IDC Briefing to the Select Committee on Economic Development & Trade - August 2026

Overview and 2026/27 Corporate Plan

Presented by: Mr David Jarvis, Acting COO

Partnering you. Growing the economy. Developing Africa.

IDC

Industrial Development Corporation

Purpose:
IDC Briefing to Select Committee on Economic Development and Trade

The IDC welcomes the opportunity to brief this Committee on:

1. An overview of the IDC – our mandate, core functions, governance structure, and funding model.

2. Our Strategic Plan for the 2026/27 financial year, including our strategic vision, performance targets, and financial outlook.

We will also highlight **proactive initiatives** underway to **accelerate industrialisation** and **reaffirm** our **commitment to transformation**.

Purpose:
Responding to the Committee's Briefing Request

The IDC welcomes the opportunity to brief this Committee. We note the specific requests outlined in the invitation letter.

Clarification : The IDC operates differently from entities that receive direct annual appropriations*. As a development finance institution:

- **We are self-funding.** Our financial resources are generated from our own balance sheet, internal cash generation, and capital raised from development finance partners. (Refer to slide: "Self Funding Model")
- **Regional distribution of activity is a key objective**, and we proactively pursue opportunities across all provinces. However, we do not allocate disbursements by province. Our investments are demand-driven, assessed on commercial and developmental merit, and are responsive to opportunities as they arise across the country.
- We **report** on **provincial impact** in our **Integrated Report**.

In this presentation, we address the Committee's requests as follows:

Committee Request	IDC's response
Overview of budget allocation	Refer to Self funding model and Financial Plan Summary slides
Provincial breakdown of expenditure	We report on provincial impact annually, highlights are included in our Integrated Report
Strategic objectives & performance indicators	Covered in our Strategic Vision & 2026/27 Performance Plan sections
Projected expenditure & revenue over MTEF	Provided in our 3-year Financial Forecast
Adequacy of financial resources	Addressed in our Financial Plan Summary
Impact of Treasury budget reductions	While we are self funded, we do manage certain off-balance sheet funds on behalf of the fiscus. To align with the current fiscal context, we have committed to containing expenditure through R1.6 billion in structural savings over five years.
Mandate, core functions, governance	Covered in the "Overview" section

**Schedule 2 – Major Public Entity*

What will be discussed today

i Overview of the IDC

ii Our Strategy and APP 2026 - 2029

iii Closing Remarks

Who we are

- South Africa's largest development finance institution.
- Builds industrial capacity to fuel the country's economic growth, by funding viable businesses.
- Focuses on priority economic sectors that offer the greatest potential to unlock job opportunities.
- Proactively identifies new industries and looks to grow existing pivotal sectors.
- Supports transformation of ownership through support to black industrialists, black-owned companies, workers' trusts, women and youth entrepreneurs.

The primary mandate of the IDC is the development of industrial capacity - anchored in the IDC founding Act of 1940

IDC's founding Act is as valid today as it was back in 1940:

*"…to **facilitate, promote, guide and assist in the financing of new industries and industrial undertakings and schemes** for the expansion, better organisation and modernisation of, and the more efficient carrying out of, operations in existing industries and industrial undertakings, to the end that the economic requirement of the Union (South Africa) may be met, and industrial development within the Union may be planned, expedited and conducted on sound principles."*

*Achieved through identifying **sector development opportunities** aligned with policy objectives from the relevant government policies primarily the 7th administration's MTDP and Growth and Inclusive Strategy (GAIN) and Industrial Development Strategy (IDS)*

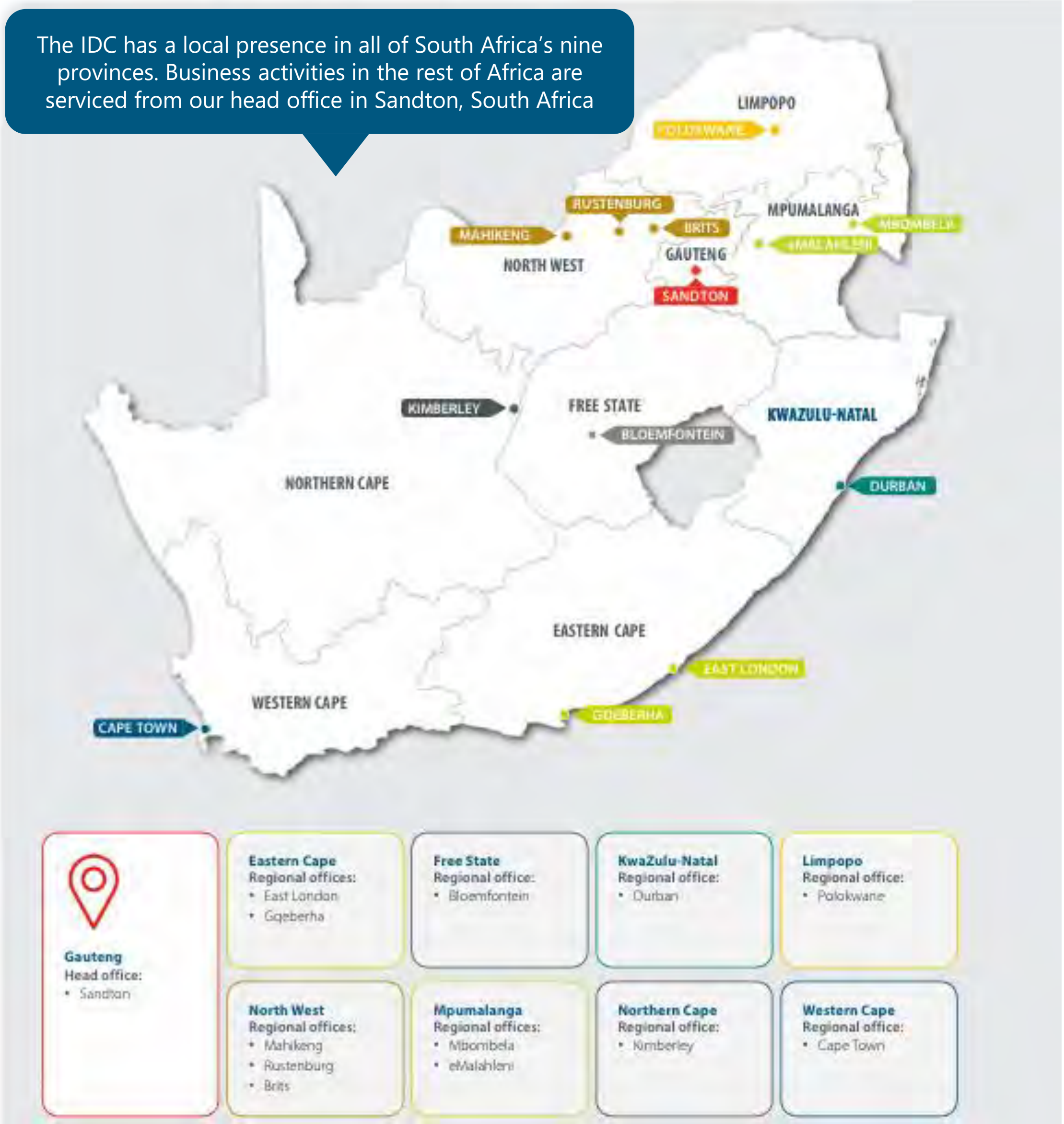
While developing industrial capacity, IDC seeks to achieve specific outcomes:

