

BLACK INDUSTRIALIST PROGRAMME

Parliament briefing by the Department of Trade, Industry and Competition on the Black Industrialist Programme



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



BLACK INDUSTRIALIST REPORT

CONTENTS

Part A	Introduction
Part B	Performance Overview
Part C	Case Studies
Part D	Conclusion

A large white letter 'A' is centered on the left side of the image. The background is split diagonally from the top-left to the bottom-right. The upper-left portion is a solid green color, while the lower-right portion shows a grayscale photograph of an industrial factory interior with various machinery and conveyor belts.

A

PART A: INTRODUCTION

INTRODUCTION

the dtic has a mandate to support economic growth, job creation and transformation. The department uses industrial development, trade policies and competitiveness measures to broaden empowerment and economic inclusion.

This presentation addresses one aspect of **the dtic's** broad transformation mandate, focusing mainly on the department's support to black industrialists.

INTRODUCTION

- Transformation
- Empowerment policies for transformation
 - Evolution of empowerment policies
 - Challenges
- Observations
 - Beyond shareholding
- Focus on industrial expansion:
The Black Industrialist Policy

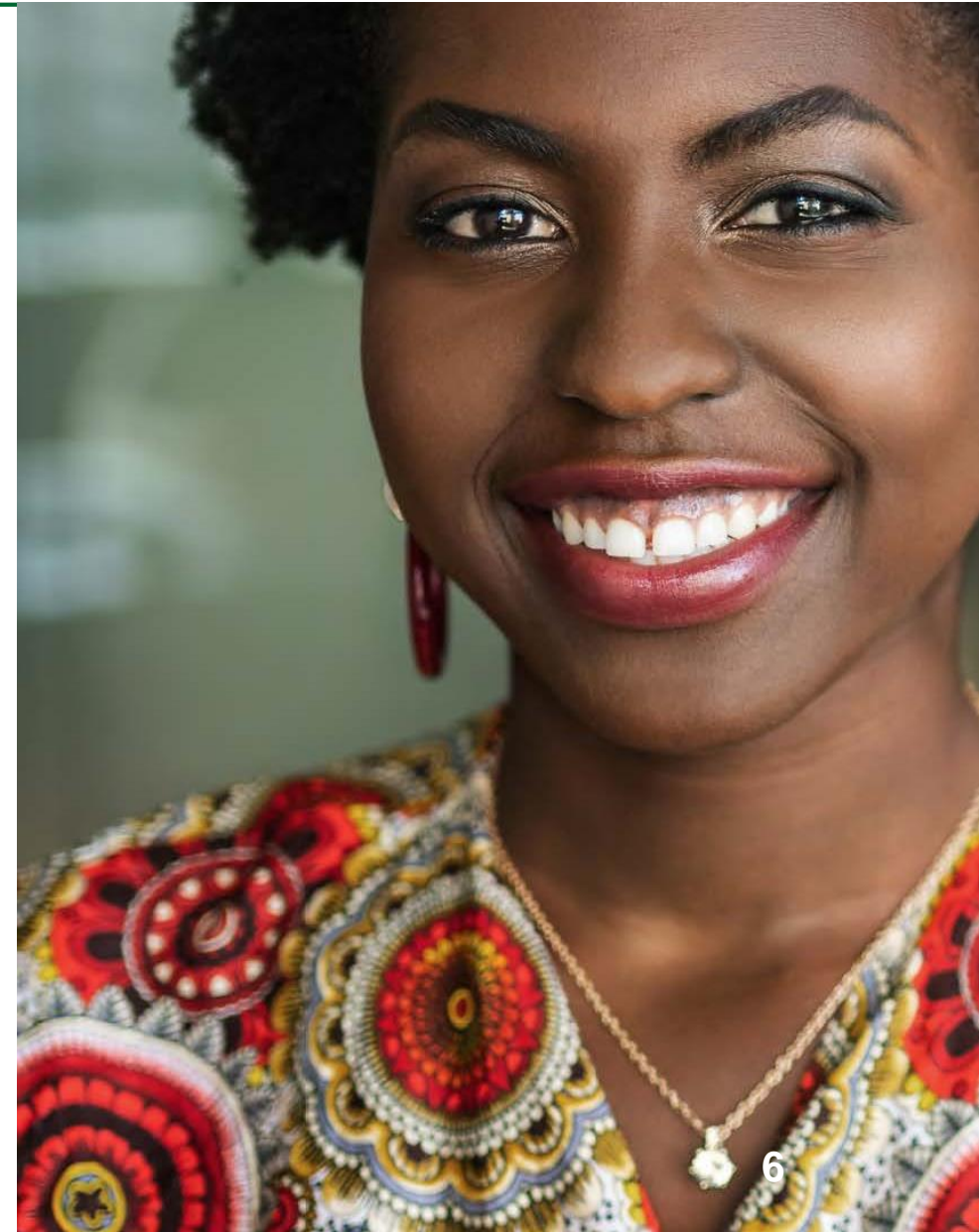
PROMOTING TRANSFORMATION



INTRODUCTION CONT.....

The presentation highlights some of the work of the Department of Trade, Industry and Competition (**the dtic**), in developing and supporting a new class of South African industrialists.

- Over the last five years, some R4 billion has been invested through funding initiatives within the **dtic** in nearly 135 black industrialist businesses.
- This funding has supported the creation of new and dynamic enterprises in a number of critical value chains across all nine provinces, crowding in additional investment from the private sector as well as creating and saving about 6 900 jobs.
- Over the next five years, we will seek to invest in new industries which can reduce our reliance on imports by 20% and boost our economic output.



INTRODUCTION CONT.....

- The presentation provides details of some of the supported black industrialists by the **dtic** over this period.
- Case studies cover a range of productive sectors:
 - food production
 - clothing and textiles
 - electrical equipment
 - furniture and wood products
 - chemicals and plastic products
 - metals and engineering
 - automotives
 - construction and building



