 billion** Incentives enabled by **the dtic-group** to over **700** projects during the last three quarters

Case Study - Industrial production - industrial support

- **Global Roof Tiles (Pty) Ltd** is a company in the steel roofing industry, based in Benoni, Ekurhuleni Metropolitan Municipality, Gauteng.
- The company was approved for R16.7 million by the Black Industrialist Scheme to revamp its production plant and machinery. This will result in an investment of R33.5 million and the creation of 30 new jobs.
- In comparison to traditional tiles, the new tiles produced will be steel tiles coated with acrylic paint and a granular coating. This will result in strength and durability of the tiles, protecting it from extreme weather conditions and increasing its life span. All raw materials will be locally sourced.



**GLOBAL
ROOF TILES**



**DURABLE AND MORE AFFORDABLE
STEEL TILES**

Case Study - Industrial production - Brinni Beneficiation Technologies

- The IDC provided funding support to Brinni Beneficiation Technologies which secured the rights to the Plasma Dissociation Zircon (PDZ) pigment production technology from NECSA and the Technology Innovation Agency (ITA).
- Brinni plans to build a 2,000tpa facility by cloning the 1,000tpa demonstration plant that NECSA had, which has since been decommissioned and sold piece-meal when the METOX program was ended. The two modules will be installed side by-side without the need for technology upscaling and this will completely eliminate scaleup risk associated with new technology commercialization.
- This project supports the installation of new capacity aimed at localisation of high speciality chemicals production and to enable access to new exports markets. This new capacity will replace imports and benefit downstream manufacturers (ceramic tile producers) and a locally mined resource will be beneficiated, including support for emerging black industrialists in the high-technology sector, and the development of high skills jobs in the engineering and scientific R&D fields.



Type of Funding	General Loan
Type of Product	Paint Pigments
Sector	Basic & Speciality Chemicals
Province	Gauteng
District Municipality	City of Johannesburg
New Jobs	50
Ownership	Black Industrialist

Case Study - Industrial production – Letap Fishing

Letap, located in Gqeberha, Eastern Cape, is harvesting, processing and storing a diverse range of fish such as squid, hake, anchovy, and Sardines (pilchards).

It was approved by the Black industrialists Scheme for R25.6 million to set up a processing and cold storage facility that will supply seafood products nationally and internationally. The incentive support will result in an investment of R52 million that will sustain 138 jobs and create 40 jobs.

The processing and cold storage facility is needed to alleviate additional costs that hinder the company's growth due to the current large scale of outsourcing its processing and storage of fish.



BLUE OCEAN ECONOMY

EXPORT POTENTIAL

Industrial support - enterprises outside main metros

Output 7

Output 7

R15 billion support programmes to enterprises in areas outside of the 5 main metros

Year-to-date achievement

R 10.6 billion

Target Achieved

71%

- **R10.6 billion** of industrial financing disbursed to projects located outside of the 5 main metros during the first three quarters
- **R5.9 billion** of industrial financing accessed by projects located outside of the 5 main metros during the first three quarters
- **47** district municipalities are receiving industrial financing support

Industrial support - enterprises outside main metros - Abo Wind Lichtenburg

Abo Wind Lichtenburg

Abo Wind Lichtenburg 3 PV (RF) (Pty) Ltd, (Abo Wind 3) is located in Lichtenburg in the **Ngaka Modiri Molema District Municipality, North West**.

The black-owned special purpose vehicle was approved by the Critical infrastructure Programme for R35 million to construct a 100mw solar plant and substation that will result in investment of R1.8 billion. The solar plant will provide electricity to a highly energy intensive mining operation in the area, resulting in reduced electricity costs, increased reliance on a green energy source and thus reducing the mine's carbon footprint.

The project is expected to create 140 new permanent jobs while the construction phase will create 1 006 jobs in an area with an unemployment rate of 28%.

INVESTMENT IN RENEWABLE ENERGY PROJECTS



Images of the Proposed Photovoltaic (PV) solar Power Substation

Industrial support - enterprises outside main metros

Kubalele Farming

Kubalele Farming (Pty) Ltd, is a 60% black-owned joint venture macadamia project between Mawulu Community, Isizwe Sonke Agricultural Group (ISAG) and CMF One (Pty) Ltd operating in the Mpumalanga Province of South Africa. The project targets to develop 123 ha of land under macadamia with the first phase of 28 ha already developed.

The client has requested funding to develop 95 hectares of macadamia nuts orchards and build a de-husking facility that will semi-process the harvested nuts and then dispatch them to the offtake for further processing.

Kubalele runs a Sustainability Programme which is aligned with the National Development Plan and the United Nations Sustainable Development Goals 2030.



APPROVED FUNDS	R55, 4 MILLION
INDUSTRIAL OUTPUT	28HA UTILISED, AND AFTER THIS FUNDING THEY WILL PLANT AN ADDITIONAL 98HA, WHICH WILL GIVE A TOTAL OF 123HA
ACTIVE JOBS	53 ANNUALISED PERMANENT JOBS

Industrial support - projects outside of the 5 main metros

OL Family Pride Supermarket

Transformation: Black Industrialist

Job Creation

Women and Youth Empowerment

OL Family Pride Supermarket (Pty) Ltd will be operating an Astron Energy service station and convenience store development.

The transaction is anticipated to **create 30 new jobs** in a predominantly rural district municipality of Zululand in KZN, stimulating local economic activities.

The NEF approved **R15 million** to OL Family Pride towards financing the development of a new service station and a small retail store.

The Company is a **100% black-owned** entity with **40% women ownership** and is led by Mr. Kosie and Ms. Nonduduzo Ngcobo.



Picture caption: Astron Energy site

Industrial support - projects outside of the 5 main metros

Richards Bay SEZ



Deputy Minister Nomalungelo Gina led the BRICS delegation on a site visit to the Richards Bay Industrial Development Zone (RBIDZ), on 18 August 2023. The RBIDZ is KwaZulu-Natal's special economic zone for sustainable quality investments and world-class infrastructure. The visit formed part of the Inward Buying and Selling Mission.

Industrial support – SMMEs, women & youth enterprises

Output 8

Output 8

R8 billion in financial support programmes to SMMEs, women and youth-empowered enterprises

Year-to-date achievement

R 3.2 billion

Target Achieved

40%

- **R 3.2 billion** of industrial financing disbursed to projects owed by SMMEs, women and youth-empowered enterprises during the last three quarters
- **R 4.3 billion** of industrial financing accessed by projects owed by SMMEs, women and youth-empowered enterprises during the last three quarters
- Over **450** SMMEs, women and youth-empowered enterprises received support during the last three quarters

Case Study - Industrial support – SMMEs, women & youth enterprises

Maduka Resources CC operates in the mining service sub-sector specializing in the maintenance of equipment and power plants. It is accredited by the international institute of welding to offer mining operation services in the specialist area of mechanical and civil engineering.

The NEF approved **R6.6 million** for Maduka Resources. The investment assisted in maintaining **45 jobs** and **creating 35 new jobs**, as well as stimulate local economic activities.

The Company is a **100% black women-owned and 60% youth-owned and managed business** operating in the Mpumalanga and Limpopo provinces.

Transformation: Black Industrialist

Construction Industry

Women Empowerment



Case Study - Industrial support – SMMEs, women & youth enterprises

Biotikum

Biotikum (Pty) Ltd is a youth-owned SMME based in Maitland, in the City of Cape Town Metropolitan Municipality, Western Cape.

Biotikum is involved in the development of microbial based products which are used to promote and improve animal health in a more sustainable manner. The project was approved for R8.8 million for the Technology and Human Resources for Industry Programme project to research, develop and manufacture microbial food additives for animal health. These include flavour compounds, bio preservatives, microbial enzymes, sweeteners, and emulsifiers.

The company works in collaboration with the Cape Peninsula University of Technology (CPUT) where five black female students are registered for the project. In addition, two students will be registered at Stellenbosch University for a MSc degree, which will include one black and one white student, which will also be doing research on this project.



Dr Liesel van Emmenes

Chief Academic Officer and Executive
Director

She has a PhD in Animal Science with
expertise in animal nutrition and rearing.

Case Study - Industrial support – SMMEs, women & youth enterprises

Mafoko Global (Pty) Ltd directly operates Telkom retail stores that mobile devices, contracts and other data packages and mobile communications equipment. Mafoko operates a retail network of 34 franchised stores under the Telkom brand.

The investment will **maintain 71 jobs** and create a further **189 new jobs**. The company Mafoko Global is one of only two women-owned franchises in the Telkom network.

The NEF approved a total of **R15 million** for asset acquisition and working capital.

The Company is a **100% black women-owned** and managed enterprise operating in the North West, Free State, Northern Cape and Gauteng.

Transformation: Black Industrialist

Franchise Financing



Women Empowerment

Case Study - Industrial support – SMMEs, women & youth enterprises

Cape Dreams Wine is located in the Overberg District Municipality, Western Cape.

The company was supported by the Export Marketing Investment Assistance to showcase their bottled wines at the London Wine Fair in United Kingdom' from the 16-17 May 2023.

The company indicated that their participation at the event resulted in current discussions with a United Kingdom distributor. If successful, the lead will result in increased turnover of R250 000 to R350 000 per annum and increased profitability by R50 000 to R70 000 per annum.

The **SMME**, whose wines are sold in fully recyclable bottles, is currently exporting wines to Angola, China, Czech Republic, Denmark, Germany, India, Italy, Cote d'Ivoire, Mauritius, Russia, Singapore, Sri Lanka, Taiwan Hong Kong, United Kingdom and Netherlands.



Cape Dreams Wine Stand at London Wine Fair 2023 in United Kingdom

Case Study - Industrial support – SMMEs, women & youth enterprises

- **Known Associates Entertainment (KAE)** is a Television and Film production company, headquartered in South Africa with the goal of enabling African content to have the largest global audience and distribution.
- KAE assists South African and African content creators to develop, produce and deliver for the local and global market demand, to a global network of buyers and investors. KAE’s services include film and television project development, feature film production, television series production, production financing and structuring, post-production, licensing and distribution, across genres with a wide range of partners.
- This **black female-owned company** received funding approval to facilitate the physical production of newly scheduled films and television series. This facility is expected to create 3171 jobs per fully drawn cycle, support an estimated 97 black-owned SMMEs and also promote ownership of IP by black producers, youth and women filmmakers.



Type of Funding	General Loan
Type of Product	Film Production
Sector	Tourism & Services
Province	Gauteng
District Municipality	City of Johannesburg
New Jobs	3171 & 97 SMME's



PROJECT NAME

Jiva

DOMESTIC SPEND

The production spent R77.7 million in the local economy. The majority of South African spend is for cast and casting, editorial and sound post-production, transport, location facilities, extras, hotel and living. Procurement from black suppliers amounted to R4.5 million.

JOBS

173 jobs were created during the production of the TV series

FORMAT

Foreign Film: Mini/TV Series, Music Drama.

OWNERSHIP

Female-Owned

SYNOPSIS

The film is music drama about Ntombi who loves to dance. It's her joy and escape from her complicated life as she once dreamed of becoming a professional dancer and joining a travelling company like the famous African Footprint.

PREMIERED

The film was released in June 2021 and distributed exclusively by Netflix.

FILMING LOCATION

Filmed in Cape Town, Western Cape, Johannesburg, Gauteng and Durban, KwaZulu-Natal in 57 days.



PROJECT NAME

#Love my Selfie

DOMESTIC SPEND:

The total spend on the domestic economy amounts to R9.7 million to which R2.9 million is on black supplier procurement. Items such as cast and casting, legal, auditing, banking, location facilities, Art Department equipment and consumables, contingency and story as well as script development are where majority of the expenditure was incurred.

FORMAT:

SA Film: Feature Film, Drama.

OWNERSHIP:

Female-Owned.

SYNOPSIS:

The film is about a renowned actress Adele Swan who loses everything: her man, her house and her life savings. Adele discovers that her young lover has squandered all her savings and is sleeping with a millennial, she knows it's showtime.

PREMIERED:

The film was released in October 2023 and distributed exclusively by **M-Net and Black sheep Films.**

FILMING LOCATION:

Filmed in Cape Town, Western Cape in 24 days.

Industrial support – labour absorbing sectors

Output 9

Output 9

R7.5 billion financial support to enterprises in labour absorbing sectors

Year-to-date achievement

R 8.9 billion

Target Achieved

118%

- **R8.9 billion** of industrial financing disbursed to projects operating in labour absorbing industries during the last three quarters
- **R4.9 billion** of industrial financing accessed by projects operating in labour absorbing industries during the last three quarters

Case Study - Industrial production - processing of citrus fruits

- Muden Citrus Pty (Ltd) is a start-up citrus farming business entity. The company will utilise funding it received from IDC towards the development of a site designated for the full development of a 400-hectare citrus orchard. The first phase of development will be 200ha and Citrus will be planted over 2 years on this farm, with the initial fruits expected 3 years from the first planting. The second phase of the project is to expand into the two underutilised neighbouring community farms with a further 200ha earmarked for development in the final stages of this project.
- This investment supports a 60% black-owned agricultural enterprise and promotes broader ownership participation in the horticulture sector. Muden will be export-focused, adding to the growing citrus exports from South Africa, thus contributing to foreign exchange earnings.
- This development aligns with the dtic’s Sugar Masterplan whose objective among others is to support South Africa’s diversification from the sugar industry to production of other high-value crops.



Type of Funding	General Loan
Type of Product	Soft citrus farming
Sector	Agro Processing & Agriculture
Province	KwaZulu Natal
District Municipality	Muden, Natal Midlands
New Jobs	200
Ownership	Black Industrialist

Industrial support – labour absorbing sectors

- **Makhamisa Foods (Pty) Ltd**, located in the Sebenza Industrial Park in the City of Ekurhuleni Municipality, Gauteng, manufactures various food sauces, condiments and relishes which are currently available at OB Stores, Checkers and Pick n Pay supermarkets.
- The company was approved under the Technology and Human Resources for Industry Programme for R12 million to conduct research on using the African Ginger, a South African indigenous plant species, as an active ingredient in its existing relish. The African Ginger is commonly known for its health benefits that are supported by scientific data.
- The company is working in collaboration with the Council for Scientific and Industrial Research and North West University



From Left to Right
Mpho Mokale: Supply Chain Administrator, Phumzile
Leluma: Executive Director and Co-Founder and
Kgomotso Mofokeng Junior Accountant at the 20th AGOA
exhibition held in Nasrec

Case Study - Industrial production - poultry farming

- Mokoka Shabangu Farming and Poultry (Pty) Ltd is a start-up broiler contract growing entity. The business is owned by Phiwokuhle Shabangu and Palesa Mokoka and it operates from a farm situated in Bronkhorstspuit.
- This company received funding approval for the establishment of 10 new broiler houses for 450 000 birds per cycle. This expansion increases the number of slaughter birds (and indirectly contributes to meat production) coming from black poultry producers in the industry. It also helps to ensure that local production makes up a higher component of consumption in the future. Poultry provides the most affordable source of animal protein to the South African consumer, which makes it critical to food security.
- This investment is aligned with IDC’s commitments to the Poultry Master Plan, the IDC Industrial Development Plan and the strategy to support the scale-up and commercialization of black contract broiler farmers. This also supports inclusive development and allows black female industrialists to further entrench themselves in the sector.