- Facilitating sustainable direct and indirect **employment**
- Promoting **entrepreneurial development** and growing the **SME** sector
- Supporting the **transformational impact** of communities and development of black industrialists, women and youth
- Growing **sector diversity** and increased localised production
- Improving **regional equity**, including the development of South African rural areas, underdeveloped provinces and economic development in the rest of Africa
- Promoting environmentally **sustainable** growth

IDC Overview

- **Established:** 1940 through an Act of Parliament
- **Type of organisation:** Development Finance Institution (DFI)
- **Ownership:** State owned company, 100% owned by the SA government
- **Total assets:** R133.5 billion* (31 March 2025)
- **Total liabilities:** R37.2 billion* (31 March 2025)
- **Funding status:** Fund operations and growth from investments, pay dividends & income tax
- **Credit rating:** Ba3 (Moody's) with SA's rating at Ba2
- **Main business area:** Providing funding for entrepreneurs & projects contributing to industrialisation
- **Geographic activities:** South Africa and the rest of Africa
- **Products:** Custom financial products above R1 million to suit project's needs including debt, equity, guarantees or a combination of these
- **Small and Micro enterprise coverage:** Enhanced offerings within Small Business Department
- **Stage of investment:** Project identification and development, feasibility, commercialisation, expansion and modernisation.
- **Number of employees:** 886 (as at end June 2026)

