



## IDC PRESENTATION TO PORTFOLIO COMMITTEE ON TRADE, INDUSTRY & COMPETITION – 11 MARCH 2025

1. IDC Strategy Recap
2. Revised APP 2024/25
3. Q3 Performance

# What will be discussed today



1

IDC Strategy Recap – Key Focus Areas



2

IDC 2024/25 Revised APP



3

Q3 Performance

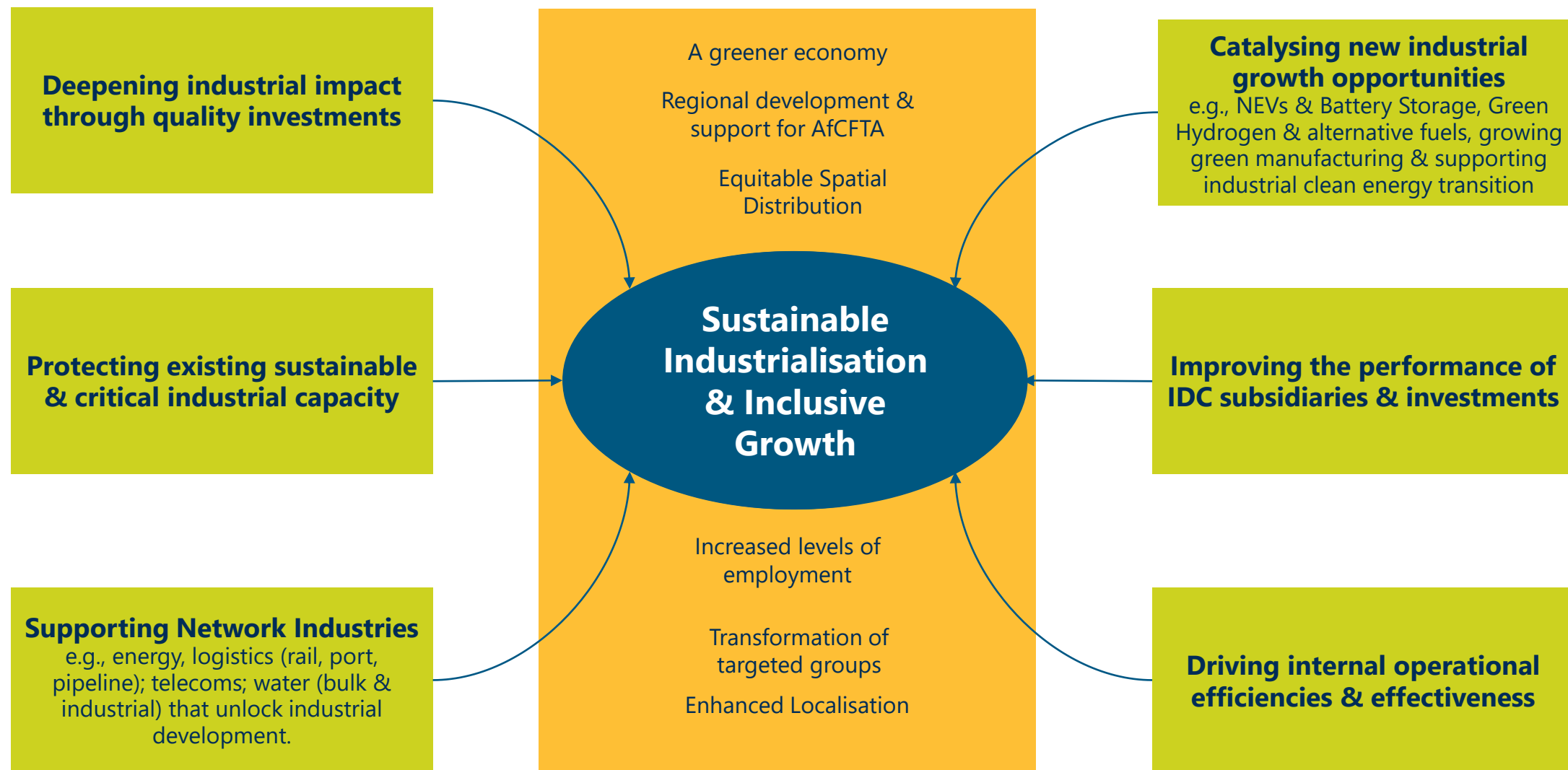


4

Closing Remarks



## Key Focus Areas for 2024/25 to 2026/27





# IDC 2024/25 REVISED APP





# ESIEID Cluster Economic Strategy and role of agencies

## Cabinet Ask of SA Economic Strategy

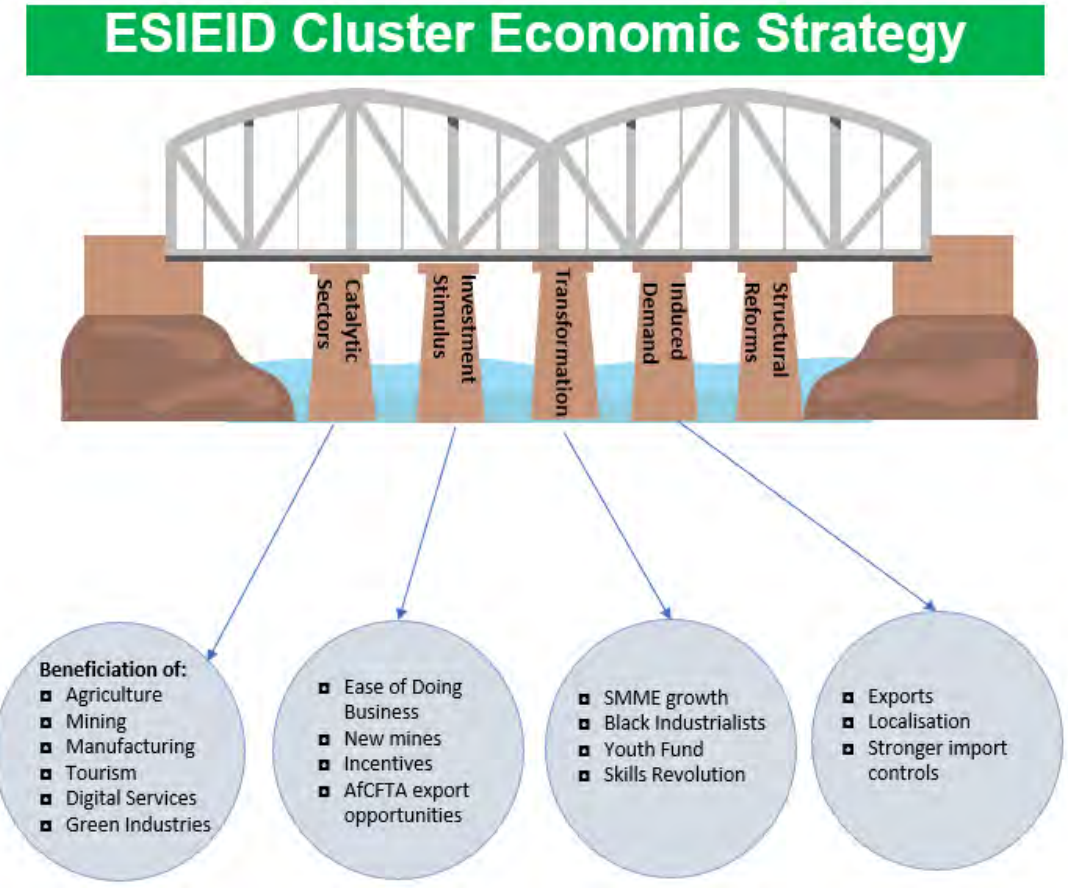
- **Problem:** SA economic performance is unable to address the triple challenges of unemployment, poverty and inequality.
- **Ask:** ESIEID Cluster to design an ambitious economic strategy that can **deliver between 3.5% to 4.0% GDP growth by 2028/29 and 4 million jobs** over and above the baseline.
- **Focus is on the impact** of economic performance on socioeconomic challenges

## DTIC Strategic Positioning

- DTIC **positioning itself to be the locus of SA economic policy-setting**
- Will **lead the ESIEID Cluster** for the 7<sup>th</sup> Administration – hence driving the development of the economic strategy and expects support from agencies
- Emphasis on catalysing **sustained (long-term) growth & development**

## DTIC Guidance to agencies

- What is the role of the agency in delivering more ambitious impact?