Type of Funding	General Loan
Type of Product	Farming: Broiler Growing
Sector	Agro – Processing and Agriculture
Province	Gauteng
District Municipality	City of Tshwane
New Jobs	19 direct jobs and 22 jobs during the construction phase

Case Study - Industrial production - manufacturer of clothing

- Ntema is a clothing manufacturing company based in a rural area on Mangata, Botlokwa in the Limpopo province. Ntema manufactures school uniforms, protective clothing, security company uniform and corporate and traditional clothing.
- The company is 100% black woman owned by Paulina Ntebo Ramusi who is involved in community initiatives like the National Council of African Women which aims to uplift disadvantaged communities.
- Ntema has received funding support from the IDC for the purchase of machinery towards their expansion. This will enable the company to increase its production capacity and to become a job catalyst in the area of Botlokwa and the Limpopo province at large. This also supports their medium to long term objective to penetrate the big markets in the future and become one of the biggest clothing manufacturing company in the country.



Type of Funding	General Loan (CTFLGP)
Type of Product	Clothing Manufacturer
Sector	Clothing and Textiles
Province	Limpopo
District Municipality	Polokwane
New Jobs	Additional 50 over the next 5 years
Retained/Existing Jobs	30
Ownership	Black, Female-Owned

Case Study - Industrial production - manufacturer of footwear

- Foot Style is a subsidiary of the World Focus Group founded by the Jeewa family in Durban, Kwa Zulu Natal. The World Focus has been successfully involved in the business of importing and trading footwear to major chain stores since the early 1990s.
- In 2015, the Jeewa family formed Foot Style to develop into one of the major local manufacturers of footwear, and in turn would reduce reliance on imports and create much-needed manufacturing jobs locally. Seven years later, the entity has grown and is now a well-established manufacturer of ladies’ and girls’ pumps and sandals.
- This company has received funding support from the IDC to procure raw materials to expand capacity and increase their product offering which will result in an increased number of pairs produced per annum. This will contribute towards their strategy to increase its footprint both locally and outside of South Africa.



Type of Funding	General Loan (CTFLGP)
Type of Product	Clothing Manufacturer
Sector	Clothing and Textiles
Province	KwaZulu Natal
District Municipality	eThekwini
Retained/Existing Jobs	131
Ownership	Black Industrialist

Case Study - Industrial production - manufacturer of furniture

Homewood is a furniture manufacturing company that specializes in handcrafted, custom wood furniture. Their products are designed for comfort and functionality and can be found in lodges, restaurants, homes, and corporate spaces around the country. They use sustainably sourced hardwoods such as Cottonwood, River Red Gum, Camphor, and Blackwood.



To address the challenge of energy shortages, Homewood has secured funding from the Furniture Industry Challenge Fund to invest in a complete Solar PV system with battery storage capacity which will help supplement the electricity supply and mitigate risks associated with loadshedding.

Type of Funding	General Loan
Type of Product	Manufacturer of furniture products
Sector	Textiles and Wood Products
Province	KwaZulu Natal
District Municipality	Howick
New Jobs	-
Retained/Existing Jobs	88
Ownership	-

Case Study - Industrial production - processing of citrus fruits

Project Background:

Wurthmore Concrete (Pty) Ltd manufactures ready-mix concrete for the construction industry in the Northern Cape. The business has been operating a 25m³ plant for over 20 years.

The NEF approved **R6.8 million** to finance a new Concrete Batching Plant and three Mixer Trucks, boosting production capacity for the business. The NEF's investment will position it as the region's primary ready-mix concrete supplier. In addition, **6 new jobs and 10 existing jobs will be supported**.

Wurthmore is a **100% black-owned** business operating in the manufacturing sector in **Kimberley, Northern Cape**.

Transformation: Black Industrialist

Manufacturing Sector

NEF Jobs Fund



159
Picture caption: Wurthmore plant site and vehicles



Energy support

10

Energy support - financial support to enterprises

Output 18

Output 18
R1.3 billion in financial support to enterprises including SMMEs to mitigate impact of load shedding through energy resilience fund

Year-to-date achievement
R1.6bn

Target Achieved
123%

- **R1.6 billion** of the energy resilience funds approved for projects to reduce the impact of load shedding
- **R102 million** of Energy Resilience Fund disbursed to projects to reduce the impact of load shedding

Case Study – Wind Farm

- The IDC has approved funding for total equity contribution to Reatile Renewables to acquire shareholding in Castle Project Company, which will develop, implement, own, and operate a 89 MW wind farm to supply electricity to the South African mines of Sibanye Stillwater Ltd.
- The Project is aligned with Sibanye’s ambition to achieve carbon neutrality by 2040 which will be achieved by implementing energy projects on a PPA basis, that will primarily reduce greenhouse gas emissions, and assure security of energy supply. Sibanye’s portfolio of renewable energy projects has grown to 557MW, inclusive of this project, Castle Wind Farm. Altogether, these renewable projects will reduce the company’s Scope 2 emissions by 25% and reduce reliance on Eskom, which is key to the sustainability of Sibanye’s operations as a globally diversified miner.
- The Project will empower Reatile to further its objective to build a vertically integrated energy business that will, in time, be the key project sponsor in large energy projects and compete head-on with international energy companies operating in the South African renewable energy space.

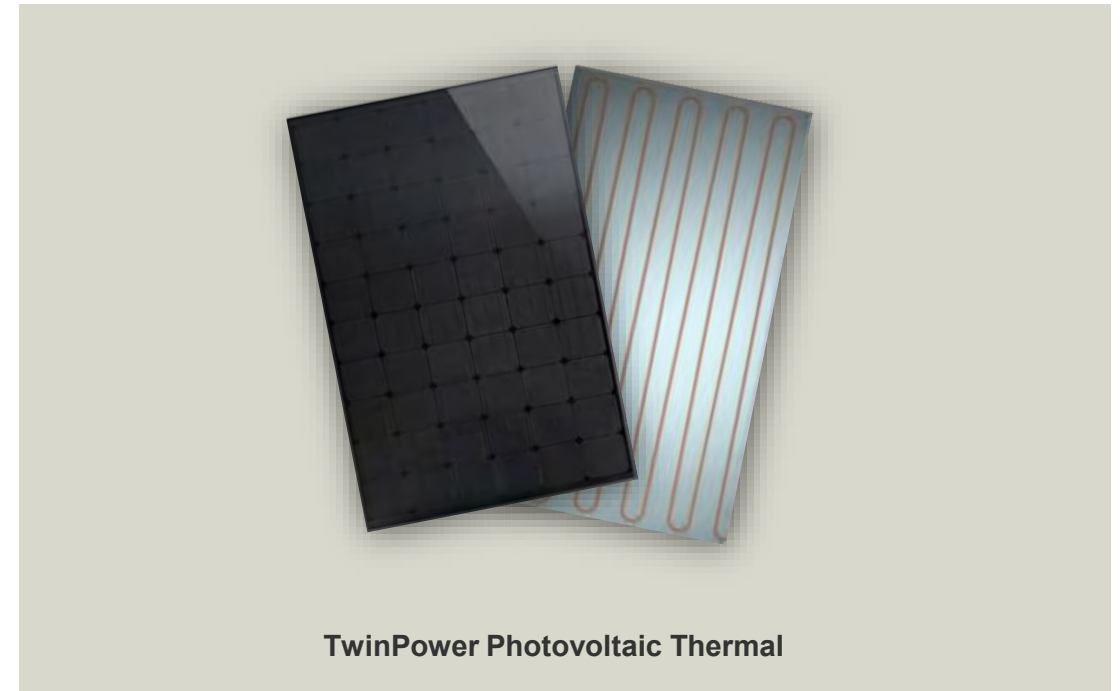


Type of Funding	General Loan
Type of Product	Wind Farm
Sector	Renewable Energy
Province	Northern Cape
District Municipality	De Aar
New Jobs	6 permanent 216 seasonal/temp
Ownership	Black Industrialist

Case Study - Industrial support - funding energy projects



- **NeOn Energy (Pty) Ltd**, was approved for R50 million to establish the NeOn Energy manufacturing plant.
- The new plant, which will be located in Midrand, Gauteng, will be manufacturing solar photovoltaic thermal collectors. The projected investment of R158 million will retain 8 baseline jobs and create 55 new jobs. The anticipated commissioning date for the project is June 2024.
- **the dtic** is contributing towards a greener economy by supporting renewable energy projects.



Quarter 2 & 3: Energy support – MW from projects facilitated

Output 19

Output 19

1400 Mega Watts (MW) of energy from projects facilitated

Q2 Achievement Only

1239,5MW

Q3 Achievement Only

1015,2MW

% of APP target achieved

246%

Quarter 2: Projects Facilitated

Cape Dairy Biogas Project (Bio2watt)	5 MW
Teraco Solar PV	100 MW
Sunelex	605 MW
Sasol Mainstream	98 MW
Pele Green Energy (PGE) (Sonvanger Solar PV project)	100 MW
Celsior (Celsior-Motlakase Project)	80 MW
UCL	1,5 MW
Kenhardt	150 MW
Acwa Power	100 MW

Quarter 3: Projects Facilitated

Oya project	128 MW
AMEA BW6 project	120 MW
REI4P Bid Window 5 (3*PV)	225 MW
Envusa (1*PV)	240 MW
Envusa (2*Wind)	280 MW
Mercedes	2 MW
CBH	2 MW
Wetility	1,4 MW
Changa Energy	2,8 MW
In2Energy	2,7 MW
Fibon Energy	3,2 MW
Solar Dynamo / New GX	0,6 MW
Wisolar	3,9 MW
Nesa Power	3,6 MW

Energy support – Energy on the grid

Output 20

Output 20

550 Megawatts of energy available for the grid

Q2 Achievement

10,9 MW

Q3 Achievement

173,2 MW

% of APP target achieved

39%

Projects & Projected Pipeline

Project name	MW	Connection to grid date
TRONOX	256	Mar-24
ACWA/Pele - Redstone CSP project	100	Mar-24
Wetility	1,4	Mar-24
Changa Energy	2,8	Mar-24
In2Energy	2,7	Feb-24
Fibon Energy	3,2	Mar-24
Solar Dynamo / New GX	0,6	Mar-24
Wisolar	3,9	Mar-24
Nesa Power	3,6	Mar-24
Toyota	15	Mar-24
Rheinmetall	5	Mar-24
Total	394,2	

Quarter 2 Projects Achieved

MPact	9,4 MW
UCL Company PTY LTD	1,5 MW
TOTAL Q2	10,9 MW

Quarter 3: Projects Achieved

CBH	2 MW
Heineken	6,5 MW
Scatec/H1 – Kenhard project	150 MW
Sustainable Heating 8	2 MW
Emergent Impact Investment	4,7 MW
TOTAL Q3	173,2MW

Energy support - Expedited regulatory amendments

Output 22

Output 22

Expedited regulatory amendments and flexibility, to promote energy efficiency -

Number of expedited compulsory specifications published for energy efficiency

Q1 - Q3 achievement

2 EE Compulsory Specification published

% of target achieved

67%

- The Compulsory Specifications for the Energy Efficiency Performance and Safety of General Service Lamps (GSLs) was Gazetted on 23 May 2023 and will come into effect on 23 May 2024.
- These regulations will promote energy-efficient lighting and reduce the load on the electrical grid, especially during peak demand periods.
- Removing inefficient GSLs from shop floors will simplify the consumer’s shopping experience. **The dtic** and Department of Mineral Resources and Energy (DMRE) have developed an easy-to-use energy efficiency web-based guide to the benefits of consumers: <https://www.savingenergy.org.za/asl/consumers/light-bulbs/index.html>.
- The Proposed Compulsory Specification for Energy Efficiency and Labelling of Electric Motors (VC 9113) was published for public comments on 5 October 2023.
- The proposed introduction of the Compulsory Specification intends to drive the market towards energy efficiency of electric motors to International Efficiency Level 3 (IE3) for 3-phased motors with a power rating from 0.75kW to 375kW, which are the most widely used motors by South African industry. The outcome of this initiative is estimated to contribute to electrical energy savings of approximately 474 GWh per annum.

Energy investment announced

In response to the energy crises, the dtic, through its branches and the work of the Industrial Development Corporation is facilitating the connection of renewable energy capacity for private and government offtake.

New generation investment pledges

01

For Q2 Energy Investments announced

Hive Energy (Namakwa)	R250 M
Coega SEZ – Sustainable Heating	
	R122M
Upgrade Energy Africa	R2 Bn
Tshepong Solar PV	R149.3M
Eland Solar PV	R127,5M
Sunelex	R10,2Bn
Pele Green Energy	
(Sonvanger Solar PV project)	R1,5Bn
Celsior Project: Celsior-Motlakase	R1,2Bn
Solar MD	R 2Bn

unblock regulatory challenges
Energy One Stop Shop

03

To facilitate these projects, Invest SA has been supporting several companies to unblock regulatory challenges

Harmony Eland PV Facilitated Power purchase agreement Concluded between Freegold and Eskom (Harmony & Eland Photovoltaic. 8.5 Megawatt)

Harmony Nyala PV Power purchase agreement Concluded between Freegold and Eskom(Harmony & Nyala Photovoltaic. 7.3 Megawatt)

Harmony Tshepong PV Power purchase agreement Concluded between Freegold and Eskom (Harmony & Tshepong Photovoltaic. 9.95 Megawatt)



Unblockings Energy One Stop Shop Quarter 2

The establishment of the Energy One Stop Shop contributes significantly to not only the reduction of the number of steps required to connect projects to the grid but also to reduce the time it takes to bring projects to fruition.

Harmony Eland PV

Power purchase agreement Concluded between Freegold (Harmony & Eland Photovoltaic. 8.5 MW

Harmony Nyala PV

Power purchase agreement Concluded between Freegold(Harmony & Nyala Photovoltaic. 7.3 MW

Harmony Tshepong PV

Power purchase agreement Concluded between Freegold (Harmony & Tshepong Photovoltaic. 9.95 MW

FASTRACK THE CERTIFICATE OF COMPLIANCE TO ENABLE GRID CONNECTION



Eland PV Plant under construction



Nyala PV Plant under construction



Nyala PV Plant under construction

Unblockings Energy One Stop Shop (Q3)

The establishment of the Energy One Stop Shop contributes significantly to not only the reduction of the number of steps required to connect projects to the grid but also to reduce the time it takes to bring projects to fruition.