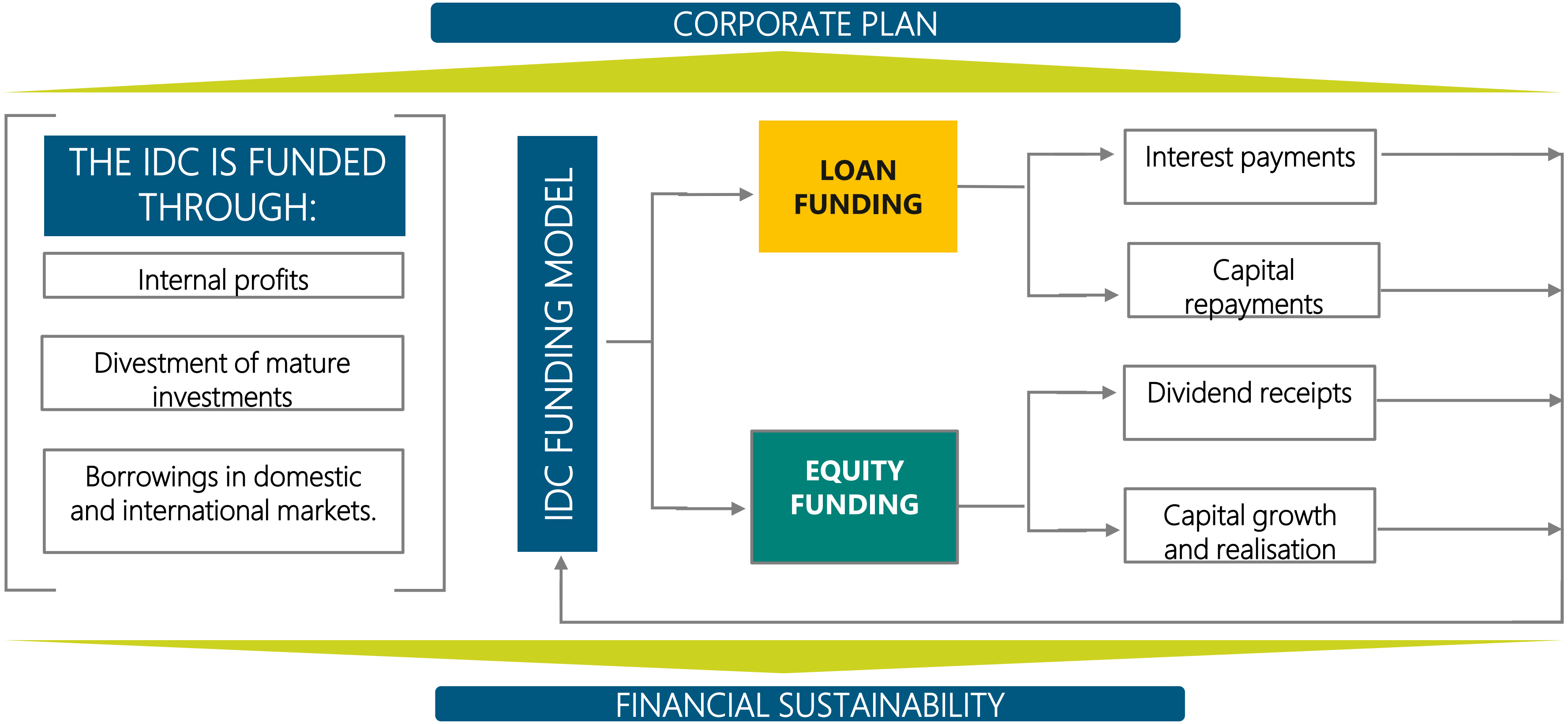
Our regional footprint



*As per 2025 AFS

IDC's sustainable self-funding funding model

IDC is a Schedule 2* public entity therefore no allocation or express guarantee from the Shareholder.



**Schedule 2 entities generate profits and declare dividends. These entities have the most autonomy of all the public entities, as they operate in a competitive marketplace and are run in accordance with general business principles.*

Value proposition & product offering

CUSTOMER VALUE PROPOSITION

The IDC combines industry insights & partnerships to provide customised, value adding funding and advisory solutions, enabling innovative entrepreneurship that advances inclusive industrial development

1. ECO-SYSTEM DEVELOPMENT & ENABLEMENT	2. PROJECT & BUSINESS DEVELOPMENT	3. PARTNERSHIPS PROGRAMMES /FUNDS	4. FUNDING SOLUTIONS	5. VALUE CREATION
Industry thought leadership	Project development funding	Programme & fund management	Direct funding	Post-investment monitoring & evaluation
Industry Planning (nascent industries)	Sector Coverage	Off-balance sheet funds (stand-alone or for IDC co-investment)	Bespoke structuring	Value creation plans
Research	Marketing	On-balance sheet targeted interventions	Channel Partnerships (3rd party managed funds and non-banking intermediaries)	Business support
Sector-level Value Propositions	Pipeline development	Programme administration (such as ISA, SEZ PMU, LSF)		
Master Plan Inputs & participation	Pre-investment business support			
Policy influence	SME-Connect (facilitate B-to-B linkages)			

IDC's focus areas

VALUE CHAINS

UPSTREAM

- Agriculture
- Mining

ENABLERS

- Energy
- Water
- Infrastructure
- ESRG/Decarbonisation
- Digitalisation
- Services

INDUSTRIAL VALUE CHAIN

- Agro-processing
- Automotive
- Metals and beneficiation
- Machinery and equipment
- Chemicals
- Clothing, textiles, leather and footwear (CTFL), furniture and wood products

EMERGING VALUE CHAIN

- Green hydrogen
- New energy vehicles
- Critical Minerals
- Energy storage
- Natural gas

SEGMENTS

- Medium and large enterprises
- Development projects in feasibility study
- Funds and programmes
- Small business
- Social and solidarity economy

SPATIAL

SOUTH AFRICA

- Urban (township) and rural
- SEZs and industrial parks
- Provincial (integrated)

REST OF AFRICA

- Regional Value Chains
- SADC

OUTCOMES

- Expanded industrial capacity
- Job Creation
- Inclusivity and transformation
- Localisation
- Spatial equity
- Reduced negative environmental impact
- Just energy transition

Customised funding products

Loans

- Senior debt (corporate finance, project finance)
- For direct investments or on-lending through channel partners (non-banking finance institutions)
- Interest rates, repayment tailored to needs
- Typical longer maturities with appropriate grace periods
- Shorter term facilities (trade finance or bridging loans)
- Range of security packages suited to project/country
- Procurement of fixed assets or % of working capital

Equity

- Direct equity investments
- Also investments in third party management private equity funds
- For IDC's own-account or to facilitate Black Economic Empowerment
- Typically, minority stakes
- Long-term investor, typically 6-8 year holding period
- Not just financial investor, adding to shareholder value
- Also used for JV project development vehicles

Guarantees

- Guarantee of trade-related payment obligations to financial institutions

Mezzanine / Quasi Equity

- Subordinated loans
- Preference shares

Syndications

- Capital mobilization to serve developmental needs
- Relationships with large number of co-financiers: banks, funds, DFIs
- Mobilization of funds from other lenders and investors, through co-financings and syndications

Blended Finance

- Augmenting IDC resources with donor funds or concessionary programmes

Grant funding

- Business support
- Special schemes/programmes earmarked for enterprises in the social economy

Board Members

Chairperson of the Board
Dr Gloria Serobe
Appointed 01 Sept 2025

Chief Executive Officer
Mmakgoshi Lekhethe

Appointed
01 Feb 2025

Reon Barnard

Appointed
01 Sept 2025

Tanya Cohen

Appointed
01 Sept 2025

Ayanda Dlodlo

Appointed
01 Sept 2025

Dr Keitumetse Mothibeli

Appointed
01 Sept 2025

Dr Tebogo Makube

Appointed
Nov 2025

Busisiwe Mabuza

Appointed
25 November 2011

André Kriel

Appointed
01 April 2016

Brian Dames

Appointed
25 Nov 2011

Tryphosa Ramano

Appointed
01 Nov 2025

Executive Team Members

Chief Executive Officer
Mmakgoshi Lekhethe
Joined 01 February 2025

Chief Financial Officer
Isaac Malevu
Joined 01 October 2020

Chief Operations Officer (Acting)
David Jarvis
Joined 01 June 2013

Chief Risk Officer
Mpho Kubelo
Joined 01 February 2026

Strategy and Corporate Affairs (Acting)
Phiwe Marumo
Joined 01 November 2003

Manufacturing
Mark Goliath
Joined 01 February 2008

Agro-Industries and Services Sectors
Bongani Miya
Joined 05 September 2022

Industry Planning and Project Development
Rian Coetzee
Joined 01 November 1995

Client Support and Growth
Lucretia Khumalo
Joined 01 September 2018

Mining, Metals, Infrastructure and Energy (Acting)
Nina Yose
Joined 01 August 2008

