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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO.: 1006

Ms M Kennedy (Limpopo: EFF) to ask the Minister of Trade, Industry and Competition:

Whether there are specific targets or initiatives and/or broad-based black economic empowerment initiatives that focus on creating employment opportunities for young persons, particularly those from the disadvantaged backgrounds; if not, why not; if so, what are the relevant details? CW1131E

REPLY:

I have been advised by the Industrial Development Corporation (IDC) as follows:

The Industrial Development Corporation (IDC) is committed to advancing transformation and fostering inclusive economic participation, with a focus on supporting black industrialists, black-owned companies, women, **youth-owned entrepreneurs**, and increased funding for workers trusts and community trusts. Funding advanced youth entrepreneurs is a measured key performance indicator.

1. Key Strategies for 2025/26

a) Increased Funding Support

Provide enhanced funding to black industrialists, women, and youth-owned businesses, particularly those where entrepreneurs have managerial control and provide strategic leadership.

b) Supportive Enabling Environment

Facilitate a supportive environment through non-financial assistance tailored to black industrialists, including black women industrialists, women, and youth entrepreneurs.

c) Smarter Strategic Partnerships

- Form smarter partnerships with the Department of Trade, Industry, and Competition (**the dtic**) and other State-Owned Companies (SOCs) to implement the national Black Industrialists Programme.
- Align industrial policy incentives with programmes from the Industrial Development Corporation (IDC) and the National Empowerment Fund (NEF) to amplify impact.
- These collaborations support:
 - Youth-focused incubators- Access to finance for township and rural enterprises
 - Green economy initiatives targeting youth employment
 - Leverage the Preferential Procurement Policy Framework Act to create opportunities for SMMEs in public procurement and supply chains of larger corporations.

d) Advance Youth Empowerment

Address the needs of youth-empowered businesses through initiatives such as concessionary finance, intensive business support, skills development in critical value chains, and programs like the Youth Pipeline Development Programme and GRO-E Youth Scheme.

e) Expanding Government Partnerships

Strengthening partnerships with other government institutions to scale up targeted offerings in key sectors, such as increased funding for the Junior Mining Fund.

f) Growing SMMEs and the Township Economy

The Corporation aims to support Small, Medium, and Micro Enterprises (SMMEs), youth and the township economy to drive job creation, economic inclusivity, and innovation. This aligns with the IDC's mission to foster industrial development and transformation for a more equitable and sustainable economic future in South Africa.

g) Investment and Financial Support

Continue investing in and supporting programs like SME Connect and the Township Economy Partnership Fund to improve access to finance for small and medium-sized businesses.

h) Enhanced Business Support Services

Provide mentorship, training, and business development services to help SMMEs build capacity and competitiveness.

i) Leveraging Large Projects

Utilise large projects, especially those funded by the IDC, to facilitate business opportunities for SMMEs through initiatives like SME Connect.

j) Streamlining Internal Processes

Review and streamline application requirements and approval processes to enable faster deal turnaround times.

2.

a) Industrial Policies to Encourage Youth Job Creation

South Africa's industrial policy framework, particularly through sectoral masterplans, is actively geared toward inclusive economic growth, with a strong emphasis on job creation and retention—especially for youth and women.

b) Master Plan Interventions Supporting Youth Employment

The Sector Masterplans—covering industries such as automotive, clothing and textiles, poultry, sugar, and steel—have embedded job creation targets and transformation goals. Key interventions include:

- Localisation and Supplier Development: Promoting local production to stimulate demand for labour, especially in manufacturing and agro-processing.
- Skills Development and Training: Partnerships with TVET colleges and SETAs to align training with industry needs.
- Youth Employment Programmes: Targeted initiatives to absorb young people into entry-level and skilled roles, particularly in the automotive and clothing sectors.

I have further been advised by the National Empowerment Fund (NEF) as follows:

The NEF places strong emphasis on job creation for youth through its investee companies. Investees are actively encouraged to partner with industry-specific SETAs to access cost subsidies for internships and in-service training, thereby unlocking additional value and employment opportunities.

As part of the NEF's ongoing youth employment strategy, a specific target has been set for the 2025/26 financial year: 15% of annual disbursements must support youth-owned businesses. Beyond unlocking capital for these enterprises, this intervention is expected to stimulate further job creation, providing more employment opportunities for young people.

Through these initiatives, we also target youth living in the townships and rural areas.

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