No.	Company	Unblocking
1	Solagroup – Springbok	General Authorisation Land Use Consent Budget Quote 150MW
2	Sibanye-Stillwater Umsinde Emoyeni Wind Farm: Murraysberg, Western Cape	Water Use License 144MW
3	Buffelspoort Solar Energy Facility	Water Use License 45MW
4	Zondereinde Solar PV Facility	General Authorisation 100MW
5	Eland Solar	General Authorisation 40MW
6	Cape Diary Biogas	Water Use License 05MW
7	Sibanye Stilwater Witberg (Wind)	Budget Quote 99MW
8	Sasol Air Liquide: Enel Green Power Impofu East Wind	Budget Quote 111MW
9	Sasol Air Liquide: Enel Green Power Impofu West Wind	Budget Quote 111MW
10	Pele Green Energy (Sonvanger Solar Powerplant)	Environmental Authorisation (x 2) 100MW
11	Iphiva Substation The proposed construction of the Duma Telecommunication Radio Tower The proposed construction of the 2 x Greenfield Sites Telecommunication Radio Tower	Environmental Authorisation
12	Lucky Star Limited	Municipal Consent 10 MW
13	SolarGroup Springbok	WayLeave Issued By SANRAL 150MW R3.2B
14	ROAN Solar PV	CEL Granted from ESKOM 240MW R5B
15	Sunelex Energy	Finalised Power Purchase Agreement 525MW R10.2B

Case Study – Sunelex Group Solar Project (facilitated)



Total Planned Investment (22023/24)	R10,2 billion
Location	Odendaalsrus, Free State
Sector	Solar PV
Country of origin	South Africa

Sunelex Group is developing the Matjhabeng Solar PV Complex Project comprised of 525MW solar photovoltaic (PV) facilities with 80MW Battery Energy Storage Systems (BESS). The Project will be developed over several farms that are owned by the Matjhabeng Local Municipality (“the Municipality”), in Odendaalsrus, in the Free State Province. SunElex and the Municipality entered into a Long-Term Lease Agreement (“Existing Lease”) on 26 August 2021 (the lease is for 32 years subject the municipality conditions) in terms of which SunElex leased several farms (“Leased Premises”) from the Municipality.

The Existing Lease was signed concurrently with a Power Purchase Agreement (“PPA”) in terms of which Sunelex’s affiliate, Matjhabeng Solar Proprietary Limited (“Matjhabeng Solar”) agreed to supply to the Municipality electricity generated by the power plants to be established by Matjhabeng Solar on the Leased Premises. The Existing Lease together with the PPA formed the bedrock for an electricity supply-based initial Public Private Partnership (“PPP”) proposed for the Municipality.

The project will sell the renewable energy to commercial, industrial and mining companies and is expected to reach completion in 2026.

Case Study – Solar MD (facilitated)

Solar MD specialises in Lithium-Ion battery storage for residential, commercial and utility scale applications. The company was founded in 2014, with a vision of affordable clean energy. Solar MD designs the intelligent battery management system in-house. This design allows cell level monitoring, protection and control.

In May 2026 the company announced plans to construct a ground-breaking 3GWh energy storage facility in Richmond Park, located in Milnerton, Cape Town. This facility will serve as the consolidated headquarters for Solar MD, allowing them to streamline their operations and meet the increasing demand for energy storage solutions.

The new facility will comprise a 11000sqm warehouse, 2200sqm of office space, and a 500sqm showroom.

Construction was scheduled to begin in August 2023, with completion and occupancy expected by mid-2024.

Total Planned Investment (22023/24)	R2 billion
Location	Cape Town, Western Cape
Sector	Battery energy storage
Country of origin	South Africa



Case Study – Heineken 6,5M Solar PV installation

Heineken has installed and connected a 6,5 MW solar plant at their Sedibeng Brewery in the Midvaal municipality. The solar power plant was built as part of the company's Brew a Better World initiative and will contribute to the group's efforts to achieve net-zero emissions by 2030.

The grid-based 6.5 MW solar photovoltaic (PV) plant was built in partnership with renewable energy solutions specialists SOLA Group and involved the installation of 14 000 PV panels. This installation increases the brewery's renewable energy supply by 30%.

Heineken and SOLA Group have entered a 15-year power purchase agreement (PPA). SOLA Group owns and will maintain the power plant during the 15-year period. However, the plant itself has an expected lifespan of 25 years.

The plant started supplying electricity to the brewery in October 2022.

This project formed part of Heineken's R1,48 billion investment announcement at the 2019 SA Investment Conference.



Case Study – Mpact 9,4MWp Solar installations

- ❑ In order to increase energy resilience in the face of continued load-shedding, the Mpact Group has installed 9,4MWp of solar power at 10 sites across their operations. The installed capacity includes solar PV modules and inverters that have been integrated with other energy back-up measures where available.
- ❑ This has amounted to an investment of R170 million which formed part of the Mpact Group’s pledge to invest R2,5 billion at the 2023 SA Investment Conference.
- ❑ Mpact plans to have installed 25MWp of solar power by 2025.
- ❑ The 10 installations cover Mpact’s Corrugate Packaging Converter facilities, Paper production facilities, Recycling and Plastics manufacturing facilities across various locations in South Africa.

Completed	
Location	Capacity MWp
Paarl phase 1	0.7
Paarl phase 2	0.5
Wadeville	1.1
Roodekop	0.7
Brits	0.3
Aeroton	0.6
Springs	0.7
Gqeberha	0.8
Atlantis	0.7
Ethekwini	0.2
Felixton	3.1
Total	9.4





Green economy support

Green Hydrogen Commercialisation Strategy

Highlights Q3

In June 2021 the Minister of Trade, Industry and Competition established the Green Hydrogen (GH₂) Commercialisation Panel (GHP) which consists of private and public sector champions in the potential GH₂ value chain and is currently being co-ordinated by the Industrial Development Corporation of South Africa (IDC)

The objective of the Panel was to specifically focus on the development of a South African Green Hydrogen Commercialisation Strategy and Action Plan which was approved by Cabinet in November 2022 for released to the public for comments.

Public comments closed on 31 March 2023 and the GHCS was updated with the comments from the public for re-submission to Cabinet.

Cabinet approved the final GHCS in Q3 on 18 October 2023. The documents have been released to the public : <https://www.idc.co.za/key-policies/>

The following summary is to present the updated Green Hydrogen Commercialisation Strategy (GHCS) and Action Plan for South Africa



Key Messages – GHCS

Commercialisation of the GH₂ industry provides a pathway for re-industrialisation, decarbonisation and social upliftment

1

SA Unique Value Proposition

South Africa is well positioned to produce GH₂ thanks to our structural competitive advantages – best in the world **renewable energy resources**, unique expertise in **Proprietary Fischer-Tropsch technology** for beneficiation into **e-fuels** and endowment of **PGMs**

2

Export and local demand opportunity

Opportunity to develop local demand opportunities in **steel, fertilizer, aviation fuel and transport** applications while **expediting** export of **ammonia, methanol and bunker fuel** to capture the global market

3

Water and energy security

Oversize **desalination** facilities to provide **water to communities** with minimal impact on the GH₂ price
Supply of **excess electricity** into the grid and supporting **transmission infrastructure** investment to enable other **RE projects to feed into the grid**

4

Industrialisation and local manufacturing

Economies of scale demand for equipment along the value chain will provide business case for local **manufacture of RE components, fuel cells, electrolyser and balance of plant components** supporting **reindustrialization** of the SA economy

5

Decarbonisation

Decarbonisation of **hard to abate** sectors initially funded by export projects - with **progressive decrease in GH₂ prices** will allow penetration and **decarbonisation into multiple sectors** further supporting **reindustrialization**

Need to be action plan driven, move with speed and address the enablers namely national coordination, policy, regulations, funding, skills development and proactive socio-economic development

South Africa's approach is anchored on 6 elements

Execution

The successful implementation of the commercialisation strategy will depend on the execution of the six key elements :

1 TARGET EXPORTS	2 STIMULATE DOMESTIC MARKET	3 SUPPORT LOCALISATION	4 SECURE FINANCING	5 PROACTIVE SOCIO ECONOMIC DEVELOPMENT
Target exports of green hydrogen and green chemicals by leveraging on South Africa's proprietary Fischer Tropsch technology and utilising financing support mechanisms including grants, concessional debt and contract for difference/price subsidies to improve the financial viability of these projects	In parallel to the export strategy, develop projects along the value chain to stimulate demand for green hydrogen in South Africa. "Low hanging fruit" opportunities to be prioritised to provide confidence in the domestic market. Examples include green steel, fertiliser, hydrogen valley mobility programme and sustainable aviation fuel projects.	Develop local industrial capability to produce fuel cells, electrolyser, ammonia cracking and balance of plant equipment and components by leveraging on South Africa's PGM resources. Together with demand stimulation this will drive longer term GH ₂ price reduction allowing penetration in various sectors.	"Crowd in" and secure funding from various sources and in various forms including grants, concessional debt and contract for differences.	Maximise development impact (incl. skills and economic development and social inclusion). Ensure gender equality, BBBEE and community participation. Maximise job creation and alternative options for potential job losses.

6 ROLE OF GOVERNMENT IN POLICY AND REGULATORY SUPPORT

Position GH₂ as a key early contributor to decarbonization and a just transition in the country programme of work being collated by the JET-IP Task Team ensuring a fair proportion of climate finance is sourced to enable development of this industry.

Prioritize the execution of the green hydrogen commercialisation strategy and the development of a national GH₂ infrastructure plan

Drive the required policy and regulatory changes required to sustain long term growth of the new hydrogen industry.

Mobilise and coordinate the Government support required to support the development of this new industry for South Africa.

Showcasing projects status – Government Gazette List

Nine projects that have received Strategic Integrated Projects and are progressing well

No.	Project	Status
1	HySHiFT, sustainable aviation fuel production in Secunda	Successfully progressed to next phase of the H2 Global bidding process
2	Prieska Energy Cluster green ammonia production in the Northern Cape	Feasibility study in progress (2025 commission date)
3	Boegoebaai GH2 Port in the Northern Cape	Master planning completed and 3 potential port developers announced; Sasol appointed Mizhuo as financial advisor
4	Ubuntu GH2 Project in the Northern Cape	Pre-feasibility study completed
5	Atlantia Green Hydrogen production at Saldhana Bay	Pre-feasibility conducted
6	Upilanga Solar and Green Hydrogen Park in Northern Cape	Bankable Feasibility Study in progress
7	Sasolburg Green Hydrogen Programme in the Free State	Successful production of green hydrogen
8	Hive energy Green Ammonia in Eastern Cape	Pre-feasibility study completed
9	Hydrogen Valley Programme - Limpopo, KZN and Gauteng corridors	Various stages of feasibility, Rhyndow project completed pre-feasibility study






Additionally, 11 potential SIP projects were also in the Gazette which are progressing in the pre-feasibility phase

No.	Project
1	Mainstream RE GH2 Project in the Western Cape – supply GH2 to Saldhana Steel
2	AMSA Saldhana Green Steel – pre-feasibility funded by IDC
3	Enertrag Postmasburg Project – Ammonia in the NC
4	HDF Energy GH2 for grid stabilisation in Mpumalanga
5	Enertrag Indigen – e-methanol in the Eastern Cape
6	Isondo FC MEA Manufacturing in Gauteng
7	Isondo / NCP Waste Hydrogen Recovery
8	Saldhana Bay Green Hydrogen Project
9	Project Phoenix FC manufacturing
10	Cape Stack in the Western Cape
11	Bambili Hyplat FC Manufacturing

Strategic Implementation – Domestic Market Penetration

New markets

GH₂ Vision will progressively unfold penetrating multiple markets

2023 to 2025	 Mining & Industry	Road transport, primarily Fuel Cell Vehicles (FCVs) with a focus on Heavy- Duty Vehicles (HDVs). Pilot projects already underway including hydrogen-powered trucks (Anglo Platinum's Mogalakwena mine), the Hydrogen Valley (835km industrial and commercial mobility corridor) and Sasol and Toyota South Africa Motor's partnership exploration of a mobility ecosystem.
2025 to 2030	 Industry	Chemical and Industry, notably the non-ferrous metals, green steel, and cement sectors, which will need to decarbonize to remain globally competitive. Early opportunities in Green steel are under consideration.
2028 to 2030	 Methanol	Green ammonia and methanol, which will replace current production from high carbon techniques. Ammonia is widely traded globally and regarded as an attractive transport vector for exporting and trading in green hydrogen.
2030	 Sustainable Aviation Fuels	Sustainable aviation fuel offers an opportunity to decarbonise air travel.
+ 2030	 Electronics	Power Storage and Balancing - Hydrogen being used for long-duration storage based on daily, monthly, and cross-seasonal balancing requirements.

Green economy support

A solid historical base supports accelerated commercialisation

The Green Hydrogen Commercialization Strategy (GHCS)

- Approved by Cabinet in November 2022 for release to the public for comments
- Updated GHCS presented to the DG cluster on 15 June 2023
- Presented to Minister DTIC on 28 July 2023
- Cabinet announced on Thursday 19 October 2023 that it has given the Green Hydrogen Commercialisation Strategy (GHCS) the green light for implementation.
- The second South Africa Green Hydrogen Summit was hosted in Cape Town during October 2023. On the sidelines of the summit, South Africa concluded Heads of Agreements with the intention of launching an SA-H2 Fund that will facilitate the development of the country's green hydrogen sector.

2007 to 2018

Initial Strategy and demonstration phase Fuel cells, mining, storage, transport and PGM



2020 to 2021

DSI, HySA, North West University develop Hydrogen Society Road Map



2021 to 2023

The DTIC and IDC coordinate a joint approach to sector planning and establishing the Green Hydrogen Panel



Green economy support – Electric Vehicle

Work to develop support for a transition from ICE vehicles towards e-mobility gains momentum

Electric Vehicle White Paper

Published in December 2024 following Cabinet endorsement

Objectives of White Paper

- Enable local production of EVs and components
- Mitigate potential local vehicle production shrinkage and job losses with transition to EVs

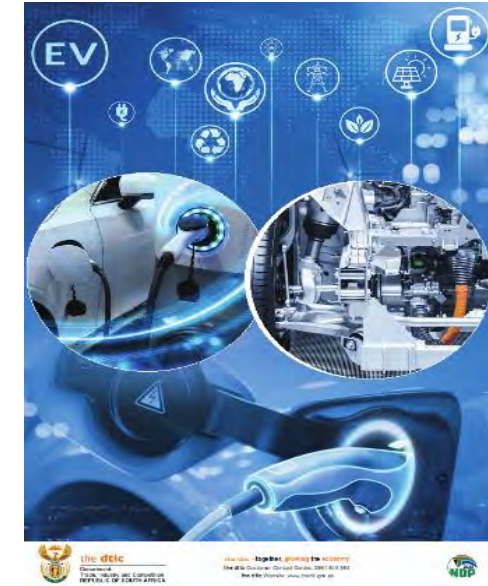
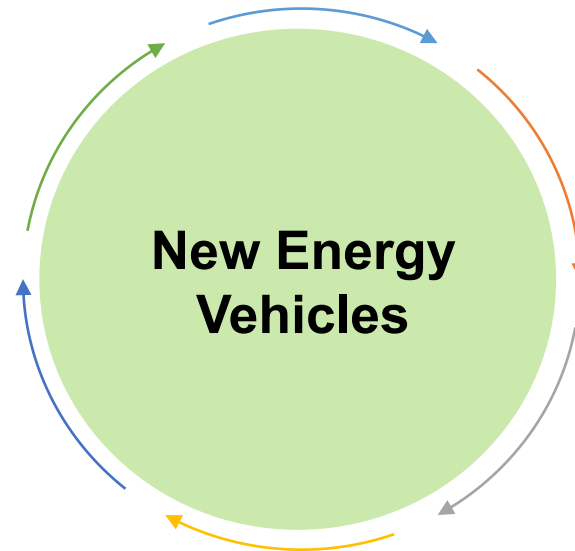
Support framework design

Production Capacity support:

Investment incentives, Regional value chain development, Trade measures, Skills development and Infrastructure improvement.