- Assuming there were no constraints, what could the agency deliver over and above existing commitments?
  - What hurdles need to be removed to allow the agency to deliver a higher impact?
- What collaborations and inputs from other gov departments are required to make the agency more effective?



# IDC contribution to Economic Cluster Results Framework – 5 Year Targets



**CLUSTER**  
4 million

**IDC**  
180 532  
created and  
saved

**JOBS  
CREATED**



**CLUSTER**  
R3 trillion

- IDC** funds disbursement R115.8 billion
- Funding leverage: R153.5 billion

**INVESTMENT**



**CLUSTER**  
255 000

**IDC Allocation**  
R11.2 billion

**IDC Impact**  
25 000 SMEs (IDC,  
3<sup>rd</sup> party funds and  
through  
intermediaries)

**SMEs  
SUPPORTED**



**CLUSTER**  
14.9 million

**IDC**  
2 000 hotel keys

**Tourist Arrivals:**  
1 033 544

**INTL.  
TOURIST  
ARRIVALS**



**CLUSTER**  
2.1 million

**IDC**  
250 000  
work  
opportunities

**WORK  
EXPERIENCE**



# IDC contribution to Economic Cluster Results Framework – 5 Year Targets



**DALRRD**  
441 000

**IDC**  
Aggregation  
model to support  
11 265 small scale  
farmers

**SUBSISTENCE  
FARMERS**



**CLUSTER**  
200 Industrial  
Parks + DDM

**IDC Allocation & Impact**

- 250 Black Industrialists: R19.9 billion
- 82 Women empowered: R8.8 billion
- 70 Youth Empowered: R3.2 billion

