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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1260

Mr J S Ngubane (MK) to ask the Minister of Trade, Industry and Competition:

Whether he will furnish Mr J S Ngubane with empirical data and documentary proof of the compliance status of (a) certain companies (names furnished), including their (b) broad-based black economic empowerment levels, (c) ownership structures, (d) management control, (e) procurement spend with black-owned firms and (f) employment equity statistics within the Republic; if not, why not; if so, what are the relevant details? NW1409E

REPLY:

(a) The Information and Communication Technology Sector Charter Council has been established in line with the B-BBEE Codes of Good Practice to monitor and provide guidance on ICT sector-specific matters affecting B-BBEE. This includes compiling reports on the status of B-BBEE within the sector and sharing information with relevant authorities, as required by the B-BBEE Act. Therefore, the ICT Sector Charter Council is the primary source of information on individual companies, including those by the Honourable Member.

(b),(c),(d),(e)&(f)

The latest B-BBEE Commission report shows that the ICT sector had a sizeable share of Level 8 (non-compliance) of around 30% between 2018 and 2023, but a decent share of Level 1-4 of around 60% over the period. Level 1 compliance has been around 25% among ICT entities in the 2019 - 2023 sample. The report further states that the performance of ICT sector entities is against the maximum points available for scorecard elements. The report indicates a steep increase in the average



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number of points attained for Enterprise and Supplier Development (ESD), likely due to a scorecard that strongly promotes ESD, which is allocated almost half the points. For ownership and skills development, there have been limited increases in points attained, and for management control, there has been a decline since 2018.

The report further observed that the ownership points achieved out of total points rose marginally from 78% in 2018 to 84% in 2023. The share of management control points achieved declined from 69% of total points available in 2018 to 53% in 2023. Skills development is the second lowest as a share of total points available and has been fairly static since 2018. Consistent with the growth in ESD points across all sectors, the share of points achieved rose from 97% in 2018 to 104% in 2023, primarily due to the higher weight assigned for this element, especially for large entities compared to smaller entities in the industry.

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