

# PORTFOLIO COMMITTEE ON TRADE, INDUSTRY AND COMPETITION

13 May 2025



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Department  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

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# Part A: B-BBEE Policy Overview



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# Part A: B-BBEE Policy Overview Presentation Outline



- **Introduction**
- **B-BBEE Legislative Framework**
- **B-BBEE Institutional Mechanisms**
- **B-BBEE Objectives**
- **Key Provisions of the B-BBEE Act**
- **B-BBEE Codes & Elements**
- **B-BBEE Scorecard**
- **B-BBEE Sector Codes**
- **Implementation Challenges**
- **Interventions**



# Introduction

- ❑ The need to effect redress and equality in the interests of equity is firmly embodied in the **Constitution of the Republic**.
- ❑ **Section 9 (2) of the Constitution of the Republic** places a collective burden on all to advocate for equality and redress when it states, “Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken”.
- ❑ Over the years government has outlined broad economic strategies to transform the economy as guided by the **Vision 2030 of the National Development Plan**, which is to eliminate poverty and reduce inequality.
- ❑ B-BBEE is one of the key legislation and instrument to transform the economy.



# B-BBEE Legislative Framework

B-BBEE  
Commission  
Report  
(1998)

B-BBEE Strategy  
2003

B-BBEE Act 2003  
amended in 2013

Codes of Good  
Practice 2007  
amended 2013  
Transformation  
Charters & Sector  
Codes

B-BBEE  
Regulations  
2016



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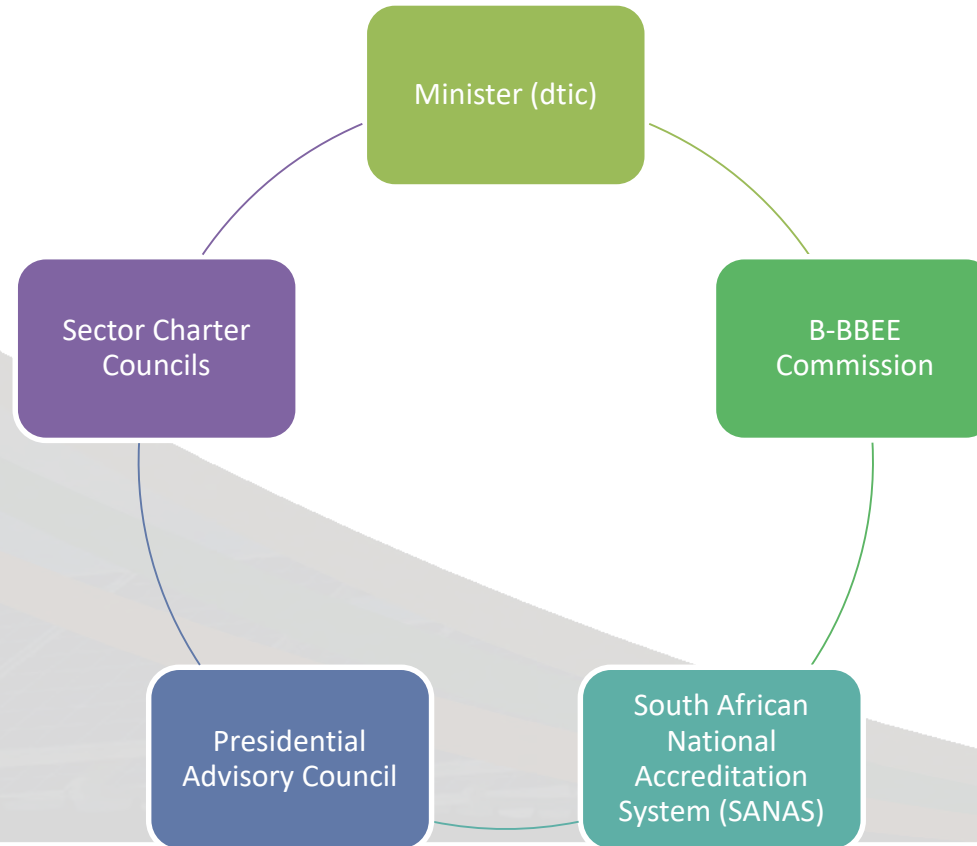
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# B-BBEE Institutional Mechanisms



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# B-BBEE Objectives

- ❑ Empowerment has evolved into a policy that has multiple objectives within an over-arching policy thrust:
  - ✓ First, it is about redress to deal with the history of exclusion and the legacy it has left;
  - ✓ Second, it lays the foundation for deeper growth through greater economic inclusion that widens the talent pool of enterprise drawn from black South Africans, women and young people; and
  - ✓ Third, it is increasingly about addressing the high inequalities in our society, a challenge other countries face, associated with globalisation's impact in different parts of the world.



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# .....B-BBEE Objectives

- ☐ Promote economic transformation in order to enable meaningful participation of black people in the economy.
- ☐ Achieve a substantial change in the racial composition of ownership and management structures of existing and new enterprises.
- ☐ Increase the extent to which communities, workers, and other collective enterprises access economic activities.
- ☐ Increase the extent to which black women own and manage existing and new enterprises.
- ☐ Promote investment programmes that lead to broad-based and meaningful participation in the economy by black people.
- ☐ Empower rural and local communities by enabling access to economic activities.



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# Key Provisions of the B-BBEE Act

- ❑ Trumping Clause;
- ❑ Establishment of the Advisory Council & B-BBEE Commission;
- ❑ Specifying requirements on Reporting;
- ❑ Introducing Offences, Penalties & Prohibitions for fronting;
- ❑ Compulsory implementation of B-BBEE by organs of state or public entities in terms of Section 10;
- ❑ Development of sectors codes;
- ❑ Minister's power to issue Sector Codes, Regulations, Guidelines and Practice Notes.



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# B-BBEE Codes and Elements

- ❑ B-BBEE Measurement is done at the hand of a balance scorecard, with points being awarded for compliance with the 5 elements contained therein.
- ❑ Said elements are (1) **Ownership**, (2) **Management Control**, (3) **Skills Development**, (4) **Enterprise and Supplier Development** and (5) **Socio-Economic Development**.
- ❑ The total points achieved through measurement of each of the elements determines the Measured Entity's B-BBEE Recognition Status Level.
- ❑ Such B-BBEE Recognition Status Level is used in calculating the preference points for economic opportunities in both private and public sectors.
- ❑ All entities with a revenue of less R 10 million per annum are exempted from B-BBEE compliance.



