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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4085

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

With reference to the Equity Equivalent (EE) provisions of the Broad-Based Black Economic Empowerment (B-BBEE) Act, Act 53 of 2003, (a) on a scale from 0% to 30% of the value of the company committed to its B-BBEE programmes, how does this translate into points on the Ownership element of the BBBEE scorecard, (b) which additional companies has his department and/or BBBEE Commission engaged regarding implementing EE programmes and (c) what (i) percentage of multinational firms operating in the Republic have registered an EE programme with the B-BBEE Commission, (ii) engagement has his department and the B-BBEE Commission initiated with foreign chambers of commerce and other international institutions such as the International Monetary Fund and World Bank regarding the impact of B-BBEE regulations, including EE, on foreign direct investment in the Republic and (iii) were the outcomes of such engagements? NW4632E

REPLY

- (a) The determination of contribution to under the Equity Equivalent Investment Programme (EEIP) is either based on 4% of the company's South African based revenue or 25% of the value of the company's SA asset, or as stipulated by that specific sector code. The maximum number of points that an entity can receive under the EEIP is 25 points if a multinational company is fully compliant.
- (b) The Department and the B-BBEE Commission engage with multinational companies, business associations, and chambers to create awareness about B-BBEE including EEIP.
- (c) Multinational companies that have participated in EEIP are listed in the table below.

The list of EEIPs approved to date are as follows:

MULTINATIONAL	APPROVAL DATE	Duration	SECTOR	EEIP FOCUS AREA
Hewlett Parkard (US)	2007 (expired)	6.5 Years	ICT	Development of ICT skills
Liebherr SA (German Swiss)	2010 (expired)	5.5 Years	Manufacturing (construction machines)	Enterprise Development and Critical Skills Development
Hansen Transmission SA (Belgium)	2010 (expired)	7 Years	Manufacturing (industrial gearboxes)	Enterprise Development and Critical Skills Development
Microsoft (US)	2011 (expired) 2020 (expired) 2024 (active)	6 years 3 Years 10 Years	ICT	Enterprise Supplier Development Research and Development Skills Development
Turner & Townsend (UK)	2011 (expired)	10 Years	Construction	Enterprise Development for companies in the construction sector
IBMSA (US)	2015 (active)	10 Years	ICT	Enterprise & Supplier Development, Skills Development, and Research & Development
DELLSA (US)	2015 (active)	10 Years	ICT	Enterprise Development and Skills Development (Khulisa Academy training in high performance computing (HPC) skills, complemented by business management and entrepreneurial and life skills.
CATERPILLAR (US)	2017 (active)	10 Years	Manufacturing	Localization of components, produced in SA by transformed entities for Caterpillar.
Novus SA (US)	2017 (expired)	3 Years	Agriculture (animal feed)	Skills Development

SAMSUNG (S Korea)	2019 (active)	10 Years	ICT	Enterprise development, Black industrialist development as well as Research and Development
Frigoglass SA (Greece)	2019 (expired)	3 Years	Manufacturing (refrigerators)	Development of local black suppliers. Localise 18 imported products, develop 3 businesses, outsourcing or repair and maintenance
Pharma dynamics SA (India)	2019 (expired)	3 Years	HealthCare	Skills Development and Enterprise Development
Mediterranean Shipping Company SA (Swiss- Italian)	2019 (active)	10 Years	Maritime	Enterprise Development and Skills Development
Amazon (US)	2019 (active)	7 Years	ICT	Development of 100% black-owned South African small businesses in ICT sector.
Collective of Seven (7) Automotive Sector Original Equipment Manufacturers (OEMs) – Ford, Mercedes Benz, Nissan, Toyota, BMW, Isuzu, and VW	2021 (active)	10 Years	Automotive	Establishment of a (Automotive Investment Fund – AITF) to assist black entrepreneurs in the value chain of the automotive sector.
J.P. Morgan SA EEIP (US)	2021 (active)	8 years	Financial Services	Establishment of the Abadali Fund managed and controlled by a Black Fund Management entity to fund black companies and SMMEs.
Citibank (US)	2023 (active)	8 Years	Financial services	Infrastructure Development; funding for BIs

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