**TRANSFORM  
ATION**



**CLUSTER**  
20 Junior Miners

**IDC**  
10 Junior  
Miners

**NEW MINES**



**CLUSTER**  
R1 trillion

**IDC**  
R80 billion  
additional  
exports

**EXPORTS**



**IDC**  
Improvement  
in Turnaround Time  
for approvals  
within SLA (80%)

**RED TAPE  
REDUCTION**





# Q3 PERFORMANCE

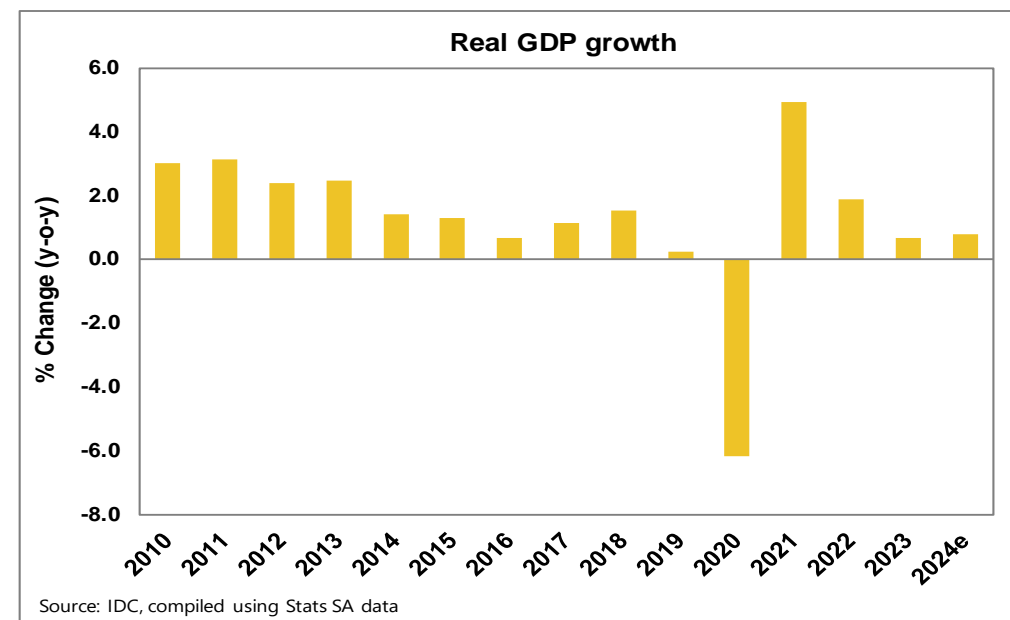
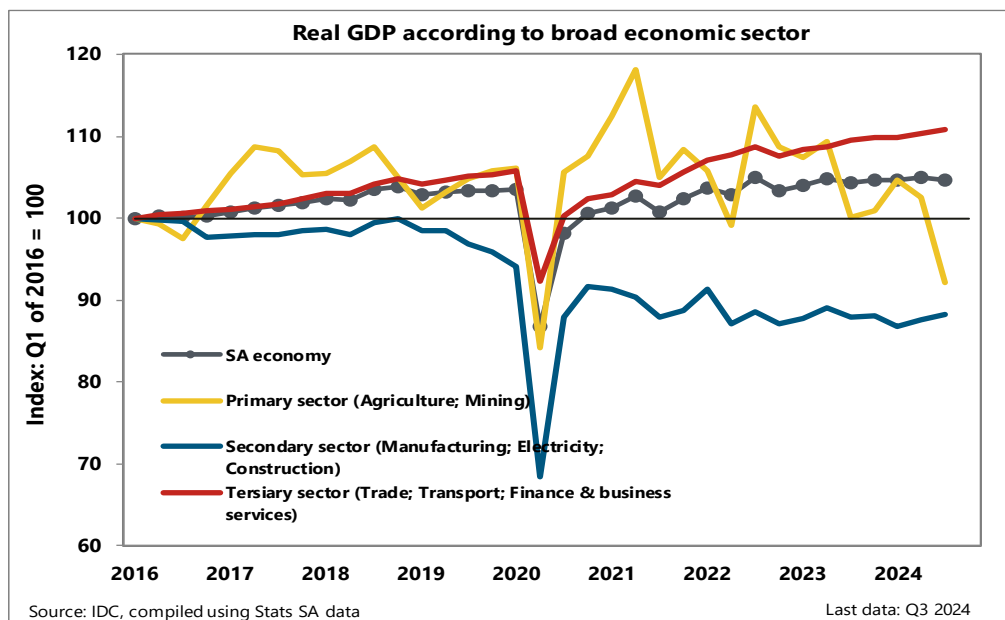






# Economy encountering a temporary setback

- After an encouraging performance in Q2 2024 (+0.3% growth), the economy recorded an unexpected 0.3% (q/q) contraction in Q3, mainly due to a sharp drop in agriculture output (-28.8%) on the back of drought conditions in several summer crop regions.
- However, excluding agriculture, the economy would have recorded a 0.4% expansion, while 6 out of the 10 broad sectors recorded higher output.
- A further increase in both mining and manufacturing output is welcomed, indicating some progress being made in these two crucial sectors of the SA economy. Nonetheless, challenges remain, with external demand and domestic infrastructure-related issues still affecting operational activity.
- The downturn in the transport & communication sector reflects difficult global trading conditions as exports and imports tumbled sharply in Q3 2024, as logistics challenges continue to impact external trade flows.
- The SA economy is caught up in a **structural low-growth trajectory** as real GDP expanded by a mere 0.7% p.a., on average, over the past decade and by just 1.3% annually over the period 2010 to 2024.



## FY25 Q3 Overall Performance

- Despite a challenging operating environment, Q3 results demonstrate a notable improvement over Q2. 11 out of 31 Key Performance Indicators (KPIs) were achieved in Q3, compared to 5 in Q2.
  - *Note: Data for the remaining 11 indicators will be available only after year-end.*
- The IDC target level outlined in the APP is substantially higher than the baseline/budget target, differing from the target-setting approach employed by other entities within the dtic group.
- Performance is lagging and is being addressed by initiatives to improve performance by the end of the financial year.

### Main performance concerns at Q3:

- Disbursements (on- and off-balance sheet);
- Job creation and preservation;
- Impairments;
- Non-performing loans.

### Drivers:

- A few large transactions contributed to positive operational activity in Q3.
- Notable contributions from Reatile Renewables Khangela and Reatile Renewables Sibanye.