# .....B-BBEE Codes and Elements

## Policy underpinning each element:

- ❑ **Ownership** : Increased Ownership of the economy by black people including black entrepreneurs, workers, women, youth, and communities and to create wealth.
- ❑ **Management Control** : diversity and genuine participation in decision-making at board, executive management and operations levels of entities, as well as control of assets by black people.
- ❑ **Skills Development** : Empowerment through education and creating opportunities for previously disadvantaged employees and youth, through accelerated skills development programmes (learnerships, apprenticeships, internships, bursaries and employment opportunities).
- ❑ **Enterprise and Supplier Development** : market access and procurement of goods and services from South African black-owned enterprises, Black Industrialists and SMMEs while working with them to develop their businesses.
- ❑ **Socio Economic Development** : investment in marginalised communities development thereby stimulating economic growth



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# B-BBEE Generic Scorecard

Element	Weighting	Compliance Target
Ownership	25 points	25% + 1 vote
Management Control	19 points	(50% to 88%)
Skills Development	20 points	6% of payroll
Enterprise and Supplier Development	40 points	PP = 80% SD = 2% (NPAT) ED = 1% (NPAT)
Socio-Economic Development	5 points	1% (NPAT)
<b>TOTAL</b>	<b>109 points</b>	

# Equity Equivalent Investment Programme

- ❑ EEIP was created for multinationals whose global practices or policies preclude them from complying with the ownership element of Broad-Based Black Economic Empowerment (B-BBEE) through the traditional sale of equity or shares to Black South Africans.
- ❑ Such multinationals must provide proof that they have not entered into any ownership partnership arrangements in other countries globally.
- ❑ The B-BBEE policy has made a provision for the recognition of contributions in lieu of such sale of equity.



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# .....Equity Equivalent Investment Programme

Name of the Company	Date of Approval	Sector	Focus Area
Hewlett Parkard (US)	2007 (expired)	ICT	Skills Dev & ESD
Liebherr SA (German Swiss)	2010 (expired)	Manufacturing	Skills Dev & ESD
Hansen Transmission SA (Belgium)	2010 (expired)	Manufacturing	Skills Dev & ESD
Microsoft (US)	2011, 2020, 2024	ICT	Skills Dev & ESD
Turner & Townsend (UK)	2011	Construction	Skills Dev
IBM (US)	2015	ICT	Skills Dev, ESD & R/D
Dell (US)	2015	ICT	Skills Dev & ESD
Caterpillar (US)	2017	Manufacturing	ESD
Novus (US)	2017 (expired)	Agriculture	Skills Development
Samsung (South Korea)	2019	ICT	ESD & R/D
Frigoglass SA (Greece)	2019 (expired)	Manufacturing	ESD & Localisation
Pharma Dynamics	2019 (expired)	Healthcare	Skills Dev & ESD
MSC SA (Swiss- Italian)	2019	Maritime	Skills Dev & ESD
Amazon (US)	2019	ICT	ESD
Auto OEMs – Ford (US), Mercedes Benz (Germany), Nissan (Japan), Toyota (Japan), BMW (Germany), Isuzu (Japan), and VW (Germany)	2021	AUTO	AITF
Citigroup (US)	2023	Fin Services	ESD & Infra Dev



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# Youth Employment Initiative (Y.E.S)

- ❑ The Y.E.S initiative was incorporated in the B-BBEE Codes as one of the incentives for companies to address youth unemployment.
- ❑ The initiative also provides the opportunity for large businesses to capacitate black-owned Small, Medium and Micro Enterprises (SMMEs) and township businesses with sponsored youth workers.
- ❑ Y.E.S initiative continues to focus on demand sectors for impact and growth such as tourism, drones, GBS, and green Industries to mention a few.
- ❑ To date the Y.E.S has registered 4,780 programmes with 1 860 entities as of 05 Mar 2025. The above creating 177,315 youth job opportunities. About 56% these job have empowered female youth with 2% of these being differently empowered and 75% of these coming from social grant recipient families. 19.5% of these youth have been absorbed directly into permanent positions.



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# Sector Codes

- ❑ Development and drafting of Sector Codes is an inclusive process involving entities with common commercial and other characteristics;
- ❑ There are three types of procedures that are followed as per the B-BBEE Act:
  - ❑ Section 12 – Statement of Information
  - ❑ Section 9 (5) – 60 day Public Commentary
  - ❑ Section 9 (1) – Same Legal status as the Generic Codes
- ❑ The Codes of Good Practice stipulate that a Charter can only be Gazetted when:
  - ❑ There is evidence that it is compliance with Section 12 of the Act;
  - ❑ It uses same definitions in respect of all beneficiaries as those used in the Codes; and
  - ❑ It adequately and clearly defines its scope of application.
- ❑ The Minister of Trade, Industry and Competition is responsible for the approval and gazette of Sector Codes.



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# .....Sector Codes

- ❑ The proposed Sector Code must use the same calculation methodologies to Measure compliance as those used in the Codes;
- ❑ The proposed Sector Code may deviate from Targets, Point Weightings and Thresholds used in the Codes only where those deviations are justifiable based on sound economic principles, sectorial characteristics or empirical research;
- ❑ A Sector Code developed in terms of the Codes must set targets which are over and above the minimum targets set out in the Generic Codes of Good Practice;
- ❑ The proposed Sector Code may introduce a new additional Element/s for measurement where such addition is justifiable based on sound economic principles, sectorial characteristics or empirical research; and
- ❑ The proposed Sector Code must clearly define its scope of application.