B

PART B: PERFORMANCE
OVERVIEW

Performance Overview

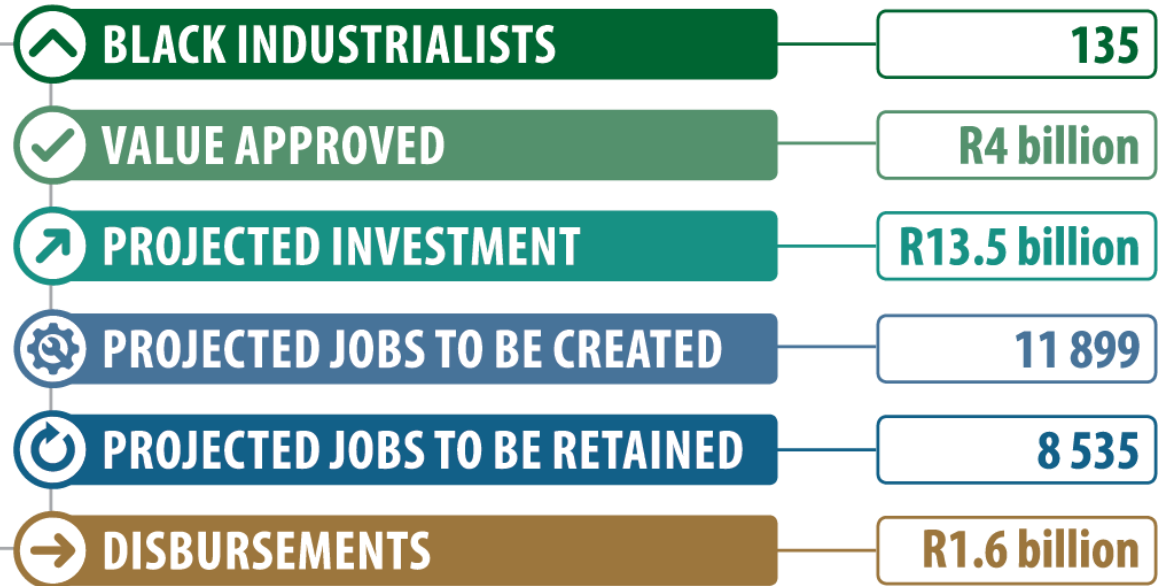


the dtic

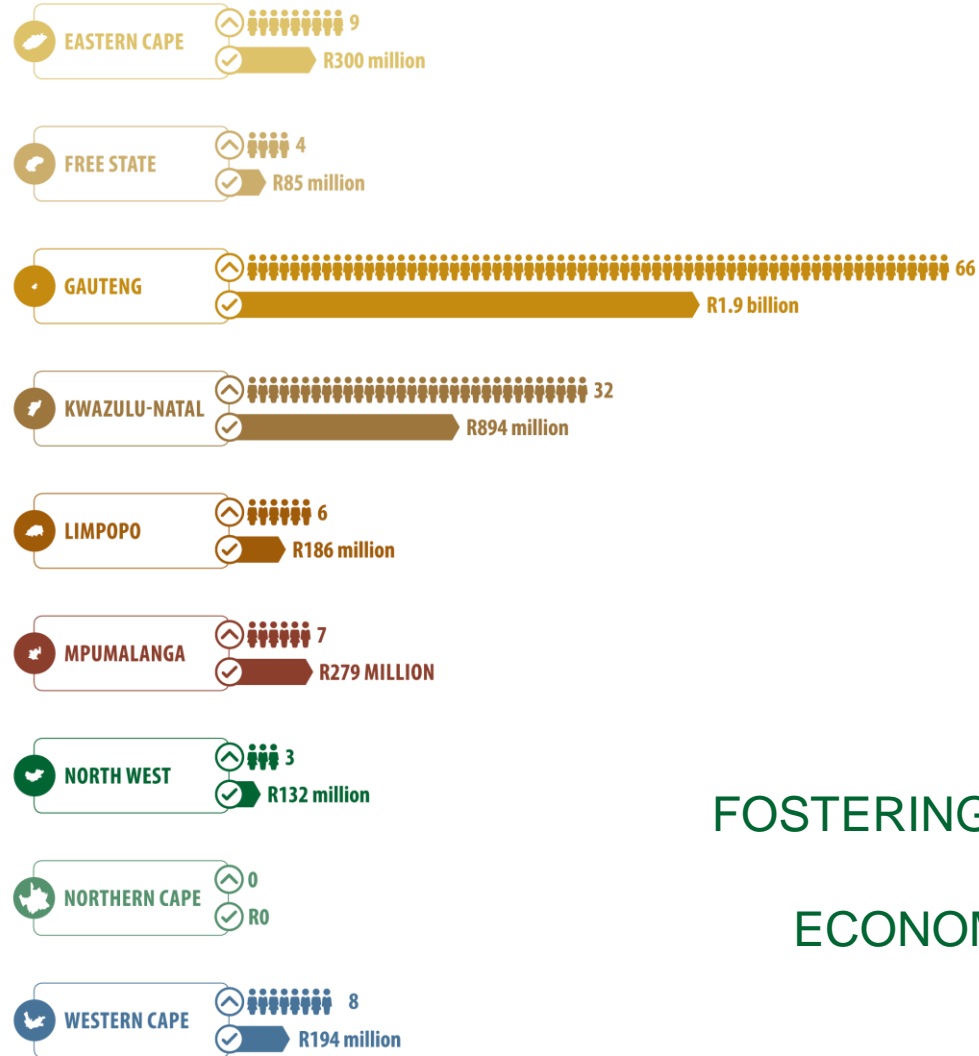
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SOUTH AFRICA