# FY2025 Q3 Overall Performance and year-to-date Actual Performance



**R8 billion**

IDC funding approved



**R10.8 billion**



**R10.9 billion**

51% of Annual target

IDC on-balance funding disbursed



**R13.8 billion -  
64% of Annual target**

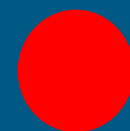


**R21.7 billion**

130% of Annual target  
Committed and facilitated funds to improve Spatial Equity (outside 6 main metros)



**R29.8 billion -  
179% of Annual target**



**38.3%**

9.6 % points higher than Annual target  
Impairments Ratio



**36.2% - 7.5%  
points higher than Annual target**



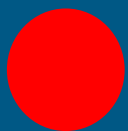
**R18.3 billion**

104% of Annual target

Committed to transformation funding includes funding leveraged



**R20.7 billion -  
118% of Annual target**



**8 820**

26% of Annual target

Number of Jobs expected to be created and saved IDC funds



**13 725 - 40% of Annual target**



**4 668**

58% of Annual target

Number of Jobs expected to be created through grant related funds



**19 569 - 243% of Annual target**



**404 MW**

70% of Annual target

Generated electricity capacity for approved projects



**1 050 MW -  
181% of Annual target**



## Transformation Funding

- Year-to-date, the IDC has facilitated and committed **R18.3 billion** to promote inclusive economic participation, leveraging funding from its own resources as well as 3<sup>rd</sup> party funders such as the dtic, commercial banks, and owners' contribution.
- Supporting economic inclusion remains fundamental to IDC's funding activities, achieved through tailored support for Black Industrialists, Black-owned companies, Women and Youth entrepreneurs.

### Women entrepreneurs

**R5 billion**

(142% of annual target)



### Black industrialists

**R15.2 billion**

(205% of annual target)



### Black-owned

**R15.7 billion**

(132% of annual target)



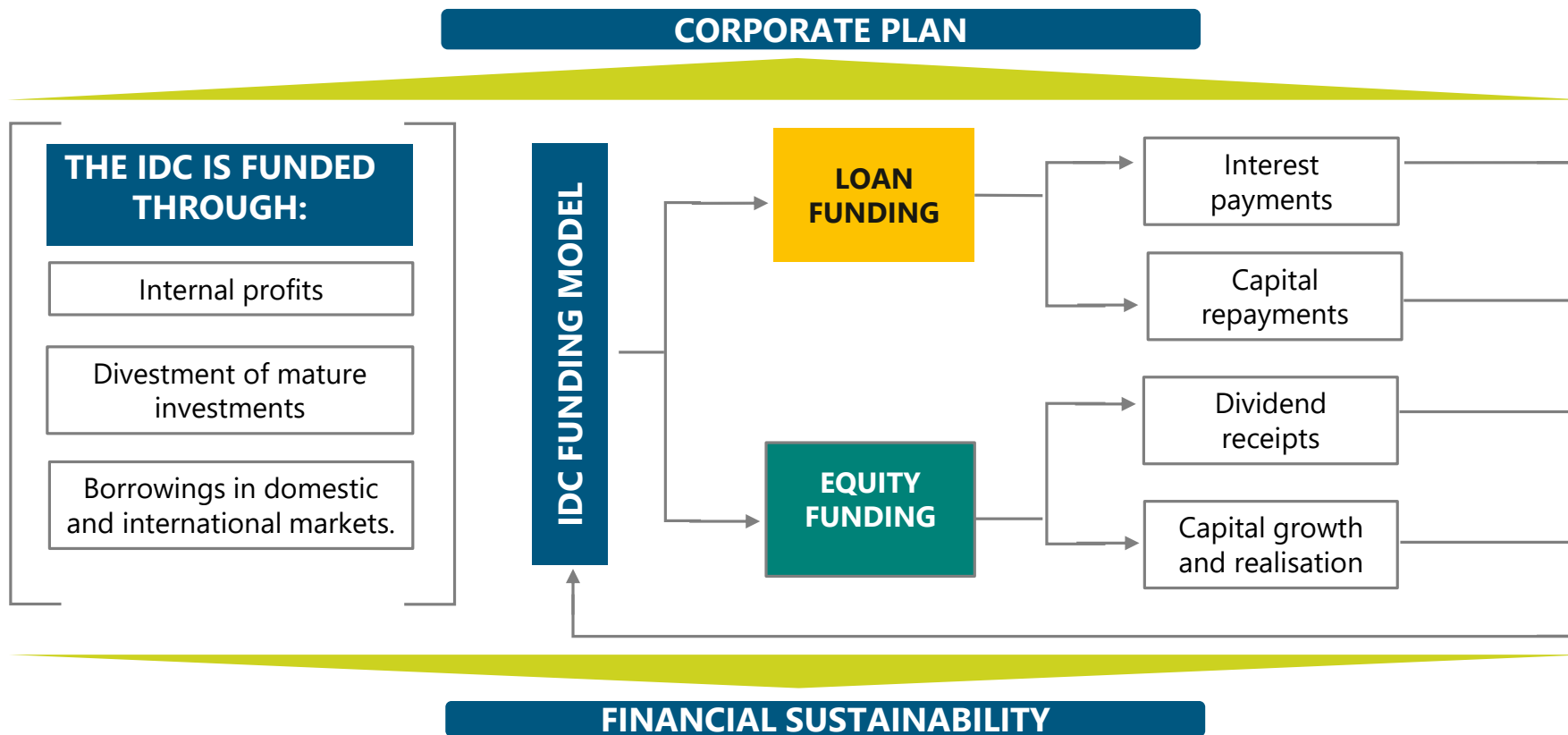
### Youth entrepreneurs

**R1.6 billion**

(105% of annual target)



# IDC's sustainable self-funding funding model



Proceeds from these funds are used to repay borrowings, cover costs and grow the balance sheet to re-invest in future businesses.