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# Status of Sector Codes

Sector Code	Established Charter Council to monitor the implementation of the sector code	Monitoring and report	Regulation 12 (6) Reports to the Commission for consideration of sector performance
AgriBEE Sector Code	The Sector Charter Council is not operational. The term of office expired in June 2024. The Minister of Agriculture is in the process of appointing a new Sector Charter Council	No reports published	No reports from Charter Council
Construction Sector Code	The Charter Council is effective and operational	Not consistent in submitting annual reports on the status of transformation in the Sector.	Last report received was for 2022/23
Defence Sector Code	The Sector Charter Council is not operational the term of office expired in 2023.	No reports published	No report
Financial Services Sector Code	The Charter Council is effective and operational	Consistent in submitting annual reports on the status of transformation in the Sector.	2022/23 Report was submitted to the Commission for consideration and findings on sector performance
Forest Sector Code	The Charter Council is effective and operational	Consistent in submitting annual reports on the status of transformation in the Sector.	2023/24 Report was submitted to the Commission for consideration and findings on sector performance



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# .....Status of Sector Codes

Sector Code	Established Charter Council to monitor the implementation of the sector code	Monitoring and report	Regulation 12 (6) Reports to the Commission for consideration of sector performance
<b>Information Communication and Technology (ICT) Sector Code</b>	The Charter Council is effective and operational	Consistent in submitting annual reports on the status of transformation in the Sector.	Last report received was for 2021/22
<b>Legal Sector Code</b>	The Charter Council is effective and operational	New	Not yet due to submit reports
<b>Marketing Advertising and Communication (MAC) Sector Code</b>	The Charter Council is effective and operational	Not consistent in submitting annual reports on the status of transformation in the Sector.	2023/24 report was submitted to the Commission for consideration and findings on sector performance
<b>Property Sector Code</b>	The Charter Council is effective and operational	Consistent in submitting annual reports on the status of transformation in the Sector.	2022/23 report submitted to the Commission for consideration and findings on sector performance
<b>Tourism Sector Code</b>	The Charter Council is fully effective and operational	Not consistent in submitting annual reports on the status of transformation in the Sector.	Last report was received in 2020/21



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# Role of Sector Charter Councils

- ❑ Development of B-BBEE Sector Codes;
- ❑ Monitor the implementation thereof;
- ❑ Provide guidance on specific sector issues affecting the implementation of the Sector Code;
- ❑ Compile status reports the implementation of the Sector Code;
- ❑ Share information with stakeholders; and
- ❑ Submit progress reports on the implementation of the Sector Code to Line Ministry, Minister of Trade, Industry and Competition, the B-BBEE Commissioner and the B-BBEE Advisory Council.



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# B-BBEE: Implementation Challenges

- ❑ Tick box approach to the implementation of B-BBEE.
- ❑ High level of concentration in many sectors creating barriers to entry for SMMEs. Enterprise and Suppliers Development (ESD) not being used sufficiently to transform Value Chains and sustain SMMEs.
- ❑ Availability of Funding and Funding models that do not promote transformation.
- ❑ Lack of understanding of B-BBEE policy (e.g. B-BBEE associated with public tender corruption or poor product/service quality).
- ❑ Limited focus on marginalised areas (townships and rural areas).



# Interventions

- ❑ Strengthen implementation of the B-BBEE policy and transformation activities with a focus on increasing the level of black ownership across sectors;
- ❑ Strengthen monitoring and compliance mechanisms including capacitating the B-BBEE Commission & Sector Charter Council;
- ❑ Strengthen Verification industry;
- ❑ Alignment of B-BBEE and Public Procurement Regulations.
- ❑ Establish of a Transformation Fund to support majority black-owned businesses and SMMEs.



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# Conclusion on Policy Overview

- The 7<sup>th</sup> Administration is committed to Transformation and B-BBEE for redress and empowerment of black people in their various capacities in the economy; i.e. as unemployed and rural poor people at the bottom of the scale, as workers and job seekers, as entrepreneurs seeking opportunities and as shareholders already, seeking to increase their wealth.
- The main focus is on support of new enterprises to enable meaningful participation of businesses controlled by black South Africans, women, people living with disabilities and youth in the economy.
- The goal is to achieve an inclusive growth and an economy that benefit all South Africans.



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## Part B:

# B-BBEE Commission Monitoring Reports



## Part B: Presentation Outline

- 01 Introduction - Legal Framework of B-BBEE
- 02 Objectives of the B-BBEE Act
- 03 Functions and Powers of the B-BBEE Commission
- 04 Measurement of B-BBEE
- 05 Summary of National Status of B-BBEE Report 2022
- 06 Summary of Major B-BBEE Transactions 2023/24
- 07 Complaints, Clarifications and Advisory Opinions
- 08 Investigations and Enforcement
- 09 Conclusion and Way forward



# Introduction - Legal Framework of B-BBEE

- ❑ The B-BBEE Act 53 of 2003 as amended by Act 46 of 2013 (‘the Act’) serves as a framework for Transformation in the Republic, together with other sectoral policies and legislation implementing the Constitution’s prescripts for equality and redress of racial discrimination.
- ❑ The Act established the B-BBEE Commission, to oversee and promote adherence to the Act, in pursuit of economic transformation, as part of **the dtic**’s economic regulators. The Commission endeavors to monitor implementation, focusing on receiving and analysing compliance reports received from JSE listed entities, organs of state and public entities, and the registration of major B-BBEE transactions (of R25 million and above), as well as to investigate complaints on any matter concerning B-BBEE.
- ❑ The Commission publishes two reports namely: National Status on B-BBEE Transformation Trends Report and Analysis of Major B-BBEE Transaction Report.
- ❑ Special Reports: Enterprise and Supplier Development (ESD) Report and Longitudinal B-BBEE Study.



# Objectives of the B-BBEE Act

Viable economic empowerment of all black people, in particular women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies that include:



## **Increase Participation**

Increasing number of black people that manage, own and control



## **Facilitation**

Facilitating management and ownership by communities, workers, cooperatives & other collective enterprises



## **Human Resources**

Human resource and skills development



## **Equity**

Achieving equitable representation in all occupational workforce levels and categories



## **Preferential Procurement**

Preferential procurement from black owned or managed enterprises



## **Investment**

Investment in enterprises that are black owned or managed

Guided by the B-BBEE Act section 13F, the Commission has structured its work in this way:

## COMPLIANCE PROMOTION

- Assess Compliance Reports
- Assess Major B-BBEE Transactions
- Issue Practice Guides; Advisory Opinions & Clarifications
- Undertake Advocacy, Education & Awareness & Stakeholder Relations
- Monitoring (Research reports; Site Visits)

## CORRECTIVE ENFORCEMENT

- Complaints Investigations
- Alternative Dispute Resolution
- Remedial recommendations
- Referrals (to other regulators & for Criminal Prosecution)
- Site visits for investigations