Legal & Compliance
Tshepo Legodi
Joined 01 December 2017

Group Company Secretary
Maseapo Kganedi
Joined 01 May 2022

Human Capital
Patience Mushungwa
Joined 01 September 2019

What will be discussed today

IDC's Strategic Vision:
Developing & Funding Industries in Future Sectors Towards 2030

Our Mandate: To drive an ambitious programme of inclusive and sustainable employment-creating industrialisation in South Africa and the region.

Our Strategic Role (Towards 2030): The IDC is an industrial enabler – a platform that develops and funds industries, shapes markets, mobilises capital and partners, and removes barriers to industrial development.

Organisational Excellence
Building a future-ready, high-performance institution.

Catalytic Industrialisation
Developing competitive value chains in critical sectors.

Financial Sustainability
Ensuring long-term resilience and portfolio management.

Transformative Growth
Scaling inclusive enterprises and spatial development.

Regional Integration
Developing cross-border value chains under AfCFTA.

Partnership-Led Model
Convening blended finance and co-investing.

Our message to Parliament: The IDC is the *primary instrument* for *developing and funding* industries in future sectors. By 2030, we will have *built new industrial capacity, deepened transformation*, and positioned South Africa as a competitive hub for critical minerals, green industries, and *advanced manufacturing.*

Our Strategic Direction - *We are concentrating resources on competitive, future-focused, job-rich value chains*

We have shifted from a sector-based to a value-chain & pathways approach.

- **Green Industrialisation:** Critical minerals & battery manufacturing, green hydrogen.
- **Digital & Blue Economies:** Digital infrastructure, aquaculture, marine services.
- **Services & Tourism:** High-employment growth via intra-African travel.
- **Tech Enabled :** Competitive agriculture, agro-processing, beneficiation.

SUSTAINABLE & INCLUSIVE INDUSTRIALISATION

Pathway 1

Diversification & Jobs Rich Industrialisation

- Labour absorbing & enabling activities
- Medium & high technology production
- Relatively lower emissions
- Productivity Improvements, incl energy efficiency & circular economy
- Digitilisation

Pathway 2

Catalysing Low Carbon and Green Growth

- Transitioning fossil fuels
- Alternative fuels provision
- Transitioning existing industrial production (upstream & downstream)
- New growing green industries
- Enablers of decarbonisation
- E-mobility
- Input localisation

Pathway 3

Regional Value Chains

- Higher value-addition Intra-continental trade (regional production linkages)
- Value added participation by Africa in global value chains

Pathway 4

Resilience to Economic & Physical Climate Risks

- Protecting existing strategic industrial capacity (climate resilience)
- Prevention of de-industrialisation risks
- Technology adoption for resilience

Enabler 1: **Economic Enablers Including Sustainable Industrial Infrastructure, energy, water and digital infrastructure**

Enabler 2: **Ecosystem Approach to Optimise Competitiveness, Linkages and Inclusion.**

Case in point: Our Critical Minerals strategy is not just about mining; it is about developing the entire battery value chain from precursors to gigafactory assembly, linking upstream resources with downstream market demand (automotive, energy storage).

***Balancing Developmental Impact with Financial Sustainability** - Our developmental mandate depends on a financially sustainable IDC*

Our strategy to achieve this balance includes:

Developmental Objective	Financial Sustainability Enabler
Invest in high-impact, long-gestation projects (e.g., gigafactory).	Blended Finance: Crowd in private & DFI capital to share risk and leverage our balance sheet.
Support strategic but distressed subsidiaries (Foskor, Prilla).	Active Portfolio Management: First deal with bad debt, then support viable businesses to recover vs. indefinite support. Implementing strict turnaround plans.
Fund SMEs rural and spatial economies.	Channel Partner Model: Lend through aggregators (e.g., SEFA, NEF) for smaller deal sizes, reducing our direct cost-to-serve.
Manage high levels of impairments (30.9% in 2025/26).	Disciplined Target: Reduce impairments to 26.1% by 2028/29 via rigorous risk monitoring.

Our message: We are *moving* to a medium to low risk portfolio without abandoning our developmental mandate.

Evolving our Funding, Risk & Client Support Models

We are fundamentally changing our funding, risk, and client support models

Area	The Shift	Why it matters
Funding	From holding assets to **mobilising capital**. Seeking tax-exempt status to unlock foreign grants. Issuing green/transition bonds.	Multiplies our impact. Every R1 of IDC capital can attract R2 from partners.
Risk	From reactive provisioning to **predictive & proactive management.** Enhanced early-warning systems (Watchlist).	Protects the balance sheet. Allows us to intervene early to save jobs and industrial capacity.
Client Support	From post-disbursement monitoring **to active value creation.** Dedicated Client Support & Growth division to implement Value Creation Plans.	Moves beyond ‘policing’ clients to actively helping them succeed, especially black industrialists and SMEs.