**Supplemented by off-balance sheet funds**





# Mini-Group: Overview

Measure	Unit	Dec 2024 vs. Dec 2023	Actual Dec 2023	Actual Dec 2024	Budget Dec 2024	Dec 2024 actual vs. budget
<b>Income Statement</b>						
Revenue	R'm	✗	10,572	7,976	9,202	!
Profit for the period after tax	R'm	✗	5,280	993	4,547	✗
JAWS ( $\Delta$ Revenue - $\Delta$ Operating cost)	%	✓	(51.1%)	(27.5%)	2.9%	✗
Cost-to-income ratio	%	✗	19.9%	30.5%	37.5%	✓
Cost-to-income ratio (incl. impairments)	%	✗	30.2%	85.6%	29.5%	✗
<b>Balance Sheet</b>						
Total assets	R'm	!	144,222	125,982	163,599	✗
Total equity	R'm	!	108,613	92,215	126,792	✗
Borrowings	R'm	✗	29,237	30,713	33,624	✓
Debt/equity ratio	%	✗	29.2%	33.3%	26.5%	✗
<b>Impairments</b>						
Total impairments (incl. write-offs) charge	R'm	✗	(887)	(3,117)	558	✗
Total impairment provision (BS)	R'm	✓	(23,614)	(22,764)	(20,853)	✗
Impairments as % of SPPI book	%	✗	34.9%	35.1%	26.4%	✗
Impairments as % of total book at cost	%	✗	37.2%	38.3%	29.0%	✗
NPL ratio (IFRS)	%	✗	42.7%	44.8%		
NPL ratio (amortised book)	%	✗	29.1%	29.6%		
<b>Cash Flow</b>						
Disbursements	R'm	!	13,467	10,911	17,668	✗
External funds raised	R'm	✗	2,204	5,771	9,000	✓
Borrowings repaid	R'm	✓	4,289	4,992	5,021	!
Capital repayments received	R'm	✗	12,266	8,658	5,984	✓

## Legend

- ✓ Reporting period better than comparison period
- ! Reporting period  $\geq$  80% of comparison period
- ✗ Reporting period  $<$  80% of comparison period





# CLOSING REMARKS



### **FY 2024/25 Corporate Plan**

- The IDC's priorities contained in the 2024/25 - 2026/27 Corporate Plan are fully aligned with government's policy direction.
- The IDC remains committed to developing and diversifying South Africa's industrial capacity, in the process facilitating job creation, reducing inequality and contributing to economic transformation.

### **Forecasted Performance Outlook**

- Significant transactions approved and forecasted to close in the last quarter.
- These are expected to improve overall performance.

### **Management Actions:**

- Areas of concern are being addressed in internal forums.
- Active steps are being taken to improve full-year corporate performance results.





*Thank you*



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# ANNEXURES – Detailed Performance Indicators





## Key Performance Indicators – Primary Indicators

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
a) Total investment flows facilitated	a) Total investment flows facilitated (R'm) (a1+a2.1+a3)	54 928	32 844	60%
a1) IDC on balance sheet funding	a1) Value of on-balance sheet funding disbursed (R'm)	21 416	10 911	51%
a2) Managed development funds	a2.1) Value of off-balance sheet funding disbursed (R'm)	4 133	2 042	49%
	a2.2) Value of off-balance sheet funding disbursed as % of funds available (this FY)	75%	45%	-30%
a3) Co-funding leveraged/ syndicated/ catalysed	a3) Value of leveraged funding committed by other funders (R'm)	29 379	19 891	68%
b1) Funds committed (financial close reached) and facilitated to support policy priorities: transformation	b1) Total funds committed and facilitated in support of transformation (Aggregate comprised of i) IDC own funds, ii) off-balance sheet funds and iii) leveraged/ catalysed funds). Transformation is broadly defined to include funding for Black Industrialists, black-owned companies, companies with broad-based ownership, trade union owned entities, women-entrepreneurs, and youth-entrepreneurs (R'm)	17 523	18 276	104%
b2) Increase in output for manufacturing companies supported (localisation and beneficiation)	b2) Growth in value of sales for manufacturing companies in IDC's portfolio (%)	8,00%	12.3%	4.3%



## Key Performance Indicators (continued)

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
c) Job creation and preservation	c1) Number of jobs expected to be created and saved from committed and facilitated funds (excluding grant-related funds) (Number)	34 023	8 820	26%
	c2) Number of jobs expected to be created and saved from grant-related funds committed and facilitated (Number)	8 045	4 668	58%
	c6) Percentage change in the number of people at South African companies in IDC's portfolio (% change y-o-y)	4%	1.4%	-2.6%
d) Project development & Industry Planning	d1) Investment value of projects that graduated from preparation to the investment phase (R'm)	4 800	1 800	38%
e) Improve quality of the portfolio through i) managed exits of non-performing assets, ii) appropriate origination of quality deal flow, iii) turnaround actions	e1.1) Impairment ratio (total book) (%)	28,70%	38.3%	-9.6%
	e2.1) Non-performing loans (NPLs) (%)	24,10%	29.6%	-5.5%
	e2.2) Rand value of NPL (R'm)	11 988	14 628	2 640
	e3) Achieve critical milestones in the turnaround plans for Cast Products SA, Foskor, and Kalagadi Manganese, and for other significant exposures			
f) Proactively driving and enabling the management of value increase of the IDC's unlisted portfolio	f) Appreciation in carrying value of unlisted investments (excluding listed assets) (y-o-y; %)	8,20%	2.83%	-5.4 %
g) Optimise the balance sheet for long-term sustainability	g) Growth in the value of reserves (y-o-y; %)	8,5%	-8.5%	-17 %