- ❑ B-BBEE Act in section 13O prohibits **fronting, misrepresentation of status**, providing false information to verification agents, verification agent failing to report contravention. The Act has also provided the below penalties which can only be **enforced through the court process**:
  - ✓ Natural person can be a fined or imprisoned for up to 10 years. Fine for juristic person is up to 10% of annual turnover
  - ✓ Cancellation of contract or award in terms of section 13A on account of false information.
  - ✓ Exclusion from doing business with the state (section 13P) for up to 10 years – could be limited to the directors, members or shareholders.
  - ✓ Register on National Treasury's tender defaulters register.
- ❑ However, the Act is limited with regard to ensuring accountability. Therefore, the Act needs to be amended to strengthen enforcement, and ideally provide for a Tribunal to adjudicate and impose sanctions on B-BBEE matters.
- ❑ In addition, the Commission needs administrative powers to sanction failure to report on B-BBEE compliance

# Measurement of B-BBEE

Ownership	measures effective ownership by black people.
Management Control	measures effective control and management of enterprises by black people.
Skills Development	measures the extent to which entities carry out initiatives designed to develop the competence of black people internally and externally.
Enterprise and Supplier Development	measures the extent to which entities carry out initiatives to assist growth and sustainability of black enterprises and the extent to which they buy goods and services from empowering suppliers with strong B-BBEE recognition.
Socio-Economic Development	measured entities carry out initiatives to promote access to the economy by black people.

## Outcomes Measured for B-BBEE

Elements	Points	% Targets
<b>Ownership</b>	25	participation of black people in ownership structure through exercisable voting rights ( <i>25% + 1 vote</i> ); economic interest and net value realisation.
Management Control	19	Representation of black people in executive and non-executive management levels at an average of <i>50%</i> .
Skills Development	20	<i>6%</i> of leviabale amount (payroll) for training black employees and non-employees
Enterprise and Supplier Development	40	<i>80%</i> of procurement spend, <i>2%</i> NPAT for Supplier Development and <i>1%</i> NPAT for Enterprise Development.
Socio-Economic Development	5	Channel <i>1%</i> NPAT to empower black people in rural and under developed areas

# B-BBEE Status Levels

B-BBEE Status	Qualification	B-BBEE Recognition
Level One Contributor	≥100 points on the Generic Scorecard	135%
Level Two Contributor	≥95 but <100 points on the Generic Scorecard	125%
Level Three Contributor	≥90 but < 95 points on the Generic Scorecard	110%
Level Four Contributor	≥80 but < 90 points on the Generic Scorecard	100%
Level Five Contributor	≥75 but < 80 points on the Generic Scorecard	80%
Level Six Contributor	≥70 but < 75 points on the Generic Scorecard	60%
Level Seven Contributor	≥55 but < 70 points on the Generic Scorecard	50%
Level Eight Contributor	≥40 but < 50 points on the Generic Scorecard	10%
Non-compliant Contributor	<40 points on the Generic Scorecard	0%

- ❑ The ownership percentage is not only of direct ownership, but is inclusive of indirect ownership (Mandated Investments, BBOSs, ESOPs and Trusts)
- ❑ The measurement of ownership follows the principles contained in the B-BBEE Act, which compound the calculation of ownership, but can distort the true picture of actual Black Ownership
- ❑ Therefore, to be able to measure actual direct ownership, the B-BBEE Act has to be changed to separate how direct and indirect ownership are measured, or to exclude principles that do not allow proper measurement of actual ownership by Black People.



# Summary of the National Status Report 2022

National Status and Trends on B-BBEE Report Summary		2017	2018	2019	2020	2021	2022
Submitted Reports	JSE	51%	43%	42%	33%	40%	35%
	Organs of State & SOEs	1%	10%	15%	9%	25%	19%
	B-BBEE Certificate Portal	2861	1674	5818	1241	1373	1475
Overall Ownership <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>		27%	25%	29%	31%	29.5%	33,9%
Overall Black Women Ownership <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>		9%	10%	12%	15%	12.4%	14,2%
JSE Listed Entities Average Black Ownership		29%	25%	31%	28%	39%	29,7%
100% black owned entities on the JSE		1%	1%	3%	0%	0%	0%
Management Control <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>	JSE	38%	38%	44%	28%	53.6%	58%
	Organs of State & SOEs	N/A	79%	68%	65.8%	83%	69%
	Overall Management Control	43%	45%	39%	57%	51.56%	62%
Skills Development <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>	JSE	35%	63%	59%	64%	69.6%	38%
	Organs of State & SOEs	N/A	64%	41%	32%	45%	57%
	Overall Skills Development	37%	49%	49%	60%	54.76%	51%