Market Development:

Charging infrastructure development, State procurement, Private fleet transition to locally produced EVs and electricity grid enhancement.



Next Action Items

Inclusion of EVs and Components in APDP

Announcement of architecture of incentive package for the transition

Publishing of amended regulations and guidelines for APDP and AIS

Implementation Oversight

Executive Oversight Committee to be expanded to include other relevant stakeholders and oversee the implementation of the EV White Paper provisions.

Green economy support - Electric Vehicle

Electric Vehicle White Paper

Industrialisation Opportunities

Battery Production (for mobility and static applications)

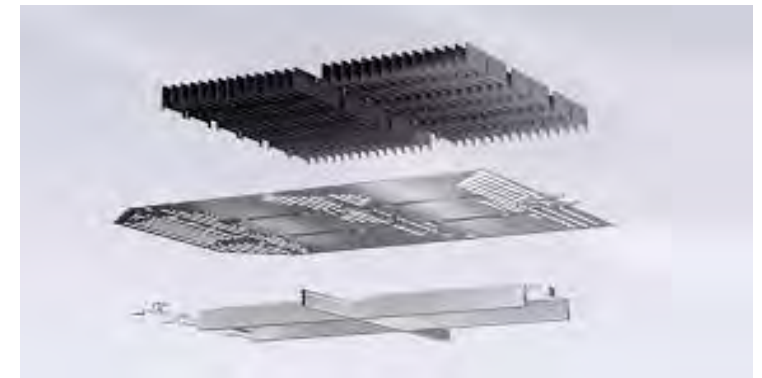
- Battery Assembly for local market
- Battery Cell manufacturing Mineral Beneficiation & Regional Value chain development;
 - Platinum use in hydrogen extraction for fuel cell EVs
 - Source critical minerals in neighbouring countries
- Battery Recycling

Green Energy expansion:

- Develop cleaner energy source for vehicle charging for maximum positive environmental impact, e.g. Solar Charging Stations.

Charging Infrastructure:

- Support local production & maintenance



Green economy support - Electric Vehicle

Electric Vehicle White Paper

Environmental Impact enhancement

Public Transport & Fleet Conversion

- An estimated 250 000 minibus taxis (MBTs) in South Africa
- About 25 000 Buses of which about 19 000 are in public transport
- Fleet conversion (Private & Public)

Employment

Approximately 116 000 people directly employed in vehicle assembly and component manufacturing.

Shift to EVs to mitigate job losses.

Production of EV components such as the Batteries and Charging Stations to create new employment opportunities.





Master Plans

Master Plans – an overview of masterplans

- Masterplans require a collaborative effort involving various stakeholders to achieve significant economic objectives
- The key areas of focus in each Masterplan include investing in productive assets, creating and retaining jobs, improving efficiency, promoting transformation, encouraging localization, and developing small and medium-sized enterprises (SMEs)
- The successful implementation of the Masterplans relies on strong social partnerships between the government, businesses, and labour
- These sector masterplans are supported by continuous capacity building to effectively manage the implementation process
- Periodic reviews are necessary due to critically assess the progress made and enhance our efforts, ensuring that the social compacting approach aligns with our shared vision of a more prosperous, equitable, and inclusive South Africa

Seven Masterplans are being implemented through the deployment of various industrial policy tools and industry commitments in order to develop industry capacity, increase investment and localization, expand exports, preserve and grow jobs

Retail-Clothing, Textiles, Footwear and Leather (R-CTFL)

- Are labor-intensive sectors with predominantly women workers and entrepreneurs

Sugar and Poultry

- Support food security and rural development.

Automotives

- Is a major earner of foreign exchange for South Africa and platform for advanced manufacturing

Steel and Metal Fabrication

- Is at the heart of the country's industrialisation drive, with links to many other sectors including construction, automotives, mining and packaging.

Global Business Services (GBS)

- Supports with youth and women employment and export revenue earner

Furniture

- Is an important labour absorbing sector

Master Plans – jobs impact of work: coverage of master plans

740 075* workers inclusive of women and youth across the country covered by the six masterplans coordinated by **the dtic**



* Based on data from industry associations and official data.

Master Plans – 1: Retail - Clothing textile footwear and leather

Retail - Clothing, Textiles, Footwear, Leather masterplan objective: the combatting of illegal imports, localisation of production and the creation of dedicated incentive support resulted in the following impacts:

JOB	INDUSTRIAL FINANCING	ILLEGAL TRADE	TRADE MEASURES
188 785 jobs supported in the CTFL industry	Since inception of the CTFLGP: 198 application approved to the value of R1.5 billion <ul style="list-style-type: none">Expected to create 2 161 new jobs21 664 jobs sustained	317 goods to the value of R220.7 million seized <ul style="list-style-type: none">26 post-clearance audits completed, amounting to R42.9 million	129 permits issued for the woven fabric rebate to date: <ul style="list-style-type: none">19.5 million garments under rebated fabric valued at R4.1 billion.10.9m kgs of fabric imported duty free valued at R1.1 billion.

Case Study - Angel Footwear



ANGEL FOOTWEAR

In 2012, Pheello Caswell Matee, joined Angel Footwear, taking on the role of a table hand. His main responsibility was to assist a team of six footwear designers, collectively having a 120 years of experience in the industry. Presently, Caswell holds the position of Head Designer at Angel Footwear.



Pheello Caswell Matee
HARLEY BOOT DESIGNER

Angel Footwear Manufacturers is an established business for over 35 years, owned by Ashley Ramlakan. The company is in footwear manufacturing and manufactures for US brands such as Howzit and Harley Davidson.

In terms of export, the company has secured a Harley Davidson Contract worth R29 million LC.

Angel Footwear is today the biggest supplier of stitch-down footwear in Africa.



GOVT. SUPPORT

- Worked with SAFLEC & dtic. With funding for participating in Tradeshow.
- AGOA training via SAFLEC.



Exporting via AGOA

Master Plans – 2 and 3 : sugar and poultry industries

Sugar industry is winning back market share in regional and international markets, transformation and value-chain diversification resulted in the following impact:

JOB

79 000 jobs supported in the sugar industry

TRANSFORMATION FUND

R 1 billion was allocated over a 5-year period and has been disbursed as follows:

- FY 2018/19 - R 167million, FY 2019/20 - R 200m, FY 2020/21 - R 238,90 million, FY2021/22 - R228,26 million, FY2022/23 - R215, 21 million

- **Sugarcane-based diversification projects**
 - Sustainable Aviation Fuel (SAF), Polylactic Acid (PLA) and Polyethylene (PE), have been established as viable downstream product streams and are undergoing pre-feasibility assessments.

Poultry industry objective: is to look at new import tariffs (safeguard duties); negotiate market access of local poultry, expansion support for emerging farmers; and implementation of local procurement regulation in state expenditure

47 000 jobs supported

New Investment

- Land bank launched a **R3.2 billion** blended finance scheme with DALRRD:
- Further R350 million committed by industry by end of 2024
- 10 new application received to the value of R218.6million, 1 application approved valued at R25.75 million, 30 new jobs to be created
- **R622 million** approved to date through the IDC/DALRRD Agri-Industrial Fund
 - 242 new jobs to be created
 - R497 million disbursed
 - 9 black commercial contract farmers, 1 hatchery company and 1 feed mixer supported
- Further R350 million committed by industry by end of 2024

Master Plan : poultry industries

- The Bee Tree Organic Farm is poultry grower and processors based in Cullinan, City of Tshwane, Gauteng and is a 100% black woman owned company, owned by Dr Ethel Zulu. The owner have invested R5million into the farm and employs 13 permanent people. The farm have 8000 free range broiler capacity and also breed indigenous chicken and grow its own feed. The farm specialise with potch koek koek, astralorp and hyline breed. The farm slaughter 1000 chickens per week from the commercial poultry abattoir. The producer have obtained new market access to supply chickens products to the local Pick n Pay and Spar in Cullinan.
- They also have recently obtained their Environmental Impact Assessment (EIA) certificate which will enable them to increase their capacity. The agro-processing sector desk is now in the process of engaging the DFI's to assist in financing the farm to get their own abattoirs and increase their chicken houses capacity.



Master Plan : poultry industries

- Rainbow Chicken has invested R220 million in Hammarsdale abattoir expansion, resulting in the construction of 78 new contract grower houses at an investment of another R400m. The expansion will increase the number of chickens slaughtered per week from 900,000 to 1.1 million. This increase in chicken contributes to an anticipated R1.4 billion boost in value added. This investment has created 750 new jobs, with additional 100 jobs to be initiated by June 2024.
- In his address, Minister Ebrahim Patel recounted pivotal steps taken by government as part of Poultry master Plan to rebuild an industry that teetered on the blink of collapse in 2017, when Rainbow Chicken was forced to retrench 1350 workers due to influx of imported chicken into the local market. The inauguration of the project, which is aimed at reinstating a 2nd processing shift at Rainbow's Hammarsdale P2 processing plant, symbolises the success of several aspects of the Poultry Sector Master Plan including investment, jobs creating, poultry exports and the establishment of black contract growers.

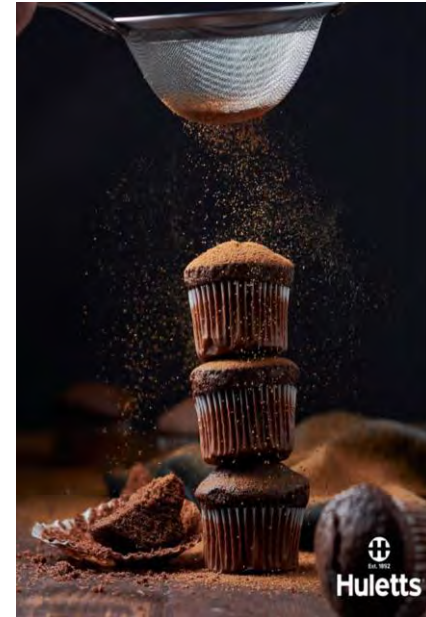


Master Plan : Sugar - Tongaat Hulett



Tongaat Hulett Business Rescue Plan adopted

- Following the fraud within Tongaat Hulett, the company faced bankruptcy in 2022.
- The company is the largest sugar miller in South Africa – large numbers of sugar farmers are dependent on its facilities for their sugar milling. A closure of the business could have devastating consequences for small and larger farmers.
- Government stepped in to engage with commercial banks to secure space to put a holding operation in place, pending a full business rescue plan. The IDC provided bridging funding.
- The business rescue plan was developed and a bidding process opened. On 11 January 2024, creditors voted in favour of one of the bidders, Vision Investments.



Master Plans – 4: automotive industry

Automotive Industry masterplan objective:

The objective of the Automotive Masterplan is to:

- Grow domestic car production to 1% of global output
- Increase local content in South African assembled vehicles to 60% (from 39% in 2015)
- Achieve industry transformation across the value chain by ensuring that 25% Black Owned involved in Tier 2 & Tier 3 component manufacturer levels, dealership networks and authorised repair facilities
- Deepen value addition across selected commodities/technologies

116 288 Jobs Supported under the Master Plan

- **Domestic vehicle production:** Increased from 144 716 units to 178 579 compared to the previous quarter.
- **Employment:** Aggregate industry employment of 33 620 reflecting an increase of 123 jobs compared to the 33 497 in the previous quarter.
- **Vehicle exports:** Increased to 11 362 units compared to the 88 025 units exported in the previous quarter.
- **Investments:** Ford Motor Company of Southern Africa announced an investment of an additional R5.2 billion in the Silverton Assembly Plant for PHEV production. Mercedes-Benz South Africa announced the investment of R100 million for the expansion of the photovoltaic renewable energy project for the East London Manufacturing Plant. Sumitomo Rubber SA announced an investment of R1,7 billion for the upgrading of the manufacturing plant in Ladysmith.
- **Skills development:** 25 consultants completed their Kaizen in-company training with 20 firms.
- **Electric Vehicle (EV) :** Cabinet approved the EV White Paper on 30 November 2023.
- **Transformation:** Automotive Industry Transformation Fund supported 3 businesses through funding to the tune of R2,6 million. 135 new actual jobs were created by the fund during the quarter under review.

State responsiveness outputs – case study

Master Plans – 4: automotive industry

Sumitomo Rubber South Africa (SRSA)

Background on the company

- On 02 October 2023, Sumitomo Rubber South Africa (SRSA) which is the South African operation of Sumitomo Rubber Industries(SRI) and a passenger car tyre manufacturing company located in Ladysmith, announced an investment of R1,7 billion for the upgrading of the manufacturing plant during the company’s 50th anniversary celebration. The investment includes new plant equipment and machinery such as a new mixer, new treadline and new sidewall line. This substantial investment will serve as a robust pillar, bolstering local production and fortifying the output of the factory. It is a big step towards the modernisation and enhancement of the plant facilities, ensuring the support and creation of local jobs, and contributing to the economic prosperity of the region. Currently, the plant employs about 1 206 people.

Funding/support provided

- The Automotive Masterplan and the APDP played a critical role in supporting this investment. Dunlop has benefited from the Automotive Investment Scheme (AIS) since 2017.

Impact of the support/funding provided

- The support boosts local passenger car tyre production capacity as more OEMs look to domestic tyre producers to meet their vehicle specifications. In addition, the funding provided supports job retention /creation in the plant.

Comments by Owner:

- The Sumitomo Rubber South Africa (SRSA) CEO Lubin Ozoux said
- ” The new equipment will improve current process capability and decrease our overall plant waste by over 60% once the investment is complete. Our new mixer with improved technology will result in an energy saving of approximately 300 KWH”.

“I am encouraged and would like to thank ITAC, the DTIC and the Minister for supporting with the anti-dumping measures that have been taken... We understand the responsibility that this puts on us, in term of making sure quality tyres are still accessible to drivers, but also to ensure that we use the next 5 years wisely to ensure we put ourselves in a competitive position post the anti-dumping period.”