# Supporting Indicators

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
a0) Approvals	a0) Value of on-balance sheet funding approved (R'm)	26 627	8 007	34%
a4) Output growth by Black Industrialist clients (%)	a4) Output growth by Black Industrialist clients (%)	16.5%	23.3%	6.8%
b1) Funds committed (financial close reached) and facilitated to support policy priorities: transformation	b1.1) Black Industrialists (R'm)	7 400	15 170	205%
	b1.2) Black-owned businesses (R'm)	11 900	15 712	132%
	b1.3) Women-entrepreneurs (R'm)	3 500	4 978	142%
	b1.4) Youth-entrepreneurs (R'm)	1 500	1 578	105%
b3) Funds committed and facilitated to support policy priorities: Master Plans and IDC Industry Priorities	b3) Total: Industry Master Plans and IDC Industry Priorities (R'm)	24 930	25 876	104%
b4) Funds committed and facilitated to support policy priorities: Spatial equity	b4.1) Total funds committed and facilitated to improve spatial equity (investment outside 6 main metro municipalities (R'm)	16 660	21 735	130%
	b4.2) Total funds committed and facilitated for businesses in SEZs (including economic infrastructure projects that enable SEZs (e.g. energy supply, logistics, water) (R'm)	1 000	1 816	182%



# Supporting Indicators (continued)

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
b5) Funds committed and facilitated to support policy priorities: SME development	b5) Total funds committed and facilitated for SMEs (R'm)	5 493	2 143	39%
b6) Support for policy priorities: worker empowerment	b6) Number of workers that will gain a level of shareholding in their companies through direct or indirect structures in approved transactions (Number)	950	3 918	412%
b7) Support for energy provision	b7) Generating capacity for electricity generation projects approved, including utility scale and small-scale embedded generation (MW)	580	404	70%
b8) Export development	b8) Increase in exports generated for intra-regional and global trade through funds committed	14 000	5 456	39%
	c1.1) Number of jobs expected to be created from committed and facilitated funds (excluding grant-related funds (Number)	24 800	4 928	20%
	c3) Number of jobs expected to be created excluding construction and other short-term jobs annualised (excluding grant-related funds) from committed and facilitated funds (Number)	23 663	1 753	7%



## Supporting Indicators (continued)

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
c) Job creation	c4) Township economy jobs (Number)	3 828		
	c5) Jobs created / saved by Black Industrialists from committed and facilitated funds (excluding grant-related funds) (Number)	8 596	1 870	22%
New business development	d2) Number of proactive new business/deals generated	New measure: to be defined & methodology agreed with auditors during the year	37	
	d3) Number of projects (in EV's and critical minerals value chain (excluding pure mining extraction and concentration projects), green hydrogen) being funded either through project development or transactional funding	2	0	





## Supporting Indicators (continued)

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
New business development	d4) Progress against Green Economy Industry Planning implementation milestones.	Qualitative Assessment (1-5)	Available at year-end	
Improve quality of the portfolio	e4) Risk profile of the portfolio (predominantly medium risk portfolio) (%)	60,00%	48.2%	-11.8%
h) Build an organisational culture that is characterised by individual excellence, cross-divisional team collaborations	h) Culture entropy score	25%	Available at Year end	





## Supporting Indicators (continued)

Performance Area	Performance Indicator	Annual Target	Q3 Actual	Q3 Actual as % of Annual Target
i) Achieve efficiencies in terms of end-to-end deal process to meet desired service standards and deliver the right products and solutions to clients	i1) Customer satisfaction index (scale of 1 to 10)	8	Available at Year end	
	i2.1) Percentage of applications where the turnaround time from receipt of application to legal agreements having been signed is within the service standard of 64 business days for non-complex transactions (excluding projects, time waiting for client)	80%	45.9%	-34.1%
	i2.2) Percentage of applications where the turnaround time from receipt of application to legal agreements having been signed is within the service standard of 180 business days for complex transactions (excluding projects, time waiting for client)	80%	63.6%	-16.4%
j) Enhance IDC's reputation and build trust amongst its stakeholders.	j) Reputation survey score (scale of 1 to 100)	75	Available at Year end	





# ANNEXURES – IDC Case Studies



# Case Studies

## JK Abattoir (Pty) Ltd



Type of Funding	General Loan
Type of Product	Poultry Products
Sector	Agro Processing and Agriculture
Province	North West
District Municipality	Lindequesdrif
Expected Jobs	526
Ownership	Women

The IDC has approved a collective funding for JK Abattoir (Pty) Ltd and K2018378909 SA (Pty) Ltd for the establishment of a vertically integrated poultry operation in Lindequesdrif, North West. The funds approved will be used for the establishment of 25 broiler and construction of an abattoir processing facility.

The poultry industry is strategic and contributes to stability and food security. Support for this fully integrated poultry business also supports the IDC's industry development goals of increasing capacity, supporting transformation objectives through a revised shareholding structure which includes BEE equity participation, support for female black industrialists and job creation.

The purpose of the funding is to assist K2018378909 SA (Pty) Ltd acquire shareholding JK Abattoir, that will offer a wide range of fresh and frozen poultry products (supplied whole or pre-cut) from its production and processing facility. K2018378909 is an SPV that represents a BEE Consortium that will acquire an equity stake in JKA. This entity has also received funding from the IDC for the establishment of a worker's trust.