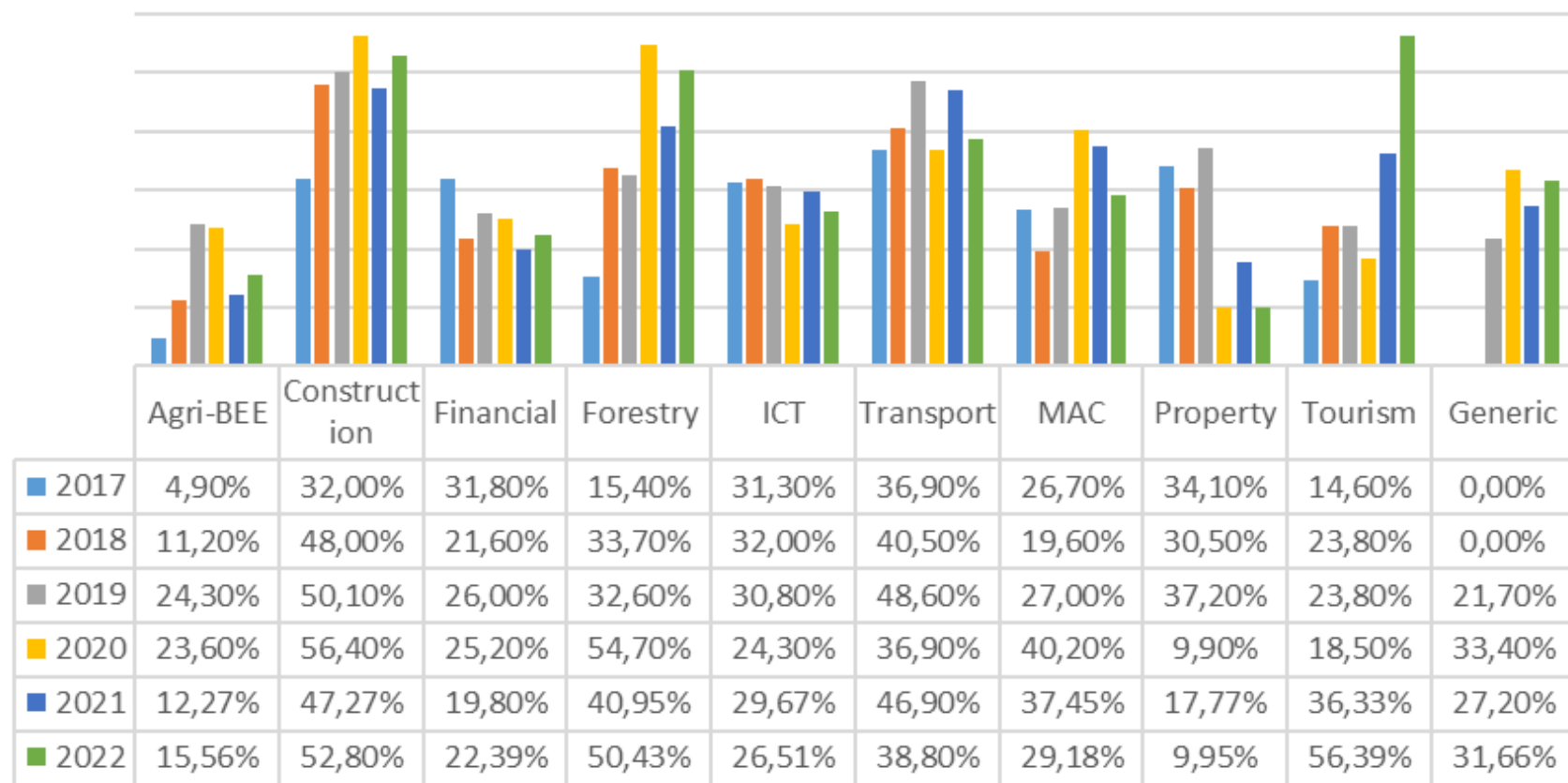
# .....Summary of National Status Report 2022

National Status and Trends on B-BBEE Report Summary		2017	2018	2019	2020	2021	2022
Enterprise and Supplier Development <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>	JSE	47%	70%	59%	67%	73.5%	83%
	Organs of State & SOEs	N/A	47%	59%	68%	60%	71%
	Overall Enterprise and Supplier Development	44%	60%	51%	61%	46,46%	70%
Socio-Economic Development <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>	JSE	79%	92%	89%	93%	91%	61%
	Organs of State & SOEs	N/A	65%	53%	33%	84%	51%
	Overall Socio-Economic Development	88%	71%	68%	90%	94%	68%
B-BBEE Rating Level 1 to Level 4	JSE	41%	51%	49%	55%	59%	63%
	Organs of State & SOEs	N/A	45%	33%	33%	33%	22%
B-BBEE Rating Level 5 to Non-Compliant	JSE	48%	45%	51%	45%	41%	37%
	Organs of State & SOEs	N/A	55%	67%	67%	67%	78%

# .....Summary of National Status Report 2022

National Status and Trends on B-BBEE Report Summary		2017	2018	2019	2020	2021	2022
Enterprise and Supplier Development <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>	JSE	47%	70%	59%	67%	73.5%	83%
	Organs of State & SOEs	N/A	47%	59%	68%	60%	71%
	Overall Enterprise and Supplier Development	44%	60%	51%	61%	46,46%	70%
Socio-Economic Development <i>(Overall includes B-BBEE Certificates Portal Data Information)</i>	JSE	79%	92%	89%	93%	91%	61%
	Organs of State & SOEs	N/A	65%	53%	33%	84%	51%
	Overall Socio-Economic Development	88%	71%	68%	90%	94%	68%
B-BBEE Rating Level 1 to Level 4	JSE	41%	51%	49%	55%	59%	63%
	Organs of State & SOEs	N/A	45%	33%	33%	33%	22%
B-BBEE Rating Level 5 to Non-Compliant	JSE	48%	45%	51%	45%	41%	37%
	Organs of State & SOEs	N/A	55%	67%	67%	67%	78%