Automotive Sector

- Lubin Ozoux, CEO
- Sumitomo Rubber SA(PTY))
- Ladysmith plant.
- R1.7 billion investment



Master Plans – 4: automotive industry

Project intervention to support female owned SMME: Digitizing manufacturing process to improve production & reduce waste.

Premier Mats and Accessories (Pty) Ltd is a centurion-based company established in 2013 by a female entrepreneur Madeleine Marais. Before starting her own business, Marais worked for 12 years as a specialised sales vehicle executive for new and used commercial vehicles for the Imperial Toyota Hino Group. During her time as a salesperson, she recognised a need for safe, functional, and protective floor mats that's when she decided to establish her own company, Primer Mats. The company is an approved supplier of custom-designed automotive rubber floor mats for trucks to South African OEMs and large motor group dealers.

In an intervention to implement a digitised manufacturing process, the AISI supported Premier Mats and Accessories to fully integrate the Manufacturing Execution System (MES). The project assisted the company in developing a camera-based, MES system to assist with the quality management system (QMS) tracking and improve efficiency of current time-consuming production processes. The QMS system will enable the company to integrate digitised mat templates with computer numerical control (CNC) machine routers and bar-coded (QR) job cards.

Impact and comments by Madelein Marais

“We are very appreciative and feel honored to have been selected for this prestige project by the AISI and CSIR team. Since the implementation of the new MES system, we have seen a significant improvement in controlled QMS, time-saving in production processes, and waste reduction which results in positive financial savings. This in turn makes us more competitive in the current market and able to be in a better position to meet market demands," said Marais.

- **SMME: Premier Mats and Accessories (Pty) Ltd**
- **Location: Pretoria Gauteng**
- **Seven jobs supported**
- **AISI funding**



Johannah Msiza the former domestic worker for Marais and is first person to be employed by Marais at Premier Mats



Lerato Mokano, Madelein Marais, Violet Mamonyane, Maria Madisha, Johannah Msiza, Lizelle Henning

Master Plans – 5: steel and metals fabrication industry

Steel & Metal Fabrication masterplan objective: Export measures - tax on scrap metal; support measures for ferro-chrome industry; supply side support through tariffs and trade remedies; addressing illegal imports, and localisation; Demand side interventions focusing on rail, energy, mining, Automotives, yellow metals and gas.

JOB

220 355 jobs supported by the Master Plan

LOCALISATION

- Transnet awarded various contracts as part of the programme to addressing maintenance backlogs and improve rail operations. These will boost local manufacturing and support jobs in the supply chains:
 - National contract for the supply turnouts and turnout’s components for a period of 3 years was awarded to Voestalpine (Pty) Ltd, a local permanent way supplier.
 - A Railway sleeper contracts awarded to Colossal Concrete, GPT Concrete and Rail2Rail local for 12 a period of months. Consequently, in October, Colossal Concrete Products, a woman-owned supplier, re-opened a Sleeper Manufacturing Factory in DE AAR, Northern Cape and hired 50 personnel.
- PRASA awarded a contract to CRIG MAZIYA Joint Venture for Re-Signallin for the Train Control System in Kwazulu-Natal service region. Local companies manufacturing turnouts, railway sleepers, fastening systems and bolts and nuts will benefit through supplying these critical components on this project.

TRADE MEASURES

- Issued a policy directive extending the Price Preference System on exports of Scrap Metal for a period of four years, 31 July 2023 to 31 July 2027
- Scrap Metal export prohibition extended to December 2023 and additional regulations put out for public comment to close identified loopholes in the export prohibition.
- Various rebates were implemented to facilitate sourcing of the imported steel inputs competitively, in products where SA currently does not have capacity to produce, to support local value addition and jobs in downstream industries,:
 - A rebate on certain cold rolled steel and painted steel products under 7211.29 and 7212.40 for high carbon spring steel and high tensile black painted products
 - A rebate on certain flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, hot-rolled, not clad, plated or coated, classifiable under 7208.26 and 7208.27
 - A rebate on sheet piling of iron or steel, whether or not drilled, punched or made form assembled elements, classifiable under 7301.10
- Duties were increased on various downstream products to protect local production against unfair imports
 - Extension of safeguard duties on screws.
 - Import duty increase to the maximum 15% bound rate on coated welded wire mesh.
 - import duty increase to the maximum 20% bound rate on certain rock drill or earth boring
- Duty increases to 10% bound rates on certain primary steel products (mainly: coated or plated flat-rolled steel and stainless steel flat products) were also implemented to assist the industry to complete due to the global over production and trade diversions as a result of measures implemented global to protect domestic interests:

Master Plans – 5: AMSA Newcastle Steel

- ❑ In November 2023, AMSA announced its decision to put the Newcastle and Vereeniging long products steel plants into care and maintenance ahead of their closure in January 2024. This decision affects 3,500 jobs at the plant and thousands in the Steel Value Chain.
- ❑ The dtic engaged the company to address AMSA's Newcastle steelworks challenges including rising costs of raw materials inputs and logistics as well as depressed domestic demand market.
- ❑ After extensive discussions with government, Arcelor Mittal South Africa (AMSA) has reached a decision to put the decision to close the plant, on hold.
- ❑ This decision will provided relief for a number of industries in the construction, automotive, mining, electro technical and rail to name a few.
- ❑ Over the next three months, the parties are working together to find solutions to problems faced by the company.

Way Forward

In order to stave off the potential closure of the Steel works in the future, Government is working with AMSA to explore various support measures including:-

- Identification of tangible export opportunities through the African continental Free Trade Agreement (AFCFTA)
- Investigate import leakages and mis-declarations with a view to close these loopholes.
- Investigate options to optimise the cost of raw materials such as Iron ore
- Strengthen local demand of steel in the SA's infrastructure programme
- Continue discussions with Transnet to ensure long term sustainability of steel production
- Develop and implement SABS standards to address low quality dumped imports
- Discussions with industry on options available to SA on Carbon Border Adjustment measures (CBAM)
- The IDC and AMSA are currently engaged on a commercially-driven working capital bridge fund.

Master Plans – 5: Veer Steel Aluminium New Ingot Caster And Billet Mill Investments In Aluminum Beneficiation Plant

- ❑ In September 2023, the 1st phase of Veer Aluminium investment of R550 million will be commissioned in September
- ❑ This investment comes at the back of the scrap intervention.
- ❑ Veer aluminium acquired the old Hulamin extrusion site in Clayville, Olifantfontein, Gauteng and will expand from the same site.
- ❑ The 1st phase involves commissioning of an ingot caster to be commissioned in September 2023.
- ❑ 2nd Phase will be commissioned in November 2023 comprises of an aluminium billet mill.
- ❑ A total of 650 full time new jobs will be created.
- ❑ The plant is producing a range of extrusion products used mainly in the following in sectors: construction; electrical and renewable energy; automotive; industrial; consumer products; and packaging.

R550 million investment achieved, creating 60 000 tons production capacity per annum

Indicators	
Time Period:	Q2
Type of Intervention:	Scrap Policy interventions
Value:	R550 million
Announcement date:	SAIC 2022
Implementation Phase:	Commissioning ingot caster September 2023

650 Total jobs created



Master Plans – 5: Velocity Venture Expansion, Investments in Aluminum Scrap Beneficiation Plant

- In April 2023, construction of Velocity Ventures’ new plant (expansion by the company) to produce aluminium ingots and rod commenced, following R120 million investment commitment made in 2022.
- At the current facility, Velocity Ventures produces about 1100 tons per month of aluminium ingots which is 100% exported to the Far East. This new facility will produce an additional 1500 tons per month of aluminium ingots from UBC (Used Beverage Cans) in phase 1 and 2000 tons per month of aluminium rod in phase 2. Production for phase 1 is planned to commence in January 2024.
- The expansion will create 250 new jobs at full production.
- The expansion is enabled by the scrap metal interventions, the Price Preference System in particular, which has ensured scrap is made available at competitive prices to support industry growth and value-addition.
- The plant will be the first to integrate energy efficient production from natural gas, producing green aluminium products thereby contributing positively to the SA decarbonisation roadmap.

R160 investment commitment, of which R45 million has already been spent

250 new jobs to be created at full production

The plant will be energy self-sufficient, contributing positively to the greening agenda

Indicators	
Time Period:	Q1
Type of Investment:	Industrial
Value:	R160 million
Announcement date:	SAIC 2022
Implementation Phase:	R45 million spent to date



Master Plans – 5: Unica Iron & Steel Expands Rolling Mill

- In Q2 FY2021, Unica Iron and Steel completed their R200 million expansion on a new automated rolling mill in Babelegi, Hammanskraal, Gauteng.
- In line with the steel master plan supply side intervention in to improve efficiencies, Unica have embarked on a further expansion project in Q4 2022 in which they will be investing a further R300 million into Plant & Machinery
- This investment comes at the back of the Invest SA conference pledge in 2020, Steel Masterplan interventions and PPS policy.
- Through this expansion Unica managed to sustain 850 jobs and bring about process efficiencies.
- Unica has a number of Corporate Social Investment initiatives in and around the Hammanskraal.
- Unica has trained 48 artisans during FY22 & FY23, and a further 43 are being trained in the current year.

**R300 million investment in
FY23 – FY24**

**49 additional jobs created (Q2 2023)
151 additional jobs to be created by Dec 2024**



Master Plans – 5: Polarium Lithium Ion Battery Manufacturing in Cape Town, Investments in Aluminum Scrap Beneficiation Plant

- Polarium (Pty) Ltd commissioned their R30million lithium ion batteries facility in Cape Town in April 2022. The investment including working capital and inventory has reached around R640m
- The investment comes at the back of the battery minerals strategy developed by the dtic in collaboration with the Department of Mineral resources and Energy (DMRE).
- The commercial plant will produce 300 000 lithium battery units/annum.
- Polarium (Pty) Ltd currently employs 100 permanent staff in Cape Town, Montague Park and employs a majority of black women in the assembly line.
- The Cape Town facility predominantly exports its battery production to the African market for telecom towers.
- Through the AFCFTA, Polarium has potential to a large untapped regional market.
- Polarium long term plans include expansion into cell manufacturing locally in collaboration with Northvolt (a sister company of Polarium), of battery cells and a local recycling facility in Cape Town.”

Indicators	
Time Period:	Q1
Jobs	100 new jobs
Value:	R30 million
Announcement date:	SAIC 2022 R30 million
Implementation Phase:	R645 million spent to date



State responsiveness outputs

Master Plans – 5: Scaw –new steel factory under construction

Scaw is a local producer of high-quality steel products, with a global reach through its various operations around the world.

The company manufactures rolled products as well as wire rod products. The company is investing on a R2 billion in a new hot-strip steel mill to produce 300 000 t/y of thin gauge hot-rolled coil.

This investment enables Scaw’s entry into the primary flat steel market, providing competition in a concentrated market. The expected schedule for the commissioning is December 2024.

The Project will create 278 jobs at the Union Junction Plant Scaw Metal decided to expand their product range to produce Hot Rolled Coils (HRC).

AMSA is the only domestic producer of HRC in South Africa and given domestic supply disruption during COVID as well as during plant breakdown/shutdown as AMSA, Scaw took a decision to expand to their plant capacity to produce HRC to ensure supply security.

Indicators	
Time Period:	Q2
Type of Investment:	Industrial
Value:	R2 billion
Announcement date:	SAIC 2022
Implementation Phase:	R738 million spent to date



Master Plans – 6: furniture

Furniture Industry masterplan objective: To ensure the retention of existing capacity in the immediate term; and the sustainable growth of the industry with increased local supply.

JOBS

23 047 supported by the Furniture Master Plan

FURNITURE CHALLENGE FUND

Furniture Challenge Investment include:

- R40m loan and R18,9m own investment for Factory Expansion in WC resulting in 100 new jobs created
- R12,5m for capital equipment and 65 jobs retained. Located in Graaf Reinet District Municipality, Eastern Cape
- R3,7m for Solar Equipment and 20 jobs retained. The company is located in Umgungundlovu District KZN

INVESTMENT

- **R70 million** investment embarked on by Restonic to expand its factory and warehousing in Durban. Production capacity will increase by 50% from 400 to 600 sets a day.

FURNITURE CLUSTER

- **Ethekwini Furniture Cluster**, Funded by Ethekwini Municipality, trained over 10 SMEs in various interventions and over 500 employees.
- The cluster has created about 66 jobs and generating over R6million new sales.

Master Plans – 6: Furniture

Pascal Kitchens

Key Milestones:

- Pascal Interior Designs and Carpentry Services is a proudly South African youth owned and managed interior design and carpentry services company specializing in turnkey solutions from designing, manufacturing and installations for renovation projects and new kitchen installations.
- Employees increased from 18 to 35 Employees
- New showroom and Factory launched in Gauteng
- Participated and exhibited in Decorex Africa 2023
- The company is also exploring export markets, starting with neighbouring countries



Four pieces of priority legislation: Companies Amendment Bills

Output 26

The Companies (main) and Second Amendment Bills (Two Bills) were certified by the Office of the Chief State Law Advisors. An independent legal opinion was sought and obtained from Senior Counsel on the issue of tagging of the Bills. Both Bills are tagged section 75 Bills.

The Bills were introduced to Parliament on 28 August 2023 and the briefing done by Minister on the 29 August 2023 in the Portfolio Committee on Trade and Industry.

The Bills were published for public comment on 5 September 2023 for a comment period expiring on 2 October 2023.

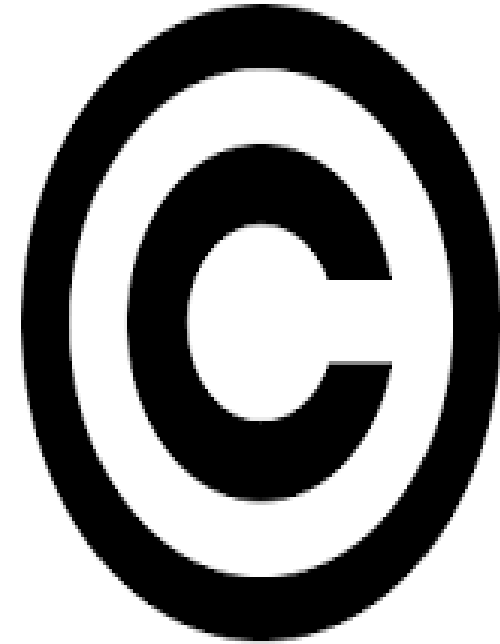
Four pieces of priority legislation: Companies Amendment Bills

Output 26

- ❑ The Portfolio Committee of the National Assembly received forty-one (41) substantive submissions from institutional stakeholders. Twenty-three (23) of the same stakeholders undertook oral presentations. The public hearings for oral presentations took place on 17, 18 and 20 October 2023.
- ❑ The Bills were adopted by the National Assembly on 30 November 2023 and referred to the National Council of Provinces, Select Committee for concurrence.
- ❑ Briefing by Minister in the Select Committee on the Companies Amendment Bills took place on 5 December 2023.