# Case Studies

## Rocky Brands & Marketing



Type of Funding	General Loan + MCEP
Type of Product	Manufacturer of cleaning products
Sector	Small Business Finance
Province	Gauteng
District	City of Johannesburg
Municipality	
Active Jobs	16
Ownership	Youth, Black Industrialist

Penetrating a market dominated by long-established household brands with loyal followers requires guts and ingenuity. Fortunately, Rishav Juglall has these qualities in bucketloads. Buoyed by his marketing and economics background, Juglall founded Rocky Brands in 2011 after he discovered he could undercut retailer pricing on many goods. This realisation came when his mother asked him to buy a glasstop-stove cleaner, which he found at a leading store.

Much curiosity and some research later, Juglall found a similar product manufactured by Weiman in Illinois, United States. At the time, it was Walmart's top-rated brand. He captured the attention of Weiman executives after he submitted a sales pitch to introduce its product range in South Africa. So taken aback were these decision-makers that they sent Juglall free samples to test the market. It would prove a clean sweep for all concerned.

Between 2015 to 2018, the Rocky team bottled its products by hand, buying a desktop filler only in 2018, when it relocated from Durban to Johannesburg and opened a 2000m<sup>2</sup> manufacturing facility at Riversands incubation hub.

Impressed by the ingenuity of the entrepreneur and his great chances of success, the IDC approved funding to enable Rocky Brands to expand and ensure its products meet the stringent requirements of South Africa's leading retailers.

There seems little doubt that this will transpire, as Rishav is cleaning up in other areas too, having been recognised as one of the country's most enterprising and innovative youngsters, having scooped top honours in the Ferro Coating Resins Group Durban chemical cluster competition, followed in 2022 by the Pick n Pay supplier of the year title.





# Case Studies

## Golden Era Group



Type of Funding	General Loan
Type of Product	Manufacturing
Sector	Textiles and Wood Products
Province	North West and Western Cape
District	Moses Kotane and City of Cape Town
Municipality	
New Jobs	3,500 active employees a total of 560 additional jobs have been created from this project.
Ownership	Black Industrialist, Women Owned, Youth Owned

Established in 1955 by Bhoola Chita, Golden Era Printers and Stationers, specialises in paper bag manufacturing and over the years expanded and diversified its offerings. The Golden Era Group of companies is a leading South African family-owned business specializing in packaging products, including paper packaging (cartons and corrugated), food cans, beverage cans, and packaging labels. The group recently secured funding to expand its production capacity in corrugated board and food canning manufacturing. The expansion in corrugated board manufacturing aims to meet the growing demand for corrugated boxes, driven by the growth in agricultural fresh produce and the rise of e-commerce among others.

The company has since installed a state-of-the-art automated corrugator and plans to further enhance its capabilities by installing a cutting-edge litho printing machine to provide comprehensive services to its customers. They also plan to increase its food canning capacity by installing a state-of-the-art can making machine at its Cape Town plant. Additionally, the company intends to install a complete line for manufacturing can bases and easy opening ends in Mogwase, North West, which will replace imports as the majority of easy open ends cans are currently imported. The project will be executed through various entities: New Era Packaging Bops (Pty) Ltd ("New Era") for the corrugator expansion in Johannesburg, Mogwele Waste (Pty) Ltd ("Mogwele") for the corrugator expansion in Cape Town, and Gayatri Cans (Pty) Ltd ("Gayatri") for the easy open ends making machine in Mogwase and the expansion of the can making machine in Atlantis, Cape Town.



# Case Studies

## Mokoka Shabangu Farming and Poultry (Pty) Ltd



Type of Funding	General Loan
Type of Product	Farming: Broiler Growing
Sector	Agro Processing and Agriculture
Province	Gauteng
District	City of Tshwane
Municipality	
Jobs Created	19
Ownership	Black Industrialist, Women Owned

Mokoka Shabangu Farming and Poultry (Pty) Ltd is a start-up broiler contract growing entity and a 100% black female-owned business which was incorporated in 2019. The business is owned by Phiwokuhle Shabangu and Palesa Mokoka and it operates from a farm situated in Bronkhorstspuit.

This company received funding approval for the establishment of 10 new broiler houses for 450 000 birds per cycle. This expansion increases the number of slaughter birds (and indirectly contribution to meat production) coming from black poultry producers in the industry. It also helps to ensure that local production makes up a higher component of consumption in the future. Poultry provides the most affordable source of animal protein to the South African consumer, which makes it critical to food security.

This investment is aligned with IDC's commitments to the Poultry Master Plan, the IDC Industrial Development Plan and strategy to support the scale-up and commercialization of black contract broiler farmers. This also supports inclusive development and allowing black female industrialists to further entrench themselves in the sector.