# Trends – Black Ownership Per Sector 2017-2022



# Trends – Black Women Ownership Per Sector 2017-2022



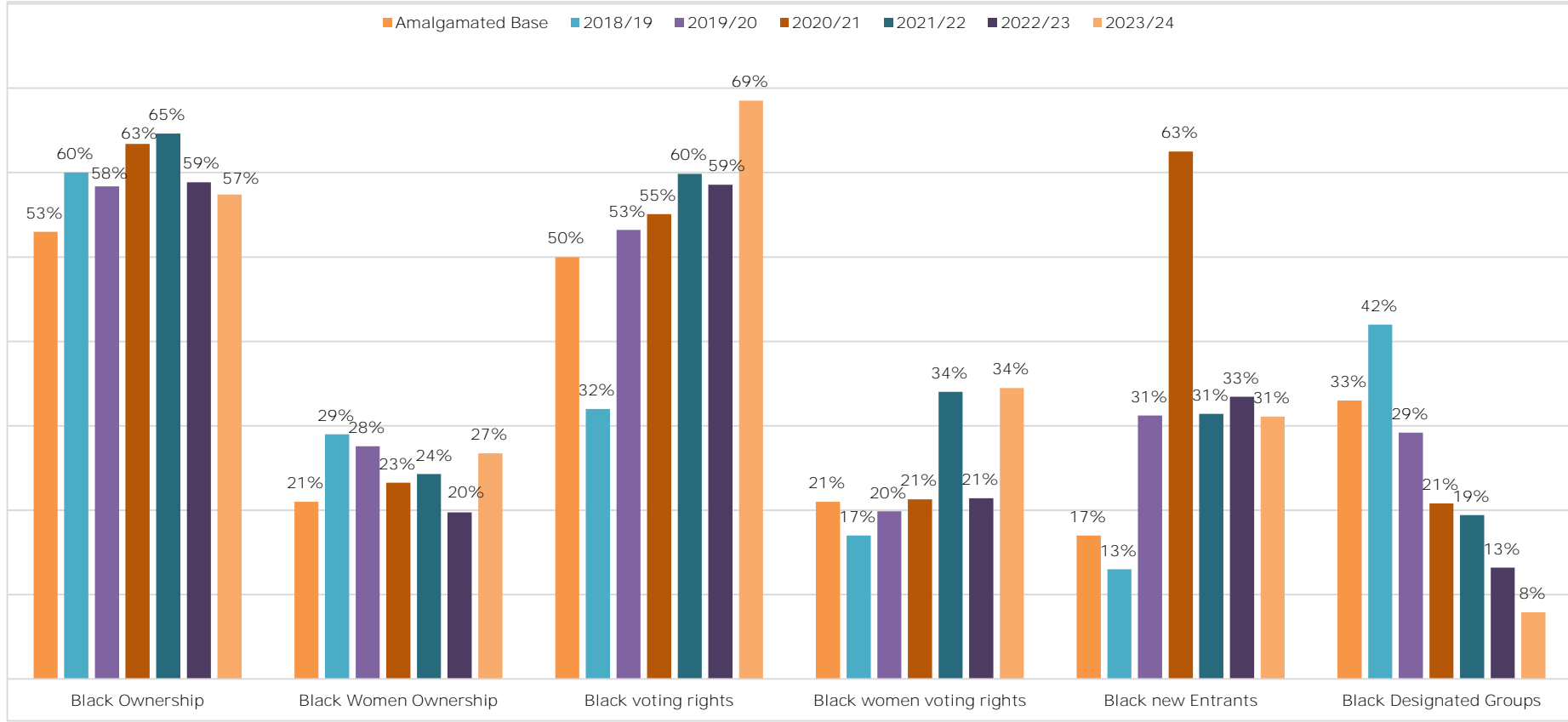
# ESD and Skills Development Spend

## ESD & SKILLS SPENT IN BILLION RANDS

	2021	2022	2023	2024	Total
<b>ESD</b>	41,50	15,00	46,70	13,40	<b>116,60</b>
<b>Skills Development</b>	41,60	31,30	70,90	42,50	<b>186,30</b>

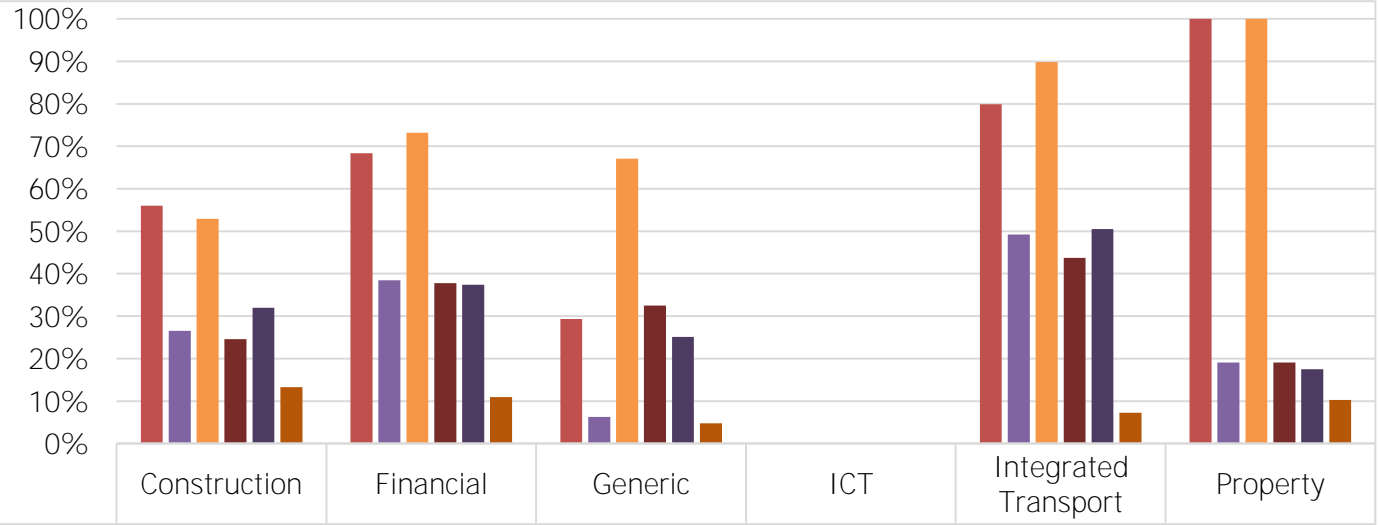
NB: 2021 and 2022 funds are as per the released studies by the Commission. While 2023 and 2024 figures are based on the Raw Data information extracted from the entities report.