Our message: We are *shifting* from holding assets to *mobilising capital* – multiplying our impact while protecting our balance sheet and actively enabling client successes

Executive Summary – The IDC of the Future

A Fundamental Shift in Strategy and Role

Key Messages

- The **2026/27 Plan** has been compiled within a **constrained but improving economic environment.**
- Moving from a **single lender** to a **catalytic development platform** crowding in other funders.
- Focusing on **future-proofing the IDC by building new, job rich and competitive industries - Critical minerals and battery value chains, green and circular industries, tourism and services, the digital and blue economy opportunities, agro-industrial expansion, and industrial infrastructure that improves productivity,** whilst supporting de-industrialisation of key sectors.
- Playing a lead role in expanding **transformative ownership** and **participation**, with emphasis on **women**, **youth** and **spatial inclusion**.
- Prioritising **competitiveness, scale, impact**, and **sustainability** in all decisions.
- Becoming a **continental integrator** of **industrial value chains (AfCFTA**), leveraging SA/Afrexim Country Programme.
- Building an **internally high-performance**, **digitally-enabled**, and **future-ready organisation**.

The Operating Reality: Why Change is Necessary

Navigating a Constrained & Complex Environment

External Headwinds

- Low domestic growth (1.2% in 2025).
- Global trade tensions & protectionism (AGOA, CBAM).
- Middle East conflict disrupting global energy markets, trade and capital flows.
- Infrastructure reforms (Energy, Transnet, Gas Cliff).
- Sectoral pressure (Mining, Manufacturing).

Internal Imperatives

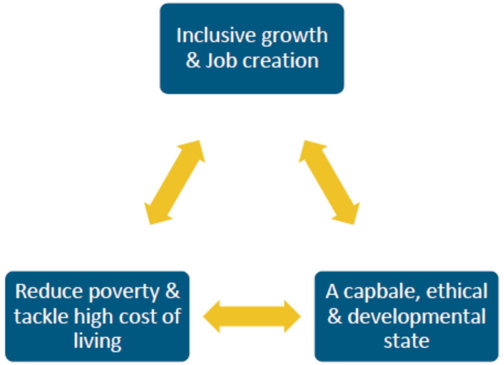
- Concentrated, high-risk portfolio.
- Legacy asset burden (Foskor, etc.).
- Balance sheet constraints requiring disciplined capital allocation.
- Need for faster, more efficient processes.

Our message: The status quo is not an option. A more ***disciplined, partnership-driven*** approach is required.

Our Mandate & Alignment to National Priorities

From National "What" to IDC's Industrial "How"

7th Administration priorities, Transformation Fund, National Industrial Policy, NDP, MTDP, GAIN & IDS



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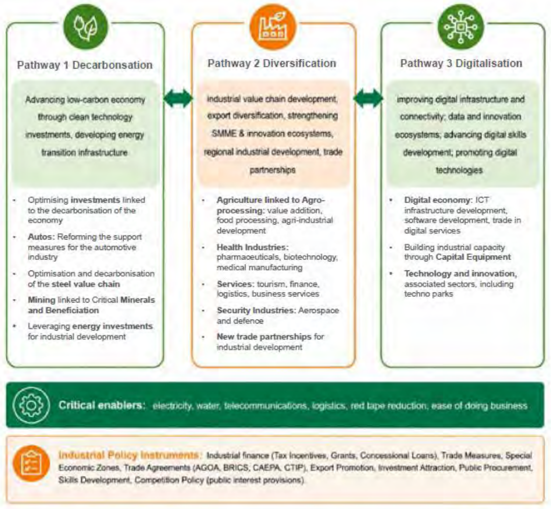
Industrial Development Strategy (IDS) – 3D's



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IDC's Proactive Interpretation

Solving market failures , positioning SA competitively

Our Strategic Focus (Destination)

Long-term, patient investments & Short-term, growth-oriented financing
Value Chains
Pathways
Transformation

IDS Strategic Alignment with the IDC Corporate Plan

Corporate Plan Dimension	Assessment	**IDS Alignment**
Strategic Objectives	Well Aligned	Strong alignment around industrialisation, competitiveness, localisation and inclusive growth.
Investment Priorities	Well Aligned	Significant overlap across manufacturing, infrastructure, green economy, industrial upgrading and regional value chains.
Sector Priorities	Well Aligned	The majority of IDS priority sectors are already reflected within the IDC's investment focus.
Financing Role	Well Aligned	Strong alignment regarding catalytic finance, blended finance and crowding-in private investment.
Performance Orientation	Generally Well Aligned	Both frameworks emphasise industrial development outcomes.

2026/27-2028/29 Performance Plan

Ambitious & Measurable Targets

We will measure our success not just by funds invested, but by tangible outcomes (3 Year Targets):

R117.6 billion
(FY26/27: R38.5bn)
Total Funds Invested in the economy

Across all priority value chains

50 440
(FY26/27: 16 000)
No of jobs expected to be created & saved

Prioritising labour absorbing sectors (agro- processing, tourism and Global Business Services)

R19.0 billion
(FY26/27: R6.0bn)
Value of funds crowded in for transformation

Direct support for Black Industrialists, women/youth-owned enterprises.

R6.9 billion
(FY26/27: R1.9bn)
Value of funds crowded in for SME's

Leveraging partners to reach small businesses more effectively

R15.7 billion
(FY26/27: R5.0bn)
Increase in Exports generated through IDC funding

Growing South Africa's share of regional and global markets

R30.0 billion
(FY26/27: R9.5bn)
Value of funds crowded in for spatial & rural development

Investing outside metros to enable inclusive growth

** Complete set of indicators is shown in the 2026/27 Corporate Plan*

Managing Key Strategic Risks

We are prepared for the headwinds

Risk	IDC Mitigation Strategy
Deindustrialisation & Import Competition	Aggressive support for localisation (e.g., Independent Transmission Project (ITP) procurement programme) and competitiveness upgrades for clients.
Energy Prices & Availability	Directly funding embedded generation (solar, battery storage) for our clients. R11.7bn allocated for Infrastructure & Energy sectors.
Increased Protectionism	Diversify export markets via AfCFTA strategy. Support local manufacturing of critical inputs.
Financial Crime & Corruption	Zero tolerance policy. Robust due diligence, active whistle-blowing mechanisms (Tip Offs Anonymous), and listing on the Delinquent Register for perpetrators.