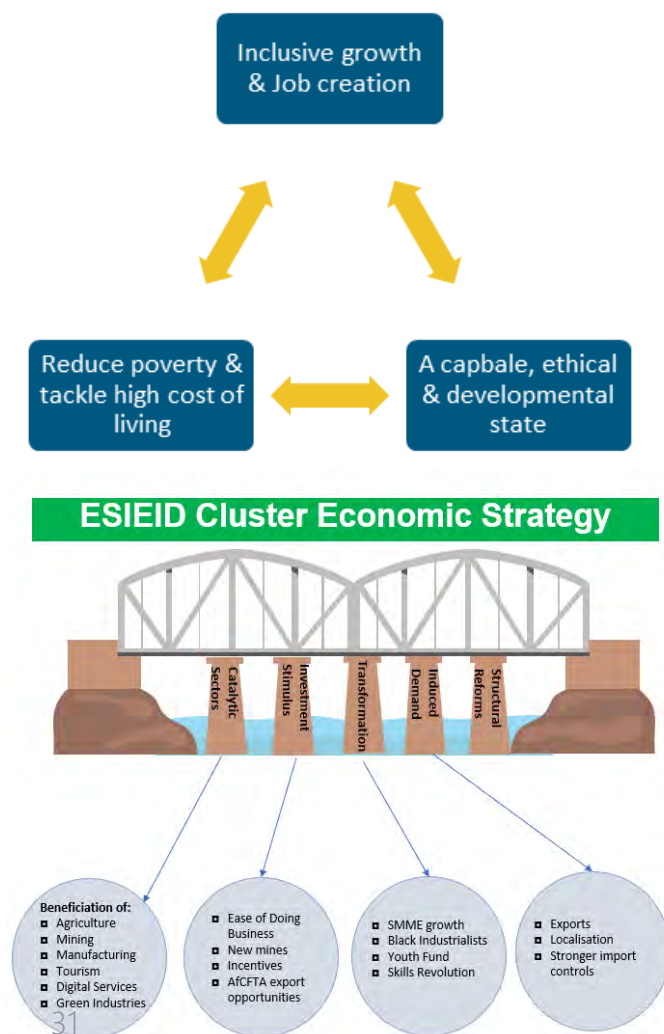




# ANNEXURES – IDC alignment to ESIED Cluster

# IDC Alignment to ESIEID Cluster Economic Strategy

The Economic Cluster (ESIEID) is developing an economic strategy for South Africa, aiming to achieve 3.5 % growth while addressing socio-economic challenges. Preliminary priority interventions, are aligned with the 7th administration's priorities and the IDC's pathways, as summarised below.



7th Administration & ESIEID Priorities	IDC's Pathways towards sustainable, inclusive industrialisation
<ul style="list-style-type: none"> <li>Labour-intensive sectors such as services, agriculture, green manufacturing &amp; tourism</li> <li>Processing minerals to export finished goods (diversification/beneficiation from standard minerals).</li> <li>Manufacturing, high-value agriculture, high-value services.</li> <li>Explore opportunities in digital services</li> <li>SMME growth</li> <li>Black Industrialists</li> <li>New Mines</li> </ul>	<ul style="list-style-type: none"> <li>Diversification &amp; Jobs Rich Industrialisation</li> </ul>
<ul style="list-style-type: none"> <li>Renewable energy revolution incl. creating a green manufacturing sector centred on the export of green hydrogen and associated products, electric vehicles and renewable energy components.</li> <li>Processing minerals to export finished goods (critical minerals game plan).</li> <li>Export-led growth.</li> <li>Sector focus: Manufacturing, Mining (critical minerals), high value services.</li> </ul>	<ul style="list-style-type: none"> <li>Catalysing Low Carbon &amp; Green growth</li> </ul>
<ul style="list-style-type: none"> <li>Infrastructure and innovation.</li> <li>Sector Focus: Agriculture, Infrastructure &amp; Tourism</li> </ul>	<ul style="list-style-type: none"> <li>Supporting Resilience to Economic &amp; Physical Climate Change Risks</li> </ul>
<ul style="list-style-type: none"> <li>Labour-intensive sectors such as services, agriculture, green manufacturing &amp; tourism</li> <li>Processing minerals to export finished goods</li> <li>Export-led growth</li> <li>Prioritise implementation of AfCFTA.</li> </ul>	<ul style="list-style-type: none"> <li>Regional Value Chains</li> </ul>

# IDC Alignment to ESIEID Cluster Economic Strategy..cont

ESIEID Pillars	IDC Alignment
<b><u>1. Catalytic Sectors</u></b> Beneficiation of : - Agriculture - Mining - Tourism - Digital Services* - Green Industries**	<b><u>1. Current Sectors:</u></b> ✓ Agro Processing & Agriculture ✓ Machinery Equipment & Electronics ✓ Automotive & Transport Equipment ✓ Textiles & Wood Products ✓ Chemicals, Medical & Industrial Mineral Products ✓ Mining & Metals ✓ Tourism & Services ✓ Energy ✓ Infrastructure  <i>*IDC's approach to digital services sector to be considered in FY2025/26 APP</i> <i>** Green Industries transverses IDC sectors</i>
<b><u>2. Investment Stimulus:</u></b> • Ease of Doing Business • New Mines • Incentives • AfCFTA export opportunities	• Internal review of processes underway to review turnaround time thresholds – Improvement in Turnaround Time for approvals within SLA (80%). • R400 million Junior Mining Fund - to increase Black Junior Miners participation (to be scaled up in FY2025/26) • IDC to continue leverage its fund management capability to attract, manage & deploy incentives & other concessionary funds • R80 billion of exports target by IDC business partners. • New Industries: Implementation of 3 High impact projects in green hydrogen, agro processing, or critical minerals.
<b><u>3. Transformation</u></b> • SMME Growth • Black Industrialists • Youth Fund • Skills Revolution	• IDC targeting to support 25 000 SME's and invest R28.9 billion - (Through IDC, 3rd party funds and through Intermediaries). (IDC Own funds – R11.2bn) • IDC plans to invest R19.9 billion (own funds) to BI's – leveraged funding of R51.8 billion. • Funding for youth : IDC own funding, R 1.4 billion, leveraged funding of R5.1 billion • Work Experience: 250 00 work opportunities (work opportunities created through 3rd party funds & Intermediaries), Interns: IDC Target 125 over 5 years.
<b><u>4. Induced Demand</u></b> • Exports • Localisation • Import Controls	• R80 billion of exports by IDC business partners is targeted over the five-year period. • Increase in output for manufacturing companies supported - i.e., growth in sales for manufacturing companies in IDC's portfolio
<b><u>5. Structural Reforms</u></b>	• IDC has allocated funding of R33.5 billion for infrastructure and energy sector projects, prioritising strategic, large-scale interventions to unlock industrial development.