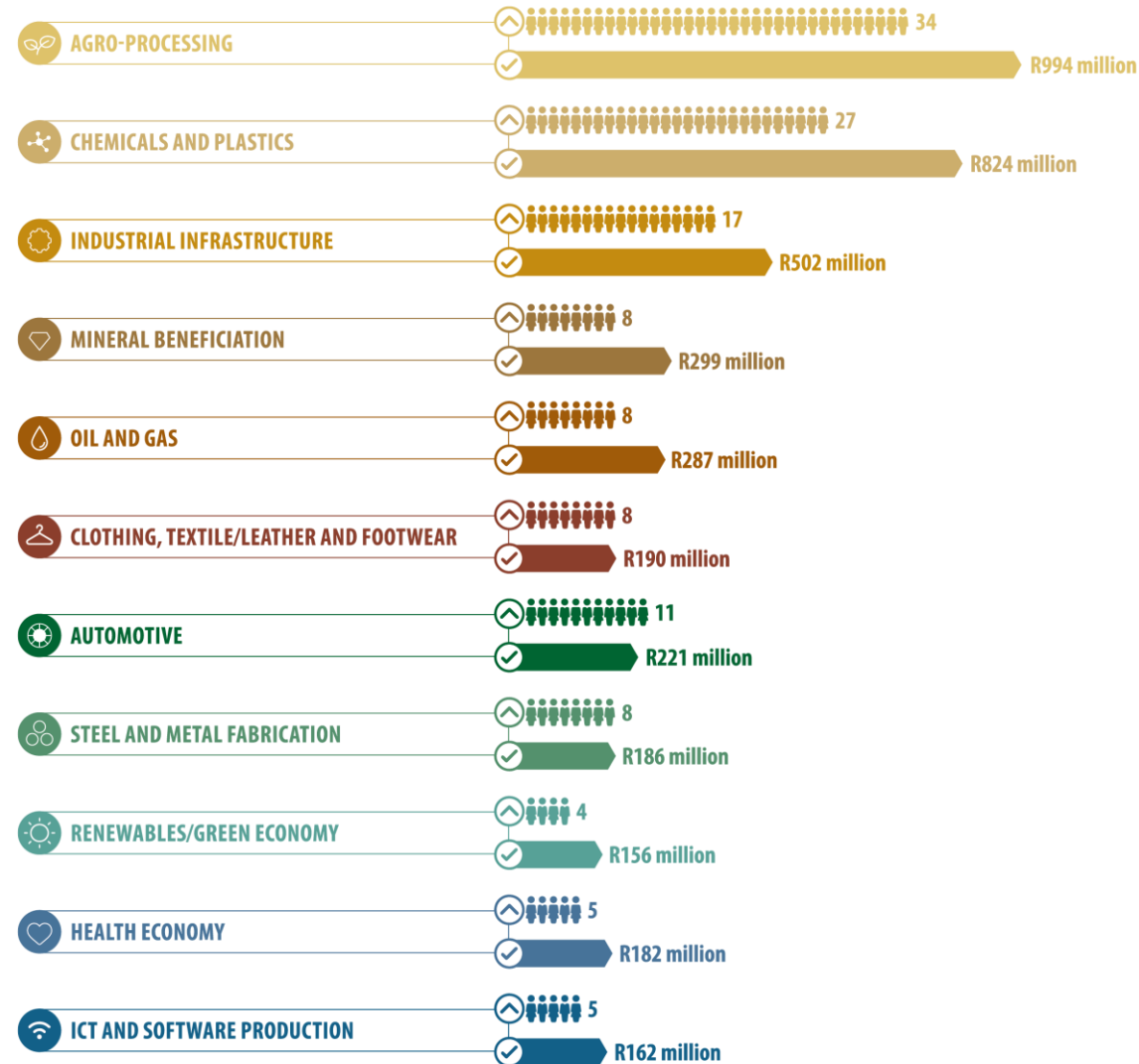
the dtic: BLACK INDUSTRIALISTS BY PROVINCE