Our message: Anticipating headwinds, *mitigating proactively* to *protect industrial capacity* and the *IDC's balance sheet.*

Financial Plan Summary - *A disciplined, cash-funded plan – delivering R51.5bn in disbursements while embedding R1.6bn in structural savings*

- **Total disbursements** (3 years): **R51.5 billion** (FY2027 – FY2029)
- **Primary funding source:** Internally generated cash (limited borrowing)
- **Cash interest collections target: ~75%** (improving earnings quality & liquidity
- **Structural savings (5 years): R1.6 billion** (digitisation & expense discipline)
- **Stress testing:** Completed; adverse conditions modelled
- Critical success factor: **Rigorous portfolio management & assumption adherence.**

R Million	Forecast			
Cash Flows	2026/27	2027/28	2028/29	Total 3 Years
On-balance sheet advances (R'm)	16 271	17 420	17 819	51 510
External funds raised (R'm)	5 016	3 025	6 654	14 695
- of which foreign borrowings	516	525	499	1 540
Proceeds from sale of shares	481	-	-	481
Balance Sheet	2026/27	2027/28	2028/29	End – 2026/27
Financing at market values (R'm)	132 195	137 784	144 813	144 813
Borrowings (R'm)	28 625	26 724	28 788	28 788
Debt/equity (%)	27.8%	24.1%	24.8%	24.8%
Impairments as % of portfolio at cost	29.7%	27.9%	26.1%	26.1%
Total Assets	138 420	144 282	151 199	151 199
Income Statement	2026/27	2027/28	2028/29	Total 3 Years
Dividend Income	2 479	2 590	3 019	8 088
Interest and Fee Income	8 524	8 683	9 249	26 456
Borrowing Costs	(2 639)	(2 679)	(2 604)	(7 922)
Impairments and bad debt write offs	(393)	(296)	53	(44)
Profit Before Tax	4 826	5 843	6 772	(17 441)
Net Operating Income before capital restrictions	4 343	5 160	5 897	15 400

To achieve our strategy we have allocated c.R44bn Capital towards key economic sectors over 3 years

Strategic Business Unit	5 –year Sector Outlook	Capital Allocation (R'm)				
		2026/27	2027/28	2028/29	Total (3 years)	% of total (3 years)
Agro - Processing & Agriculture		1 204	1 669	1 676	4 549	10%
Tourism & Services		463	735	818	2 016	5%
Automotive & Transport		713	1 149	1 199	3 061	7%
Chemicals, Medical Products & Industrial Mineral Products		814	1 269	1 272	3 355	8%
Machinery, Equipment & Electronics		4 977	2 172	2 197	9 346	22%
Textiles & Wood Products		400	627	630	1 657	4%
Energy		1 582	2 489	2 502	6 573	15%
Infrastructure		1 180	1 962	2 079	5 221	12%
Mining & Metals		1 403	2 222	2 260	5 885	14%
Project Development		402	636	645	1 683	4%
Total		**13 137**	**14 930**	**15 279**	**43 346**	**100%**

Agro Processing R4.5 bn

Tourism & Services R2.0 bn

Manufacturing R17.4 bn

Energy & Infra R11.7 bn

Mining & Metals R5.8 bn

***Reaffirming our Transformation Leadership** - The IDC is, and remains, the country's largest B-BBEE financier. Transformation is not a side issue – it is our mandate.*

Our Pledge	Evidence & 2026/27 Targets
Black Industrialist Support	Support *R6.0 billion targeted funding committed.
Women & Youth Entrepreneurship	Dedicated targets: funding for >25% women-owned and youth-owned businesses.
Spatial Inclusion	Dedicated targets: funds crowded-in for rural and spatial development
Worker & Community Ownership	Ownership Active promotion of broad-based schemes (worker trusts, community trusts) in all major transactions.
Internal Transformation	Our employee profile reflects the demographics of the nation we serve – **Executive (82%), **Senior Management (90%), **Professionals (89%), **Admin and support (97%)

*** % Black employees (African, Coloured and Indian)*

*Our message: Transformation is achieved **through industrialisation** – by building **productive, competitive**, and **inclusive enterprises**. We invite the Committee to hold us accountable against these measurable targets. To enhance stakeholder engagement, the Corporation is establishing an **Independent Complaints Review Panel** to handle complaints outside management, under Board oversight.*

** Includes: Black Industrialists, Black-owned companies (>50% shareholding),Broad-based ownership (>20% shareholding by workers trusts, trade union owned entities or community trusts),Women-entrepreneurs (>25% ownership by women and operational involvement in the business), and youth-entrepreneurs (>25% ownership by youth & operational involvement in the business)*

Proactive Initiative #1: IDC's Critical Minerals Industrialisation Plan - *Our flagship programme for the future*

Vision

Position South Africa as a competitive player in global critical minerals

Bi-Directional Strategy

Resource-driven upstream to downstream, and market-driven downstream to upstream

Key Interventions

Gigafactory foundation, junior mining exploration fund, and green steel support

Development Impact

High job multipliers, export diversification, and capturing value from the energy transition.

