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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2406

Mr M Khoza (EFF) to ask the Minister of Trade, Industry and Competition:

What concrete steps has he taken to ensure that governance standards at the Industrial Development Corporation are applied fairly, consistently and without bias (details furnished) and (b) how does he justify a system that is punitive to black-owned enterprises? NO2318E

REPLY:

(a)&(b)

The Industrial Development Corporation (IDC) affirms that it applies a uniform governance, risk and approval framework to all transactions, regardless of client ownership or public profile. All funding decisions undergo established internal processes, including committee assessments, legal and risk due diligence, and approvals in line with Board-approved policies.

In respect of transactions that have attracted public attention, the IDC advises that these were processed through the applicable governance structures at the time. The Corporation nonetheless recognises the need for continuous improvement and has strengthened oversight, risk management and compliance controls where necessary.

The IDC reiterates that support for black industrialists and historically disadvantaged entrepreneurs remains a core mandate, delivered through targeted funding instruments and developmental support, while ensuring the sustainability of public funds.



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The Corporation remains committed to consistency, fairness, transparency and accountability, and to constructive engagement with the Minister, Parliament and other oversight structures in fulfilling its developmental mandate.

The IDC's recently approved Corporate Plan includes a substantial governance architecture: a unitary Board, a separation between the Chair and the CEO, Board committees, strategic risk and governance frameworks, risk reporting and escalation structures, and a financial crime prevention policy and plan. It also adopts a zero-tolerance posture on fraud and ethical misconduct, with confirmed fraud and key regulatory breaches effectively set to zero.

The Minister of Trade, Industry and Competition has engaged directly with the IDC Board on governance matters raised in the public domain. These engagements served to reaffirm the Minister's expectations on sound governance, consistent application of policies, accountability and effective oversight, in line with the IDC's mandate and the requirements of the Public Finance Management Act.

The Board assured the Minister of its active oversight role and its commitment to ensuring that management decisions are taken within approved governance frameworks. The engagements also reinforced the importance of continuously strengthening risk management, compliance, and internal controls, while safeguarding the IDC's developmental mandate, including support for black industrialists and inclusive industrial growth.

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