Copyright Amendment Bill and the Performers' Protection Amendment Bill

- The Bills will be tabled in the National Assembly scheduled for 29 February 2024 for referral to the President for assent.
- The Portfolio Committee on Trade, Industry and Competition recommends that the House adopts the reports and approves the Copyright Amendment Bill [B13F-2017] & Performers' Protection Amendment Bill [B24F-2016] for resubmission to the President.
- The NCOP adopted the Bills on 26 September 2023 and they were referred to the National Assembly.
- The amendments to the Bills from the NCOP were tabled at the Portfolio Committee meeting of 6 February 2024 in a briefing from the Department and Parliament's Constitutional and Legal Services Office respectively.
- The changes to the Bills are related to the Constitutional Court judgment in the matter of *Blind SA v Minister of Trade, Industry and Competition*, remuneration clauses to widen types of remunerations, definitions (i.e broadcast (removing in the Bills), performer on the exclusion of extras), and a technical legal wording correction in the general exceptions (12B(6), Regulations clause on standards elements of the contracts and royalty rates amongst others.
- The Committee adopted the reports on 14 February 2024.
- As a background, provinces submitted final voting mandates in September 2023. The Select Committee adopted the report on 5 September 2023.
- In terms of voting, 7 provinces voted in favour of the Bills. The Provinces that voted in favour are Gauteng, Free State, Eastern Cape, Northern Cape, Mpumalanga, Limpopo and North West. Kwazulu Natal abstained from voting and Western Cape voted not in favour of the Bills.



A group of five business professionals are seated around a white circular table in a modern office setting. The room features large floor-to-ceiling windows that offer a view of a city skyline. The participants, consisting of three men and two women, are dressed in business casual attire. They are engaged in a discussion, with some looking at laptops and others at each other. A potted plant sits on the windowsill in the background. The scene is brightly lit by natural light from the windows.

Business forums & Summits

Business Forums & summits hosted

Output 25

Output 25
10 Business Forums hosted aimed at supporting increased FDI, exports and outward investment hosted

Q2 and Q3 achievement
8

% of app target achieved year to date
140%

8 Business Forums hosted in Q2 and Q3

During quarter 2 and quarter 3 of the 2023 financial year (1 July 2023 to 30 December 2023), the department hosted 4 Business Forums linked to State Visit programmes, aimed at supporting increased Foreign Direct Investment, Exports and Outward Investments.

The Business Forums that took place were:

- Democratic Republic of Congo (DRC) – South Africa (5 - 6 July 2023) in Kinshasa, DRC.
- Uganda – South Africa (5 - 6 September 2023) in Kampala.
- BRICS Manufacturing Forum (21 August 2023) in Midrand.
- BRICS Business Forum (22 August 2023) in Midrand.
- US Business Roundtable with President Ramaphosa in New York City, September 2023
- AGOA Private Sector Forum (3 November 2023)
- Qatar – South Africa (14 -15 November 2023) in Doha.
- South Africa – Austria (14 December 2023) in Pretoria

Business Forums & summits



**DRC – South Africa
(6 July 2023)**



- The DRC-South Africa Business Forum took place on the margins of the 12th Session of the bi-National Commission Co-Chaired by HE Felix Tshisekedi, President of the Democratic Republic of Congo and HE Matamela Cyril Ramaphosa, President of the Republic of South Africa.
- Held under the theme “Enhancing Trade and Investment Opportunities”, the business forum brought together Congolese and South African business executives to discuss opportunities in agriculture & agro-processing, energy, ICT, trade and project finance, healthcare, and transport infrastructure.
- The business forum affirmed the commitment and desire of the South African business community to deepen trade and investment ties within the framework of a SA coordinated approach through the mobilization of SA’s financial, technical and technological capabilities.

KEY OUTCOMES:

- SA consortium to mobilize U\$ 3 billion to finance mega projects on a syndicated basis led by commercial banks and DFIs with political and risk cover by ECIC.
- SA institutions working together with funding partners to develop one major high tech hospital in each of the DRC’s 26 provinces with potential for further expansion into the other 145 territories in the DRC.
- Mobilize investment to support the development of 2000 MW of hydro and renewable energy projects in the DRC.
- The establishment and development of improved border facilities and customs digital systems.
- Upgrade and modernization of the Matadi Port and the Matadi-Kinshashe railway corridor.



Business Forums & summits



UGANDA – South Africa (5 – 6 September 2023)



- South Africa – Uganda Trade & Investment Summit held in Kampala on 5 – 6 September 2023 by the Republic of Uganda and South Africa.
- The Summit was supported by MTN in partnership with Absa Bank, Stanbic Bank, DFCU Bank, Sanlam, Nile Breweries, Woolworths, Multichoice Uganda, and PSFU.
- The 2-day Summit featured speakers from the Public and Private sectors from South Africa and Uganda with a particular focus on agriculture, agro-industrialisation, tourism, ICT, manufacturing, mining, iron ore, and energy.
- The summit was attended by 300 delegates from both Uganda and South Africa, alongside 30 exhibiting private sector companies.

KEY OUTCOMES:

- Signing of the two agreements:
 - MoU between Invest South Africa and the Uganda Investment Authority in promotion and facilitation of investment between Uganda and South Africa.
 - MoU between Uganda Industrial Research Institute and Hexagon Electrical Limited to produce electricity transformers in Uganda.
- Uganda Airlines - Agreed to increase weekly flights to South Africa from five (5) to seven (7). The airline also agreed to maintain the US\$1 Cargo Rate for fruits, vegetables, flowers, and coffee for export.
- Uganda National Oil Company (UNOC) and COEGA Development Agency negotiating a potential Joint Venture for the management of the Kabalega Industrial Park (KIP) by Coega.



Stakeholder outputs

Business Forums & summits



QATAR – SOUTH AFRICA
(14 – 15 November 2023)



- President Cyril Ramaphosa undertook a State Visit to Qatar at the invitation of His Highness Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar from 14 – 15 November 2023. The two leaders discussed further strengthening of economic ties.
- As part of the State visit, **the dtic** led a business delegation of 39 companies representing sectors such as agriculture and agro-processing, mining, services, tourism, petrochemicals, healthcare and other state owned enterprises.
- President Cyril Ramaphosa addressed a Roundtable meeting with 50 key captains of industry from both South Africa and Qatar on the side-lines of his State visit to Qatar. The President set out the case for South Africa as an attractive investment destination of choice for Qatari businesses.

KEY OUTCOMES

- Qatari companies were urged to explore more partnerships with their South African counterparts and invest in the South Africa's infrastructural development, Agriculture and Food Processing, Healthcare, Manufacturing, Energy and Renewables, Mining and Petrochemicals, Tourism sectors among other key sectors.
- Qatari business representatives agreed to organize a business visit for a Qatari business delegation to meet their South African counterparts to explore business cooperation.
- The SA business delegation visited Lulu Hypermarket and SPAR Qatar, where the potential of using both Lulu and SPAR outlets to promote South African products in Qatar was discussed.



Business Forums & summits



SOUTH AFRICA – AUSTRIA (14 December 2023)



- On the occasion of the visit of the Austrian Minister for Foreign Affairs, Alexander Schallenberg, the Department of Trade, Industry and Competition (**the dtic**) in partnership with the Austrian Embassy hosted a Business Forum on the 14th December 2023.
- The areas of focus during the Forum were as follows:
 - Energy;
 - Mining;
 - Machinery;
 - Automation / Warehouse Logistics;
 - Healthcare;
 - Wastewater Solutions;
 - Transportation / Railway

KEY OUTCOMES

- A number of opportunities were identified for both countries to intensify cooperation and expand into other sectors such as: Green Energy, Automotives, Energy Storage, Medical Devices, Tele Medical Instrumentation, Defence Industries and Fuel Cells.



Business Forums & summits

BRICS Business Forum (22 August 2023)

- The BRICS Business Forum 2023 focused on "Making Accelerated Growth and Sustainable Development a Reality." It was held on 22 August in Johannesburg's Sandton, a significant economic hub in South Africa.
- The forum brought together entrepreneurs, policymakers, business leaders, and academics from BRICS member countries and beyond, emphasizing commercial dynamism.

KEY OUTCOMES

- The BRICS Business Forum 2023 highlighted the opportunities and challenges within the BRICS nations, with a focus on trade, agriculture, renewable energy, entrepreneurship, financial support, and international cooperation. It also emphasized the importance of collaboration to unlock the full economic potential of the BRICS group.
- The meeting noted that South Africa's well-developed trade and investment network within Africa, coupled with the African Continental Free Trade Area (AfCFTA), offers significant growth opportunities for BRICS investors.



Business Forums & summits

BRICS Exhibition (19 - 23 August 2023)



- The BRICS Exhibition, was held from the 19th – 23rd August 2023, at the Gallagher Convention Centre.
- Featuring over 230 exhibitors spanning diverse sectors, this pivotal component of the BRICS programme provided industries and stakeholders with a platform to profile their goods and services to BRICS businesses as well as African participants.
- South African companies in the following sector exhibited in the product exhibition:
 - Aerospace and Defence
 - Agro Processing
 - Architecture and Design
 - Arts and Crafts - Jewellery
 - Automotive
 - Boat Building
 - Chemicals
 - Clothing, Textiles, Footwear and Leather
 - Cosmetics
 - Fashion Designers
 - Film
 - Furniture and Décor
 - Manufacturing
 - Medical and Pharma
 - Rails
 - Services



Business Forums & summits

BRICS Manufacturing Forum (21 August 2023)



- The BRICS Manufacturing Forum was held at Gallagher Convention Centre, Midrand, on the 21st August 2023 with a focus on green manufacturing, sustainable value chains, and circular economy practices, also highlighting BRICS countries shared commitment to sustainable manufacturing.
- The Forum was attended by about 600 online and in person delegates, and emphasized the need for adaptation in the face of evolving global dynamics, from technological advancements to climate change.
- The event included panel discussions on renewables, value chains, and cross-sector opportunities
- The Forum also highlighted the opportunities presented by the AfCFTA and its implementation across 54 countries, and the role South Africa is set to play within BRICS networks' support for this initiative.
- Two MOUs were signed at this event:
 - The first between the Bank of China and the IDC
 - The second one between **the dtic** and China African Development Fund.





20th African Growth and Opportunity Act Forum

- South Africa hosted a successful 20th AGOA Forum in Johannesburg on 2- 4 November.
- The Forum comprised of the following: African Ministers of Trade; Private Sector Forum; and Organized Labour and Civil Society Forum. The 20th Forum marked the first time that Organized Labour Forum was held. Over 5000 participants, including US and Africa representatives of private sector, civil society and organized labour, exhibitors, procurers and investors.
- US Trade Representative-led US delegation.
- Members of Congress provided video messages and this included the Chair and Ranking Members of Senate Finance Committee (Democrat and Republican), Chair of House Ways and Means Committee (Republican). At the Forum, members of congress were represented by their chief trade councils and advisors.



20th African Growth and Opportunity Act Forum



20th African Growth and Opportunity Act Forum

Opening Ceremony

The AGOA Forum was officially opened by His Excellency President Cyril Ramaphosa, emphasised the importance of early and longer renewal of AGOA and the programme being critical to the development of regional value chains with South Africa being at the centre of these value chains.

The opening ceremony was headlined by the young and talented singer Gugu Ndzendze.





Portfolio Committee members present at the AGOA Forum

20th African Growth and Opportunity Act Forum

Senior Officials and African Trade Ministers' Meeting

- ❑ African Trade Officials met on the 1st of November 2023 to consider recommendations from the AGOA Mid Term Review develop to adopt recommendations to be considered by African Ministers of Trade on 2 November.
- ❑ African Ministers of Trade agreed to advocate for extension of AGOA for at least 10-years from 2025 to 2035, with existing beneficiaries retained
- ❑ Proposals to enhance AGOA were identified, including the removal of US trade restrictions on African products that limit the use of AGOA, as well as product coverage expansion and reduction of red-tape
- ❑ However, while amendments that improved AGOA's impact would be welcomed, the main focus is on an early extension of AGOA



20th African Growth and Opportunity Act Forum

Private Sector Forum

Key Recommendations from the Private Sector

Renewal of AGOA as soon as possible is critical to industry investment and planning;

Longer term AGOA provides predictability to the more than 450,000 American workers whose jobs are linked to US-African trade and supports economic integration under AfCFTA, one of America's top strategic goals in Africa;

AGOA is one of the most important tools and incentives to grow and diversify our trade and investment relationship with Africa and to counter the presence of China on the continent;

Harmonize AGOA eligibility reviews with other U.S. government preference programs by converting the annual AGOA eligibility review to once every three years;

Add a provision allowing cumulation from all AU Members that have ratified AfCFTA;

Advocating for replacement of textile visa requirements with closer Customs cooperation agreements;

Adjust the size of the apparel quota; and

Modify graduation criteria for AGOA countries.



20th African Growth and Opportunity Act Forum

Civil Society Forum

Key Recommendations from the Civil Society Forum

Essential to simplify the export processes for AGOA in order to ensure optimal participation of small agricultural players in Africa.

African governments should support the provision of infrastructure and equipment for small farmers in order to ready them for them to take advantage of export benefits provided by AGOA.

Develop agricultural skills in Africa youth and make agriculture attractive to the youth and for the youth to take advantage of digitization to foster partnerships with entrepreneurs in America & the Diaspora.

Governments should support and resource women business centres targeting and aimed at building entrepreneurial capacity of women. This can be done in partnership with AWEF.

There needs to be a platform created for entrepreneurs in the US & diaspora to access and make use of African high end skilled labour.

There is a need to engage in advocacy campaigns targeting communities across Africa on the work and benefits of AGOA

Establish an online one- stop shop detailing the available products manufactured in Africa, these need to extend beyond the primary commodities.



20th African Growth and Opportunity Act Forum

Organised Labour Forum

Key Recommendations from the Organized Labour Forum

- ☐ Congress be encouraged to expedite AGOA's extension.
- ☐ Additional support be unlocked to enable emerging African sectors to exploit the opportunities AGOA offers; including finance, logistics and beneficiation.
- ☐ Extend the scope of products that AGOA covers.
- ☐ Measures to strengthen decent work, fair labour practices and compliance be pursued.
- ☐ Further engagements take place on how a new AGOA can complement the African Continental Free Trade Area.



20th African Growth and Opportunity Act Forum

Made in Africa Exhibition

- ❑ The AGOA 2023 “Made in Africa” Exhibition was held from the 2nd to the 4th November 2023 at the Johannesburg Expo Centre, Hall 6, and comprised of a product exhibition component as well as an African Heritage showcase.
- ❑ Building on the dialogue and initiatives undertaken in the AGOA Ministerial Meetings, the Private Sector Forum as well as the Organised Labour and Civil Society forums, the exhibition covered a space occupying 12300 square meters.
- ❑ The event aimed to create a platform to promote South Africa and Africa’s industrial capabilities, export opportunities, and investment opportunities to the US market and the global stage.
- ❑ During the event, the product exhibition saw around 538 companies and entities profiled, while 1100 accredited exhibitors directly promoted around 436 entities and brands, including 55 entities from 18 African countries



Made in Africa Exhibition Cont.