Our message: *Building a complete battery value chain*, from mining to giga factory, to capture value from the global energy transition .

Proactive Initiative #2:Rest of Africa & AfCFTA Integration

Our continental strategy

Continental Strategy Pillars

Objective
To accelerate regional value chains that strengthen South Africa's competitiveness.

Local Development
Prioritising African ownership and job creation.

Strategic Partnerships
Co-investing with AfDB, IFC ,Afrexim Bank, and private equity etc

Risk Mitigation
Applying lessons from past investments to reduce risk.

Priority Value Chains for 2026/27
Agro-processing (Oil seeds, cocoa in West Africa).
Critical Minerals (Copper in DRC/Zambia, Lithium in Zimbabwe).
Energy & Infrastructure (Linking to SA capital goods exports).

Our message: *Enabling South African companies to become integrators* of regional value chains – not just exporters of goods

What will be discussed today

i Overview of the IDC

ii Our Strategy and APP 2026 -2029

iii Closing Remarks

Conclusion & Request for Parliamentary Support

The IDC is fit-for-purpose and ready to deliver.

We have a clear, ambitious, and realistic plan to drive industrialisation, foster inclusive growth, and build a competitive economy. Our strategy is focused on leveraging our position as a catalytic development finance institution to maximise developmental impact while ensuring long-term financial sustainability.

The IDC remains committed to its role as a primary instrument for industrial transformation. We value the continued oversight and guidance of this Select Committee as we implement our 2026/27 Corporate Plan and work to build a competitive, inclusive, and sustainable economy.

We look forward to your continued support and engagement.

Thank you.

Mr David Jarvis, COO

Thank you

ANNEXURES

Pathway 1 : Economic Diversification & Industrialisation :

IDC's Role in Advancing Sectoral Deepening through Labour-Absorbing, High-Value Investments

1

Diversification & Jobs Rich Industrialisation

- Labour absorbing & enabling activities
- Medium & high technology production
- Relatively lower emissions
- Productivity Improvements, incl energy efficiency & circular economy

Pathway 1 : Economic Diversification & Industrialisation

- Chemicals & Pharmaceuticals
  - Medicinal Cannabis
  - Water Treatment
- Agricultural Value Chain
  - Protein Manufacturing
  - Export Crops
- Clothing textiles, footwear & Leather(CTFL)
  - Localization
  - Niche Manufacturing
- Furniture
  - Supporting the Master Plan Implementation
- Automotive & Transport Equipment
  - New Capacity
  - New Energy Vehicles
- Machinery, Equipment and Electronics
  - Mining Equipment
  - Renewables

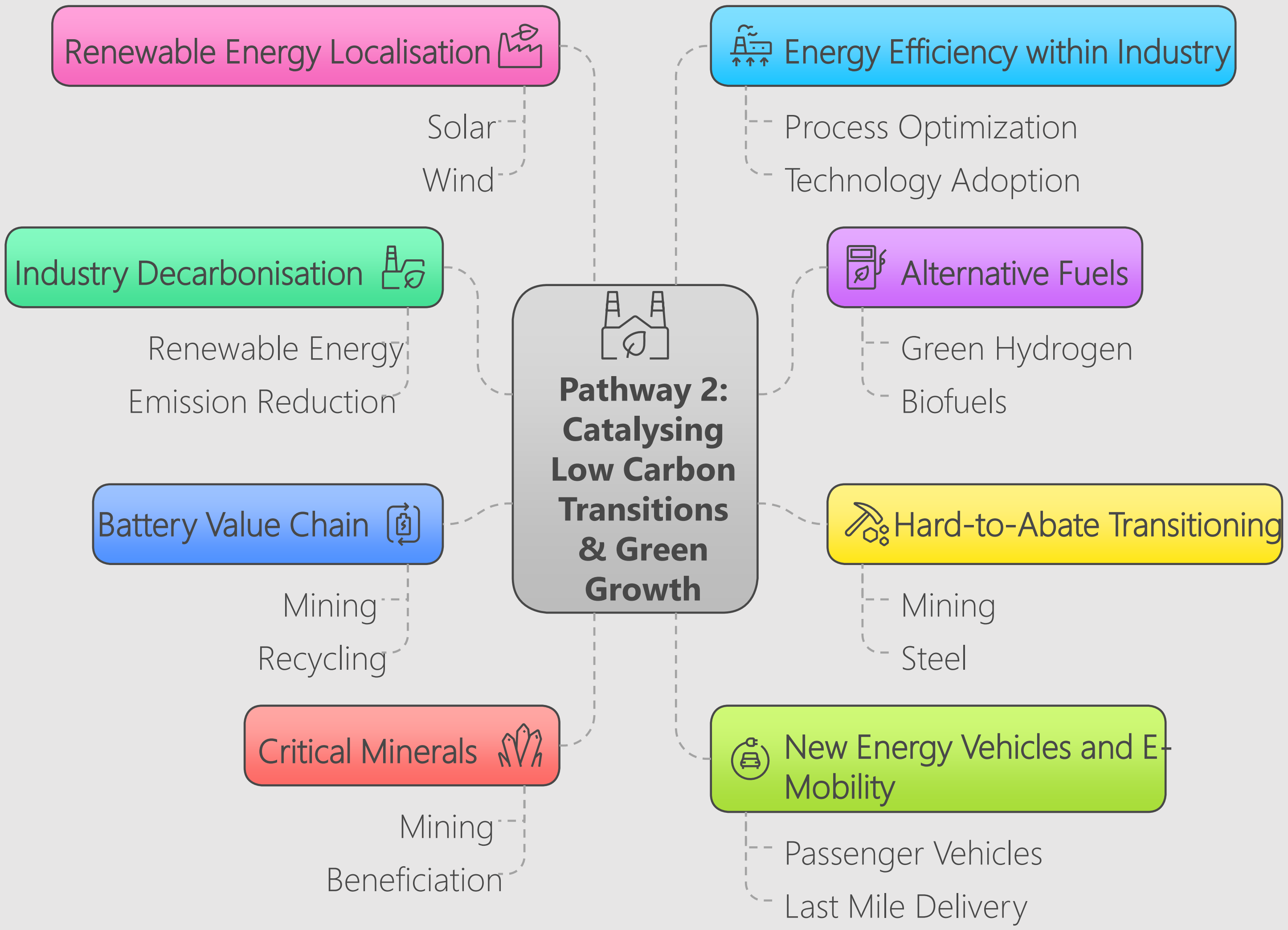
Pathway 2 : Catalysing Low Carbon Transitions & Green Growth