# Major Transactions Trends – Black Ownership



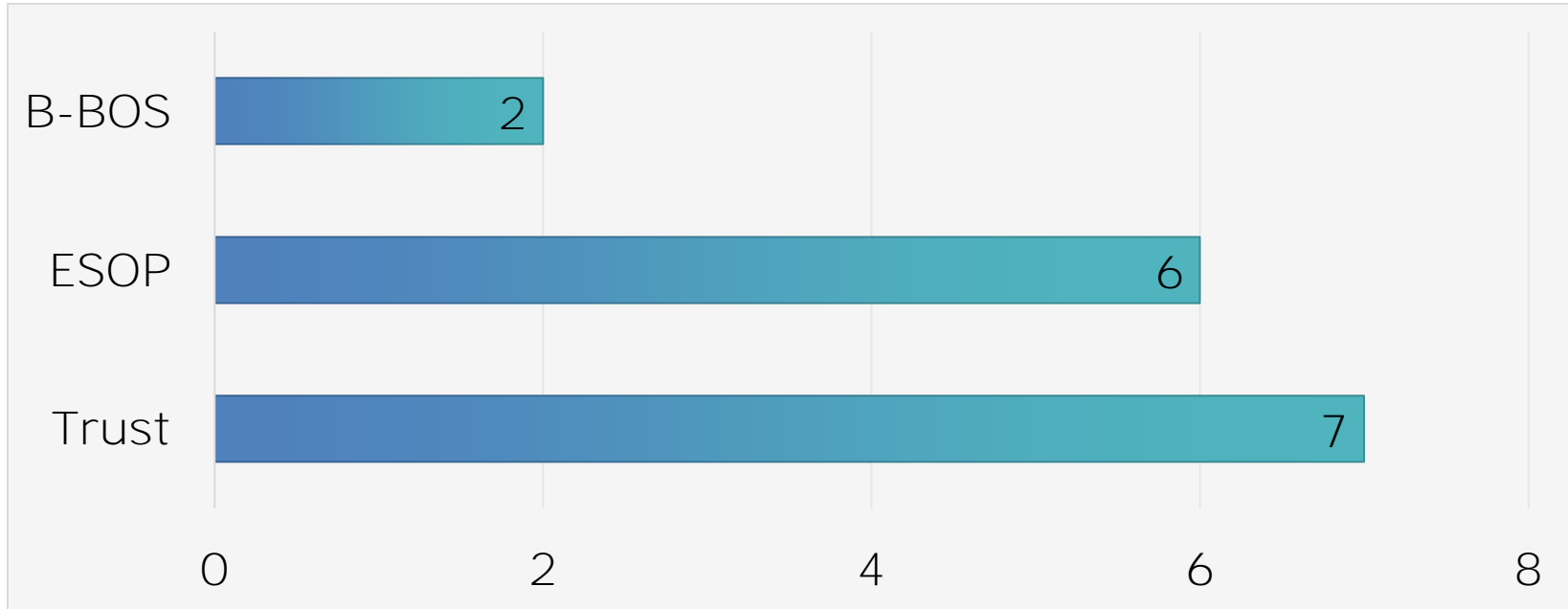


# Breakdown of Black Ownership per Sector 2023/24



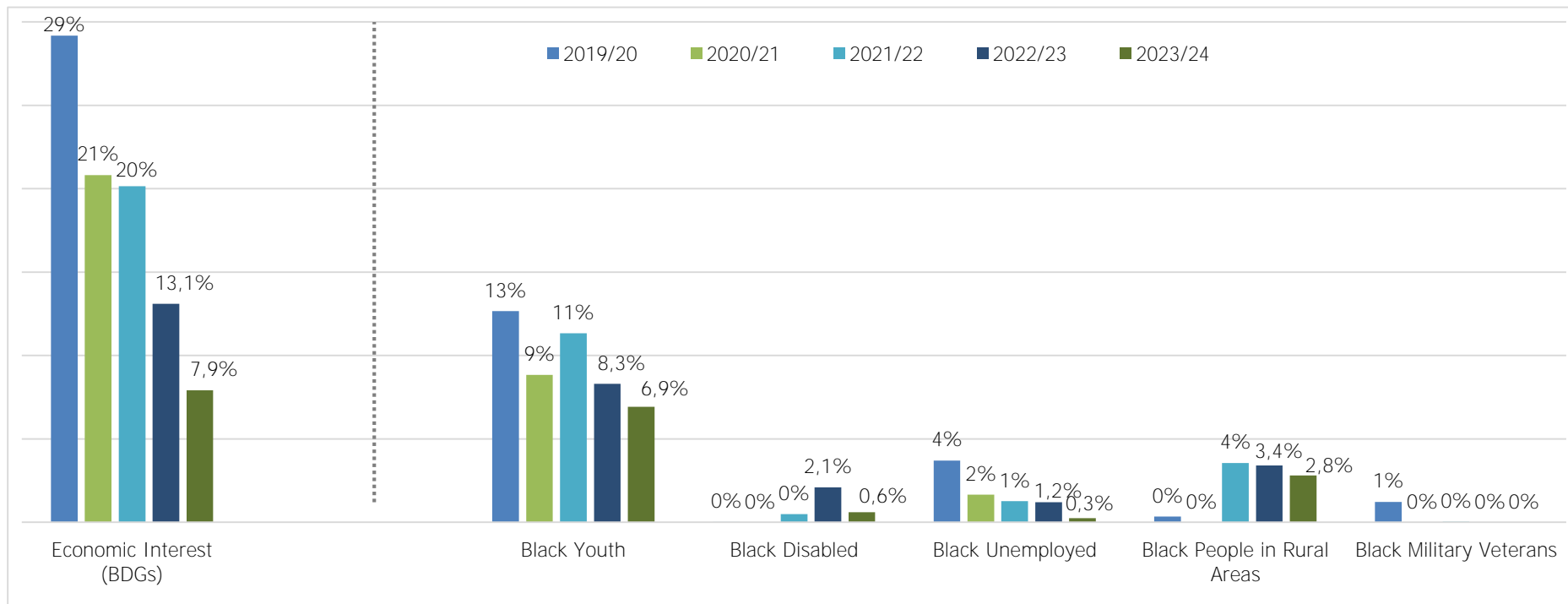
	Construction	Financial	Generic	ICT	Integrated Transport	Property
Black Ownership	56%	68%	29%	0%	80%	100%
Black Women Ownership	27%	38%	6%	0%	49%	19%
Exercisable black voting rights	53%	73%	67%	0%	90%	100%
Exercisable black women voting rights	25%	38%	33%	0%	44%	19%
Black new Entrants	32%	37%	25%	0%	51%	18%
Black Designated Groups	13%	11%	5%	0%	7%	10%