Stakeholder outputs

Gala Dinner & African Fashion Show

The Gala Dinner included the showcasing of Pan African fashion through a fashion exhibition and fashion show by Africa Fashion International (AFI) attended by more than 400 VIPs. There was also a performance by Nyiko Condry Ngobeni Band.



African film, music and art

A number of films were showcased and these included:

❑ **Mandela- A true Pan Africanist -100 Years of Mandela:**

Through a compilation of archival footage, animation and interviews with politicians, activists and artists, the film explores his legacy and the influence he had not only in South Africa, but across the whole African continent

❑ **Kalushi:**

Kalushi is brutally beaten by the police. He goes into exile following the 1976 Soweto uprisings to join the liberation movement. He returns from military training in Angola. Enroute to their mission, his friend and comrade, Mondy, loses control and shoots two innocent people on Goch Street in Johannesburg. Kalushi is forced to stand trial under the common purpose doctrine.

❑ **Action Kommandant:**

The untold story of slain South African liberation fighter, Ashley Kriel. During the oppressive apartheid era Ashley was known as the Ché Guevara of Cape Town's notorious 'Cape Flats'.

❑ **Murder in Paris:**

Murder in Paris is a political crime thriller that traces the motives for the assassination of anti-Apartheid activist, Dulcie September. The story travels from the heart of Paris in March 1988 to the pursuit of justice in 2021.

In the Closing ceremony, there was a performance by the world renowned and Grammy Award Winner, Ladysmith Black Mambazo. Following the performance, there was a short film programme curated which features the screening of South Africa's official entry to the Oscars, Music is my Life – the story of Joseph Shabalala.



20th African Growth and Opportunity Act Forum

43 Bilateral networks with government and private sector meetings

- ❑ The Forum also provided an opportunity for delegates to meet with each other. South Africa had 11 bilateral meetings with both government and private sector delegates.
- ❑ The United States had over 13 bilateral meetings with both government and private sector delegates. AfCFTA Secretariat had six bilateral meetings with government.
- ❑ Tanzania had eight bilateral meetings with government.
- ❑ Malawi had four bilateral meetings with both government and private sector.
- ❑ Angola, Cote D'Ivoire, Kenya, Madagascar, Chad, Rwanda and Mozambique each had one government meetings.



20th African Growth and Opportunity Act Forum

African Heritage and Culture Walk - “Telling the African Story”

- ❑ The exhibition titled “Telling the African Story” featured the African legacy story. The story covered the origins of man, from the Cradle of Human Kind, through to the Ancient Heritage site and trade within, Timbuktu, Mapungubwe, the Ghana Empire Gold Coast, the era of slavery and colonialism, the wars of resistance, the struggle for freedom, liberation and more.
- ❑ In collaboration with Freedom Park, Ditsong, SanParks, SAHRA, Hector Peterson Museum, Javett-UP, Anglo American Ashanti, Iziko the below artefacts were secured and exhibited:
 - Objects with cabinets, text, video for story of origins of mankind, creation, civilizations of Africa, pre-colonialism, colonialism, spirituality –
 - Mapungubwe Golden Collection
 - 3D material, for story of origins
 - Providing objects with cabinets for heritage, ancient trade, industrialization, urbanization
 - Museum for Africa provided text, videos, fine art objects for Freedom struggles Unionisation, role of faith-based organisations.
 - The Rivonia Trial and Timbuktu exhibitions.
 - Esther Mahlangu exhibition as well as other aspects of fine art from Pitika Ntuli and others were sourced and ready for display from the Melrose Gallery.



20th African Growth and Opportunity Act Forum

Procurement network

There were 23 US buyers/procurers/ investors that participated in the Made in Africa Exhibition. There were business-to-business meetings and site visits. Over 500 meetings were scheduled. The majority of meetings took place between the exhibitors and the hosted buyers. In addition to exhibitors and delegates visiting the “Made in Africa” exhibition, the event also saw 3204 trade visitors engaging with exhibitors.

South African, in collaboration with USAID, held a technical session to equip the audience comprising of exhibitors and private sector with information on how to enter the US market and how they can utilise AGOA to be competitive in the US market. The sessions covered three themes: firstly, “Unlocking Trade Opportunities”; secondly,” E-Commerce and Omnichannel opportunities in Aiding AGOA Utilization; Thirdly, “Navigating and Exporting Food & Non-Food Products to the U.S.”

20th African Growth and Opportunity Act Forum

Outcomes: 20th AGOA Forum

- Broad Support for Continuation of AGOA beyond 2025: Supported by both African countries and the US. African countries seeking at least 10 years believing that it is both achievable and at the same time can be very helpful to renewal efforts.
 - Strong message on the role of AGOA in fostering the regional value chains in the Continent - examples include the retail clothing and textile value chains between Mauritius and Madagascar, as well as, the automotive value chain
 - Improving AGOA utilization rates to spread and deepen the impact, including through consideration to expand product coverage; eliminating restrictions that affect products market access for products of export interest such as steel and aluminum and beef; simplification of rules of origin that hamper market access.
 - Address SPS measures that act as a barrier, especially for agriculture products. To support capacity building to allow member countries to access the US market
 - Recognition that AGOA is mutually beneficial for the Africa-US economic relationship, thus there is a compelling argument to renew and extend the AGOA
- Consideration for two stage approach, with first stage being early extension of AGOA and the second stage can look into deeper amendments
 - Complement AGOA with additional measures, including investment into Africa's productive sector and trade in services
 - Nexus between AGOA and the AfCFTA through among others, enabling cumulation with all AfCFTA signatories
 - Address the issue of graduation and not penalize countries for making positive progress
 - Ensure that AGOA benefits more micro, small and medium enterprises, Women and Youth.
 - African Ministers called for AGOA to have a development dimension including in relation to infrastructure, industrial development as well as technology transfer and explore the opportunities to upscale investment, infrastructure and digital development

20th African Growth and Opportunity Act Forum



Way forward – AGOA Forum

- ☐ Following a successful Forum, the discussion will move to Washington
- ☐ SA Inc approach to be maintained to mobilise internal US voices to support early and longer-term renewal of AGOA to promote predictability in trade and investments
- ☐ Work with regional partners to emphasise the importance of building and preserving the existing RVCs
- ☐ Continue to proactively engage the US on matters of concerns to safeguard SA's continued participation in AGOA – thus SA to continue to lobby for its inclusion
- ☐ Continue with AGOA Beneficiary dialogues with 5 provinces to increase awareness and utilization of AGOA preference



Community outreach

Case studies and community outreach

Output 32

Output 32
This output focuses on delivering 1000 Case Studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures.

Year to date Achievement as at Q3
773

% of app target achieved
77%

Output 33

Output 3
This output focusses on delivering 52 Community Outreach programmes by the dtic-Group

Year to date Achievement
39

% of app target achieved
75%

Community outreach / Presidential iMbizo

1. DM Gina Ubuhlebezwe Community Outreach – KZN

- DM Gina in partnership with the Harry Gwala District Mayor Cllr: ZD Nxumalo and Ubuhlebezwe Local Municipality Mayor Cllr: EB Ngubo, hosted Business Seminar in iXopo. The following entities exhibited and presented on their products offering, the dtic's Industrial Finance Branch, CIPC, NEF, SEDA, SEFA, Harry Gwala Local Economic Development Agency and iThala.

2. Presidential Imbizo – Limpopo

- The President and his Cabinet held their 8th Presidential Imbizo on Friday, 14 July 2023 at Fetakgomo-Tubatse Local Municipality, in the Sekhukhune District Limpopo Province. The main objective was to inspect progress on government projects and afford communities an opportunity to express service delivery issues as part of the programme;

3. Presidential Imbizo – Eastern Cape

- The Department participated at the DDM Presidential Imbizo that took place in Chris Hani District. The following entities participated at the Imbizo; NEF, IDC and National Gambling Board.

4. DM Gina Business Seminar – eThekweni

- Information about **the dtic** products and services were disseminated to the eThekweni businesses. The following entities participated in the exhibition, NEF, IDC, NCR, NLC, Companies Tribunal, ITAC, Trade and Investment KZN, Ithala, Dube Trade Port, Kwazulu Natal Film Commission and KZN Growth Fund.

5. Department of Small Business Development Community Outreach – Eastern Cape

- Among the key highlights of the community outreach, there was a handover of working material and equipment to informal and small business owners through DSBD Informal and Enterprise Development Programme.
- The following entities participated at the exhibition, **the dtic** Eastern Cape Regional Office, NEF, Companies Tribunal. CIPC and B-BBEE Commission.

6. Business Ministerial Seminar – QwaQwa, Free State

- DM Gina in partnership with Thabo Mofutsanyane District Municipality hosted Business Ministerial Seminar in QwaQwa. The following entities participated at the event; Companies Tribunal, BBBEE and SABS,

7. Presidential Imbizo – Welkom, Free State

- Gina attended Presidential Imbizo in Welkom, Free State (Lejweleputswa District Municipality). The following entities participated at the event; Companies Tribunal, NCR, SABS, NEF, National Lotteries Commission, BBBEE and IDC.

Stakeholder outputs

Community outreach / Presidential iMbizo



Support Programme

These 12 Support Programmes are aimed at providing educational and compliance awareness to liquor traders,

Celebration of Integrated Service and Heritage Day Celebration is in line with Public Service calendar



NLA Community & Liquor Traders Outreach Programme in Limpopo, Ga-Matodi & Mankweng



Dtic officials disseminating information with attendees

In Q2 the branch has managed to execute and organize 12 support programme that working together with the following branches;

1. **Programme 5:** Regulations (National Liquor Authority Launch x 2)
2. **Programme 2:** Trade (AfCTA x3, Energy One Stop Shop Launch, THRIP Workshop – Limpopo, RCL Food Plant Launch, Integrated Launch Campaign on **the dtic** Film and Television guidelines,
3. **Programme 1:** Integrated Public Service Day,
4. **Programme 1:** Heritage Day Celebration



Addressing crime

Addressing crime - greylisting: publication of 'know your shareholder' regulations

Output 24

As at end of September the cumulative statistics for filings for Phase 1 of the Beneficial Ownership Register were as follows – new applications = 60 802; completed = 52 309; pending = 3 160; drafts = 5 323

The CIPC has continued to conduct education and awareness sessions, with different stakeholders which included the DPCI (Provincial Commanders of the PCSI, their teams and the Major General Bokaba, on 20 September 2023). Sessions were also held with Turnaround Management Association on 11 July 2023, South African Institute of Professional Accountants on 13 July, and the B-BBEE Provincial Stakeholder Forum on 3 August 2023.

Conducted webinar with the general public on 21 September 2023. Attended the 2nd round of Face-to-Face meetings with the Joint Group of the FATF Assessors held to discuss progress made by SA on the greylisting process on 15 September 2023 in Amman, Jordan.

Addressing crime – grey listing: publication of ‘know your shareholder’ regulations

The report on grey listing of know your shareholders, provide progress on Phase 1 of the BOR. For the month of October, 99 776 new applications were received, of which 90 619 were completed, 2 618 were pending, and 5 539 were drafts. For the month of November, 129 382 new applications were received, of which 121 308 were completed, 2 663 were pending, and 5 411 were drafts.

Law Enforcement Working Group and fellow Regulators continued to collaborate for a consolidated response to FATF during December 2023 as part of answering further questions of clarity from the assessors in preparation for the face-to-face meeting on 13 January 2024.

The CIPC is working on a disclosure module that will enable law enforcement agencies to request online access to the Beneficial Ownership database and document repository.

A security camera is mounted on a pole, overlooking a busy city street. The street is filled with cars, and the sun is setting in the background, creating a warm glow. The camera is positioned in the upper right corner of the frame, and the street below is filled with traffic. The overall scene is a mix of urban activity and surveillance.

Red Tape and State Capability Targets

16

High-impact measures to improve the efficiency and/or effectiveness of the dtic's policy or programme interventions

Output 39

Output 39
4 High-impact measures to improve the efficiency and/or effectiveness, of the dtic's policy or programme interventions

Q2 and Q3 Achievement
4

Target Achieved YTD
100%

High-impact measures introduced to improve the efficiency and effectiveness of the dtic's programme and interventions:

1. Shifting from a government centric to a market centric approach to pavilion and mission selection and prioritisation. This decisions are now informed by extensive consultation with the industry unlike in the past when it was mainly informed by consultations within government.
2. Disbursement initiative based on the post-unrest response methodology by the Industrial Development Corporation (IDC). The priority disbursement team identifies priority disbursements from the current disbursement pipeline and expedites disbursement.
3. The Establishment of the Third-Party Funds Committee by the National Empowerment Fund (NEF). In a move to increase the pace of deployment of third-party funds, the NEF has created the Third-Party Funds Committee that meets twice a week to consider investment reports where the NEF is co-funding with the third-party capital providers. This intervention is expected to reduce turnaround times reduced by up to 4 weeks.

High-impact measures to reduce red tape or improve turnaround times

Work of agencies – Reduction in red tape

Output 40

Output 40

10 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies

Achievement

13

Target Achieved YTD

130%

- ❑ **CIPC:** Developed the **Beneficial Ownership Register**, with some enhancements relating to interest types rolled out and allowing correct representation of form of control that Beneficial Owners have on the company. The Query Resolution System is also used to deal with the queries from the companies. There is a significant decline in the number of queries received on the beneficial ownership register, from 3403 since inception in April to 326 in December. This indicates improvement in understanding system requirements for filing of beneficial ownership information.
- ❑ **NCC:** Developed the E-service system. The system has made it easier for lodging of complaints, because now it can be done online. When a complaint is lodged, a reference number is issued and the person is able to view progress on the handling of the complaint. On the back end of the system, those processing the complaints are able to work on the complaint and refer to the next stage electronically (real time). This has ensured that Supervisors are able to track progress and take immediate remedial action. This has improved the efficiency in handling complaints by the entity for the benefit of the public.
- ❑ **NCT:** The Tribunal re-designed elements of its case-flow process reducing red tape and allowing for swifter access to justice thereby improving service delivery. Filing parties are provided with a case number at the outset of filing an application with the Tribunal. They are also provided with guidance on how to align their application with the regulatory requirements and ensure that their application complies with the Rules of the Tribunal

High-impact measures to reduce red tape or improve turnaround times

Work of agencies – Improvement in turnaround times

Output 40

SABS publication of standards – 199 average days to publish standards at the end of Q1 against annual target of 320 days. Improvement on 340 days for 2022/23

The reduction in turnaround times in the development of standards by SABS, will positively impact the industry and regulators who use these standards as it will shorten the time in which these standards are available for use by industry for quality assurance purposes or by regulators to ensure that products conform to minimum prescribed health, safety and environmental requirements.