IDC's Support for Cleaner Technologies and Transition to High-Productivity Manufacturing Sub-Sectors

2

Catalysing Low Carbon Transitions and Green Growth

- Transitioning fossil fuels
- Alternative fuels provision
- Transitioning existing industrial production (upstream & downstream)
- New growing green industries
- Enablers of decarbonisation(e.g. Critical minerals)
- E-mobility
- Input localisation.



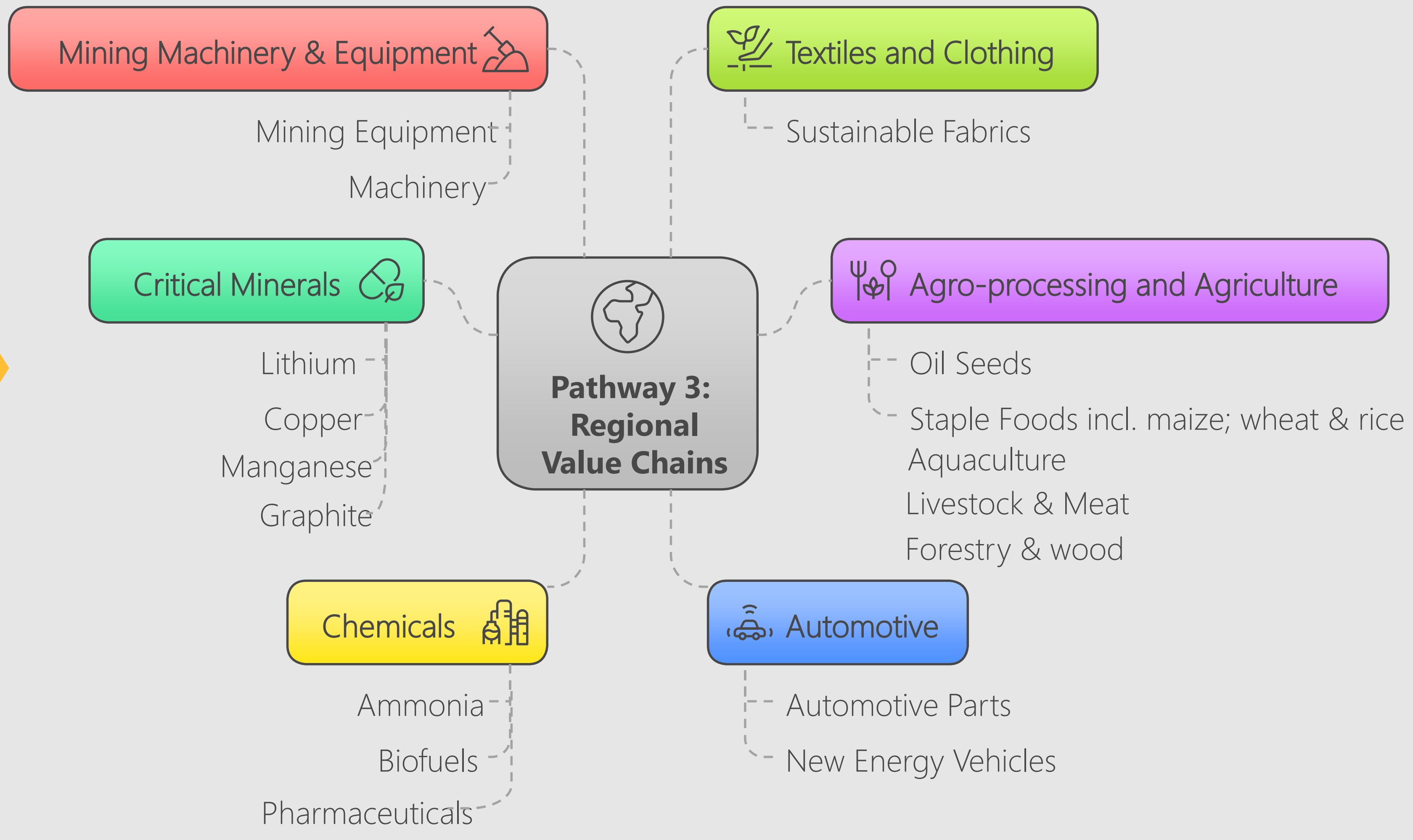
Pathway 3 : Growing Regional Value Chains

IDC's Role in Accelerating African Industrialisation and Deepening Regional Value Chains for Sustainable Development

3

Regional Value Chains

- Higher value-addition Intra-continental trade (regional production linkages)
- Value added participation by Africa in global value chains.



Pathway 4 : Building resilience to Economic & Physical Climate Risks - *IDC's Role in mitigating immediate threats and building resilience against production disruption*

4

Resilience to Economic & Physical Climate Risks

- Protecting existing strategic industrial capacity (climate resilience)
- Prevention of de-industrialisation risks
- Technology adoption for resilience