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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4035

Mr M C Masina (ANC) to ask the Minister of Trade, Industry and Competition:

On broader programme performance, what (a) total number of black industrialist projects are currently operational versus distressed and/or nonperforming and (b) is the success rate of mining sector beneficiaries, particularly in rural provinces? NW4287E

REPLY:

The IDC has advised as follows –

- (a) The Black Industrialist portfolio consists of 240 projects, of which 98 (40.8%) are currently performing loans and 128 (53.3%) are classified as non-performing loans. A further 14 projects (5.8%) remain unclassified.
- (b) The table below presents the Black Industrialist (BI) portfolio within the mining sector. Of the 240 Black Industrialist projects in the portfolio, 27 (11.3%) fall within the mining sector. Of these, 10 projects (37 %) are classified as performing, while 17 projects (63.0%) are classified as non-performing.

**Table 1: Summary of IDC: Mining Sector Black Industrialist**

Mining Black Industrialists — IFRS Stage Classification				
Province	Performing (Stage 1–2)	Non-Performing (Stage 3)	Total	Performing Rate
Gauteng	4	6	10	40,0%
KwaZulu-Natal	4	2	6	66,7%
Limpopo	0	3	3	0,0%
Northwest	2	1	3	66,7%
Northern Cape	0	3	3	0,0%
Mpumalanga	0	2	2	0,0%
Grand Total	10	17	27	37,0%

*Non-Performing is defined as a loan with a positive Non-Performing Loan (NPL) balance.

The NEF has advised of the following –

- (a) The number of active Black Industrialist projects is 112, with 48 (43%) of the projects classified as non-performing (accounting definition). Ten of the projects are undergoing turnaround interventions, utilising a panel of independent experts in different disciplines to ensure that every opportunity is given to save jobs.
- (b) The NEF does not traditionally invest heavily in the mining sector, as the bulk of mining transactions require large investments that are more suited to funders such as the IDC. However, activities such as quarrying, mining services and similar value-chain businesses have been supported. Currently, there are five clients that are active within the mining services sector. These clients have debt-servicing levels that are higher than the balance of the NEF portfolio. Of the five transactions, four are in provinces outside of Gauteng, KwaZulu-Natal and the Western Cape. Historically, including transactions that have since settled their facilities with the NEF, 64% of mining-services businesses have been located in rural provinces.



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Mining and Quarrying by Province	Performing	Non-Performing	Total	Performing Rate	Instalment Collection Rate
Gauteng	0	1	1	0%	No instalment levied
KwaZulu-Natal	0	0	0		
Eastern Cape	0	0	0		
Limpopo	0	1	1	0%	No instalment levied
Mpumalanga	1	1	2	50%	95.59%
Western Cape	0	0	0		
North West	1	0	1	100%	66.67%
Northern Cape	0	0	0		
Free State	0	0	0		
Total	2	3	5	40%	84.55%

**The definition of performing and non-performing is aligned to the definition of businesses that are 90 days in arrears or more. The collection rate is calculated from entities who are charged instalments and the payments they make against those instalments. Some businesses that are in arrears because of business distress are sometimes placed in moratorium while turnaround work is undertaken therefore no instalments will be raised against their account.

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