NRCS: issuing letters of authority 92% of LOA's processed within 90 days at the end of Q1. Improvement on 120 days

Processing Letters of Authority in a shorter time will positively impact both the regulated industry and consumers as the time to get these products to the market are reduced, ensuring industry can do business and consumers have access to products that conform to minimum prescribed health, safety and environmental requirements

SANAS: Improve turn-around times of issuing certificates and scopes of accreditation at an average of 13 days from a previous 15 day period after completion of approvals process

The reduction/maintenance of short turnaround times by SANAS of issuing certificates and scopes of accreditation at an average of 13 days after completion of the approvals process will positively impact both their clients and the customers of their clients as it reduces the time to get their services and quality assured products to the market.

High-impact measures to reduce red tape or improve turnaround times

Red tape reduction measures by the tic programmes

Output 40

1. Anti-dumping regulations under review to reduce turn around times for investigations. It is anticipated that the regulations will be published in Q4.
2. Single point of entry has been established with regard to the process for the consideration of ITAC submissions. A shared e-Room portal has also been developed to fast track the routing of submissions to the Ministry. A forum has been established on the content of the submissions, resulting in faster turnaround times of these submissions.
3. Regulations pertaining to the appeals arising from Market Inquiries published. The regulations lay out the procedures and specified timeframes for this appeals process. Their purpose is to bring clarity to the process, enabling a more efficient execution of the remedies proposed in the Market Inquiry. Furthermore, the regulations restrict the scope of the appeal to the Market Inquiry's record, streamlining the appeal process and facilitating quicker resolution.
4. Energy One-Stop-Shop (EOSS) established to assist power-generating companies to navigate the various processes that apply in law, and to improve turnaround times by assisting investors to submit applications through a single window process to obtain all necessary Government approvals. 'Unblocking' teams were established to assist investors.
5. Co-operation agreement between **the dtic** and the International Finance Corporation (IFC) on phase 2 of the investment climate reform programme was signed in January 2024. The co-operation agreement outlines areas of co-operation in the form of technical advisory support services for:
 - Delivery on the country's Investment Strategy and coordinating mechanism for its operationalisation.
 - The enabling eco-system for Foreign Direct Investment (FDI) Generation into Renewable Energy.
 - The streamlining of licensing for Independent Power Producers and supporting investors through one-stop-shops by supporting the establishment of the energy one stop shop in a bid to alleviate South Africa's energy crisis.

High-impact measures to reduce red tape or improve turnaround times

Red tape reduction measures - administration of incentives

Output 40

1. Agro Processing Support Scheme Guidelines amended to accommodate project commencement date before approval (thus reducing red tape) as well as extending access to new industries such as cannabis/hemp production.
2. Film and Television guidelines amended and approved to provide clarification of guideline clauses and improve administration efficiency.
3. Project team meetings held with members from the dtic, IDC, and NEF to look at amendments to the Black Industrialists Scheme. Review of the guidelines to look at minimum qualifying investment size, sectors to be targeted to extend access, accommodation of project commencement date before approval and guideline clauses to improve administration efficiency.
4. The Cooperation Agreement between the dtic, ECIC, NEF, and IDC was signed on 13 November. The agreement allows for the implementation of an exporter development programme to coordinate and pool support for exporters.

2022 Oversight visit by members of the Portfolio Committee



Down memory lane: The portfolio committee on trade and industry conducted oversight visits in Gauteng and Mpumalanga from 19 to 22 April 2022.

A person wearing a blue button-down shirt is seated at a wooden desk, working on financial documents. Their right hand holds a silver pen, and their left hand is positioned near a black calculator. The desk is cluttered with various items: a spiral-bound notebook, a pair of glasses, several stacks of coins, and multiple sheets of paper featuring charts and graphs. One prominent chart is a pie chart with six segments in different colors (blue, orange, green, red, yellow, and purple). Another chart is a line graph with multiple colored lines. The background is a plain, light-colored wall.

Q2 & Q3 performance and financial summary

Performance Information

Output No	Output Title	Annual	YTD	% YTD
		Target	Achieved	Achieved
Output 1	R200Bn in investment pledges secured across the state	R200 billion	R378 billion	189%
Output 2	R40Bn in additional local output committed or achieved	R40 billion	R82.3 billion	206%
Output 3	R700Bn in manufacturing exports	R700 billion	R761 billion	109%
Output 4	R300Bn in manufacturing exports to other African countries	R300 billion	R313 billion	104%
Output 5	R8Bn in exports of global business services	R8 billion	R8.9 billion	111%)
Output 6	R30Bn in support programmes administered by or in partnership with the dtic-Group	R30 billion	R22 billion	75%
Output 7	R15Bn support programmes to enterprises in areas outside the 5* main metros	R15 billion	R10.6 billion	71%
Output 8	R8Bn in financial support programmes to SMMEs, and women and youth-empowered businesses	R8 billion	R3.5bn	44%
Output 9	R7.5Bn in financial support programmes to enterprises in labour absorbing sectors	R7.5billion	R9.6 billion	128%
Output 10	R 800M in Equity Equivalent Investment Programme agreements	R8 million	R3 billion	377%
Output 11	R40Bn in black industrialist output achieved (Quarterly)	R40 billion	R88.3 billion	221%

Performance Information

Output No	Output Title	Annual	YTD	% YTD
		Target	Achieved	Achieved
Output 12	1 Million jobs supported by dtic programmes or covered by master plans	1 000 000	1 021 817	102%
Output 13	100 000 Jobs to be created (50 000 SEF fund part-time or temporary jobs)	50 000	350 983	702%
Output 14	23 000 Jobs in black industrialists' firms supported	23 000	98 778	429%
Output 15	20 000 Additional workers with shares in their companies	20 000	17 031	85%
Output 16	10 High-impact outcomes on addressing market concentration at sector or firm level	10	9	90%
Output 17	2 New SEZs Designated and support work with provinces related to industrial parks	2	1	50%
Output 18	R1.3Bn in financial support to enterprises including SMMEs to mitigate impact of load shedding through energy resilience fund (Approved)	R1.3 billion	R1,6 billion	123%
Output 19	1400 Megawatts of energy from projects facilitated	1400MW	3444.7MW	246%
Output 20	550 Megawatts of energy available for the grid	550MW	216.1	39%
Output 21	1 Energy One-Stop Shop (EOSS) Operational	1	1*	100%
Output 22	4 Expedited regulatory amendments and flexibility, to promote energy efficiency	4	5*	125%

Performance Information

Output No	Output Title	Annual	YTD	% YTD
		Target	Achieved	Achieved
Output 23	100 Investor facilitation and unblocking interventions provided Stretch: 200	100	279	279%
Output 24	Grey listing: Publication Of ‘Know Your Shareholder’ Regulations’ And Follow Ups	1	1	100%
Output 25	10 Business forums hosted aimed at supporting increased FDI, exports and outward investment hosted	10	10	100%
Output 26	Four pieces of priority legislation amended, tabled or submitted to the Executive Authority, Cabinet or Parliament	4	4	100%
Output 27	1 Implementation of the AFCFTA	1	1	100%
Output 28	10 High impact trade interventions completed	10	13	130%
Output 29	1 Strategy and advocacy finalised responding to green trade barriers (Carbon Border Adjustment Mechanism (CBAM)	1	75%	75%
Output 30	1 EV Strategy Finalised (White Paper)	1	100%	100%
Output 31	1 Finalisation of Green Hydrogen Commercialisation Framework	1	1	100%
Output 32	1000 Case Studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures; including 12 local films/ documentaries telling the SA story	1 000	773	77%
Output 33	52 Community outreach programmes by the dtic Group	52	39	75%
Output 34	7 Master Plans Managed And 1 New Master Plan Finalised	7	6	85%

Performance Information

Output No	Output Title	Annual	YTD	% YTD
		Target	Achieved	Achieved
Output 35	Oversight of IDC, NEF & ECIC to Ensure that at least 95% of Planned KPIs are achieved	95%	75%	75%
Output 36	Oversight of other entities to ensure that at least 95% of planned KPIs are achieved	95%	75%	75%
Output 37	5 Conferences, summits, and international forums hosted	5	6	120%
Output 38	50 Mergers and acquisitions where public interest conditions have been incorporated	50	48	96%
Output 39	4 High-Impact Measures to improve the efficiency and/or effectiveness, of the dtic's policy or programme interventions	4	4	100%
Output 40	10 High-Impact Measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies	10	13	130%
Output 41	4 protocols finalised under the AFCFTA	4	3	75%
Output 42	1 Metal trading system developed to identify stolen public infrastructure entering the scrap metal value-chain, export market or legitimate metal production industry	1	80%	80%
Output 43	Promotion of a Transparent and Just Adjudication Process for Incentive Application	1	50%	50%
Output 44	6 Impact assessments or enhancements of trade instruments or measures	6	3	50%
Output 45	10 Successful actions completed on price monitoring and excessive pricing or price gouging	10	11	110%

IN-YEAR SPENDING ADJUSTMENTS 2023/2024

Key Budget interventions



- ***R79 million** - additional funding, allocated as self-financing expenditure:
 - Revenue of R15 million - for the Voluntary Rebuild Programme Settlement Agreement, reached between Government and seven (7) Construction Companies, Murray & Roberts (M&R), Stefanutti Stock(S&S), Basil Read, WBHO, Group 5 and Aveng, in 2016.
 - Revenue of R64 million - for rental payable by the department's public entities and DSBD.

These funds will be used to supplement payments for the public-private partnership contract for the department's campus and to meet the objectives of the Tirisano Construction Fund Trust in line with the settlement agreement.

- **-R292 million** - Adjustments due to significant and unforeseeable economic and financial events.
 - Cabinet approved reductions of R292 million to the department's baseline, which were effected across all 9 programmes and entities.

OVERVIEW OF THE FINANCIAL PERFORMANCE – 31 DECEMBER 2023

1 April 2023



31 December 2023



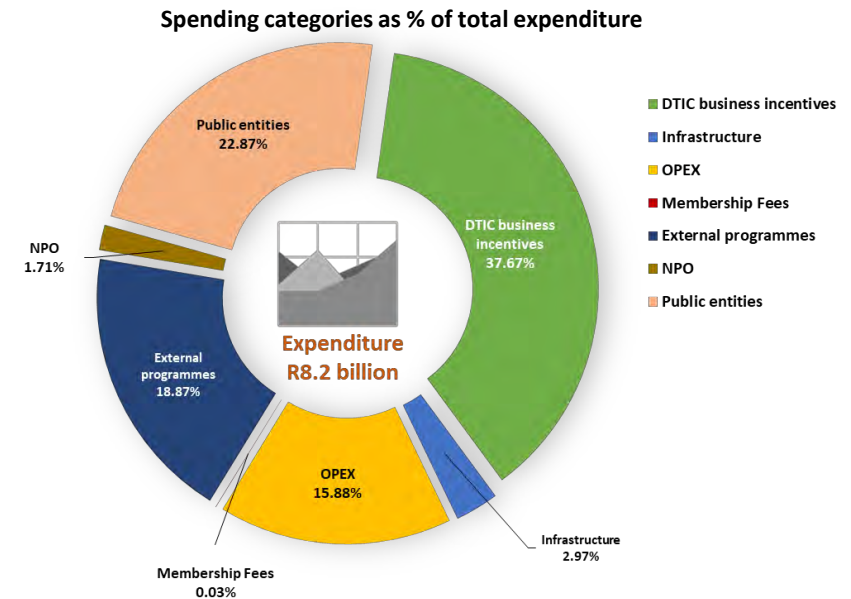
R 10.7 billion **Adjusted Budget**

(Original budget - R10.9 billion)



R 8.2 billion **Spent as at 31 December 2023**

Spent as % of budget = 76.4%



As at 31 December 2023, the department has spent R8.2 billion – which comprises of:

- R3.3 billion or 40.6% - disbursed to the beneficiaries across the various incentive programmes (i.e. business incentives and infrastructure)
- R1.9 billion or 22.9% - transferred to the public entities
- R1.5 billion or 18.9% - disbursed to the various external programmes at the IDC and CSIR
- R142.6 million or 1.7% - disbursed to non-profit organisations as well as international organisations, which South Africa is a member.
- Spending on operational costs of R1.3 billion or 15.9%.

FINANCIAL PERFORMANCE PER PROGRAMME AND ECONOMIC CLASSIFICATION

	Original budget 2023/24	Adjusted Budget 2023/24	Actual expenditure - as at 31 December 2023	Expenditure as % of adjusted budget	Available Budget	% Budget Available
Description	R'000	R'000	R'000		R'000	
Programme 1: Administration	840 332	859 099	611 483	71,2%	247 616	28,82%
Programme 2: Trade	244 170	261 603	197 248	75,4%	64 355	24,60%
Programme 3: Investment and Spatial Industrial Development	168 622	140 534	116 738	83,1%	23 796	16,93%
Programme 4: Sectors	1 722 408	1 592 932	1 503 320	94,4%	89 612	5,63%
Programme 5: Regulation	359 604	349 339	321 756	92,1%	27 583	7,90%
Programme 6: Incentives	5 391 367	5 413 639	3 449 811	63,7%	1 963 828	36,28%
Programme 7: Export	407 562	388 284	352 051	90,7%	36 233	9,33%
Programme 8: Transformation and Competition	1 728 120	1 644 977	1 597 035	97,1%	47 942	2,91%
Programme 9: Research	60 362	59 112	37 317	63,1%	21 795	36,87%
Total	10 922 547	10 709 519	8 186 759	76,4%	2 522 760	23,56%
Economic classification						
Current payments	1 745 343	1 714 801	1 238 149	72,2%	476 652	27,80%
Compensation of employees	1 066 140	1 066 140	783 649	73,5%	282 491	26,50%
Goods and services	679 203	648 661	454 500	70,1%	194 161	29,93%
Transfers and subsidies	9 161 515	8 926 598	6 890 890	77,2%	2 035 708	22,80%
Incentive payments	5 233 256	5 257 558	3 326 996	63,3%	1 930 562	36,72%
Department entities	2 066 598	1 872 318	1 872 318	100,0%	-	0,00%
External Programmes	1 651 078	1 603 132	1 544 893	96,4%	58 239	3,63%
Non profit organisations (Partnerships with business associations, NEDLAC)	165 117	146 011	140 353	96,1%	5 658	3,88%
Membership fees (International organisations)	44 459	44 459	2 241	5,0%	42 218	94,96%
Households	1 007	3 120	4 089	131,1%	-969	-31,06%
Payments for capital assets	15 689	67 899	57 527	84,7%	10 372	15,28%
Payments for financial assets	-	221	194	87,8%	27	12,18%
Total	10 922 547	10 709 519	8 186 759	76,4%	2 522 760	23,56%

THANK YOU