# ESOPs, Trusts & BBOS in Major Transactions

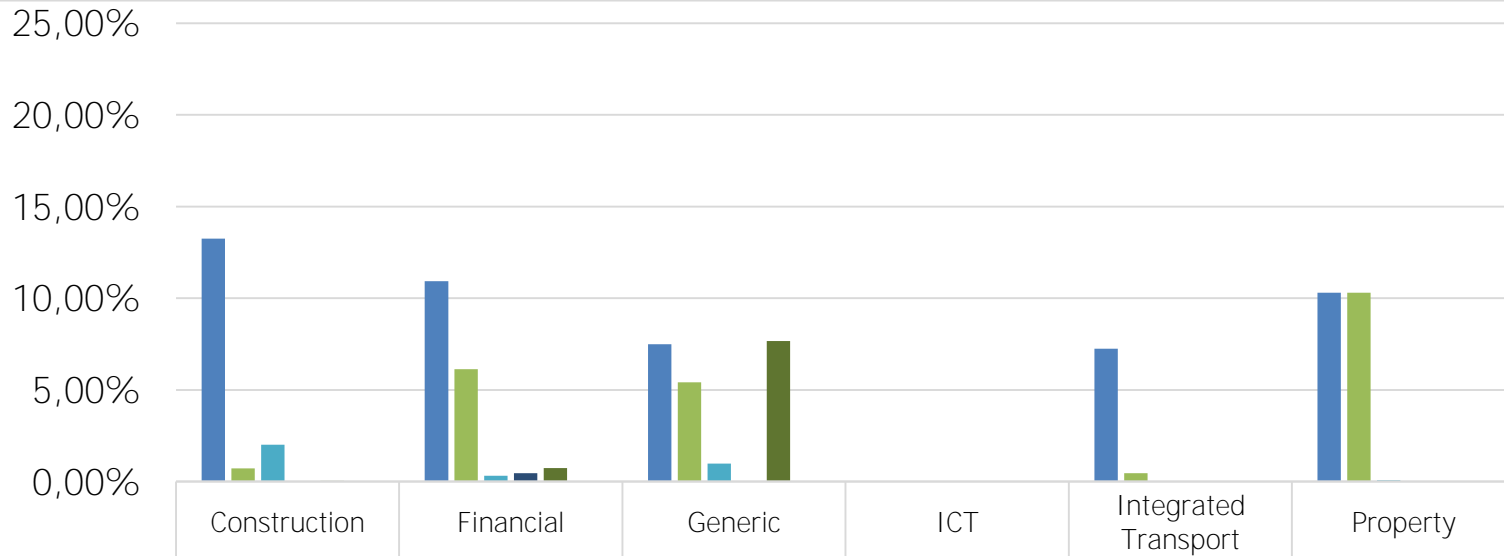


Employee Share Ownership Programmes (ESOPs), Broad-Based Black Ownership Schemes (BBOSs)

# Trends Overview - Black Designated Groups Ownership



# Black Designated Groups Ownership Per Sector



■ Average of BDG Ownership	13,26%	10,93%	7,49%	0,00%	7,26%	10,30%
■ Average of Black Youth	0,72%	6,13%	5,42%	0,00%	0,46%	10,30%
■ Average of Black Disabled	2,01%	0,32%	0,98%	0,00%	0,00%	0,08%
■ Average of Black Unemployed	0,02%	0,46%	0,02%	0,00%	0,00%	0,00%
■ Average of Black People in Rural Areas	0,05%	0,74%	7,67%	0,00%	0,00%	0,03%
■ Average of Black Military Veterans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

# Funding Mechanisms Year on Year

Funding Type	Amalgamated Base	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Bank loan	52	15	7	4	3	2	6
Cash	59	14	11	6	6	9	8
Other	53	14	28	12	23	15	18
Share swap	8	17	5	3	2	2	1
Combined Funding	-	-	19	15	12	14	8
Govt Funding	4	4	-	-	-	-	-
Vendor Financing	96	31	-	6	4	2	1

NOTE: Category labelled Other encompasses funding structures such as dividend declarations, loan accounts between entities, and share donations.

# Key Takeaways from Major Transaction Report

## Trends in Black Ownership

- Black ownership has decreased to 57% in FY2023/24, down from 59% the previous year
- Black women ownership has significantly increased from 20% to 37%, showing progress in gender inclusivity

## Funding Structures

- “Other” forms of funding, which include declaration of dividends, or inter-company loan accounts appears to have been the most common method to finance registered transactions.

## Transaction Value Insights

- In FY2023/24, total value of registered transactions was R23.853 billion, a decline from R35.87 billion in FY2022/23.
- A notable 66% of this value is from only six high-value transactions, highlighting uneven distribution of transaction sizes. “Generic” and financial sectors are majority, i.e 76.7% of total value of registered transactions, at 44.9% and 31,8% respectively

## Challenges

- There remains a disconnect between ownership & management control, with black management control still low (44% average across sectors) compared to ownership levels (60% across sectors).
- Weak economic growth may be impacting volume and value of transactions generally, and of major B-BBEE transactions.

## Areas for Future Strategic Focus

- Focused studies into transformative impact of B-BBEE transactions could yield actionable insights for future policy

# Complaints, Clarifications & Advisory Opinions

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025 (Q3)	Total
Complaints	222	112	187	243	145	203	114	92	66	1 384
Clarifications	391	1212	1335	1603	1613	1709	1433	1029	834	11 159
Advisory Opinion	48	46	37	34	27	29	27	11	6	265

Types of Complaints Received - 84.6% of Received complaints Relate to Fronting Practices

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Fronting	187	92	169	190	118	175	96	85	60	1 172
B-BBEE Certificates	16	14	7	31	5	10	7	0	0	90
Contractual	12	4	11	8	14	14	8	7	3	81
Misleading Adverts	2	1	0	0	0	0	0	0	0	3
Others	5	1	0	14	8	4	3	0	3	38



# Investigations & Enforcement

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 (Q3)	Total
Initiations	88	128	92	80	49	43	26	526
Notice of Non-Investigations	42	90	88	75	68	50	39	452
Notice of Investigations	19	14	46	11	4	6	2	102
Summons	20	14	3	3	14	9	4	67
Merit Reports	134	152	148	180	133	91	78	916
Findings	48	137	52	148	94	99	96	674
ADR	9	4	0	1	1	8	5	28
Referrals	12	12	2	28	2	2	2	60

## Overview of Closed Complaints

Total complaints received since inception = 1384

Closed through ADR/Withdrawals/ Final Findings = 399

Closed through Notice of Non-investigations = 492

**Total Closed = 891 (64%)**

**Active Cases = 493 (36%)**

# Next Steps

**In addition to the implementation of the Transformation Fund, these steps will be undertaken over the MTEF period:**

- ❑ Amend to the legislation to include administrative penalties for non-compliance with B-BBEE Act.
- ❑ Professionalisation of verification practitioners and inclusion of mandatory condition by SANAS for verification agencies to address data access of all issued B-BBEE certificates.
- ❑ To improve compliance and enforcement, we will work with oversight entities such as:
  - ✓ Department of Planning, Monitoring and Evaluation to incorporate B-BBEE into Strategic Planning & APP Framework;
  - ✓ National Treasury, SARS and the AGSA to ensure that B-BBEE compliance is mandatory for internal and external audits;
  - ✓ The JSE to increase the level of B-BBEE reporting by all listed entities; and
  - ✓ Parliament, to escalate non-compliance and strengthen accountability.
- ❑ Ensure that Procurement and Supply Chain Policies of Organs of State incorporate Section 10(1) and section 217(2) and (3) of the Constitution aimed at increasing participation of black suppliers in strategic sectors.
- ❑ Collaborate with Competition Commission to focus on concentrated and untransformed sectors, through proactive investigations.

# Thank You!

## “An Inclusive Economy for All, Together”

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