STIMULATING INVESTMENT TO UNLOCK INCLUSIVE ECONOMIC GROWTH, CREATING JOBS AND POSITIONING SOUTH AFRICA FOR SUSTAINABLE RECOVERY

FOSTERING AND STRENGTHENING BROAD-BASED INDUSTRIALISATION IN ECONOMICALLY DEPRESSED AREAS OF SOUTH AFRICA

INVESTMENTS BY STRATEGIC SECTORS



PART B: Performance Overview




INJECTING NEW
ENTREPRENEURIAL
DYNAMISM ACROSS
A DIVERSE RANGE
OF SECTORS BY
SUPPORTING
BLACK
INDUSTRIALISTS



C

PART C: CASE STUDIES

A man with a beard, wearing a white lab coat, is looking intently at a tablet computer. He is in a greenhouse, with rows of plants and overhead lighting visible in the background. The scene is brightly lit, suggesting a modern agricultural or research environment.

CASE STUDIES:
**AGRICULTURE
AND AGRO-
PROCESSING**

AFRICA SUN OIL (PTY) LTD



Founded in 1997, Africa Sun Oil (Pty) Ltd is a black entity-owned company producing soya bean oil, sunflower oil, maize oil, palm oil and candles. The company's main office is in Durban, KwaZulu-Natal, but the operation expanded to Gauteng in 2007.

the dtic-funded project supported the capacity expansion in Gauteng through acquisition of machinery and equipment, commercial vehicles and the construction of warehouses and storage tanks for crude oils.

Through to increase their capacity, the project is replacing 5% of imported sunflower oil, while reducing oil waste.

BLACK INDUSTRIALIST	ANWAR MOOSA
LOCATION	JOHANNESBURG, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	134
JOBS RETAINED	204

PRODUCTS

Cooking oil



EASTERN TRADING (PTY) LTD



Eastern Trading is a large producer of tomato paste, including All Joy. It has enlisted 80 small and medium farmers in the Tzaneen area to supply tomatoes.

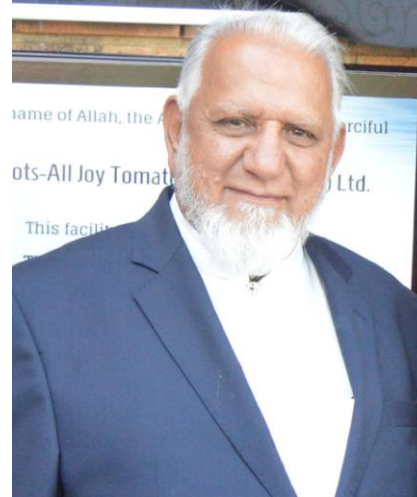
The project received a grant from **the dtic's** BIS to support its expansion plans.

The grant funded machinery and equipment and business support for its Tzaneen tomato paste plant, whose capacity has grown from 100 tons a day to 500 tons.

BLACK INDUSTRIALIST	ISMAIL EBRAHIM DARSOT
LOCATION	TZANEEN, LIMPOPO
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	71
JOBS RETAINED	125

PRODUCTS

Sauces



MAJESTY OIL MILLS (PTY) LTD



Majesty Oil Mills received **the dtic** funding for machinery and equipment and owned buildings. The project is an expansion of an existing facility, which employs 252 people and manufactures soya and sunflower products such as cooking oil and soya de-oiled cake for the animal feed industry.

The plant has been commissioned and is producing 500 tons of soya seed a day, which will reduce quantities of imported soya bean oil cake and soya bean oil. An investment in the hot dehulling plant enabled the project to increase crush volume, which has decreased the cost per ton to R250. Energy saving measures instituted have improved energy use and lowered energy costs.

At the time of the latest claim in September 2020, the project reported that local procurement was 62% and that it had increased its market share for oil products from 16% at application stage to 39%.

BLACK INDUSTRIALIST	DHAYANANTHAN PILLAY
LOCATION	KRUGERSDORP, GAUTENG
FUNDING TYPE	IDC LOAN AND the dtic COST-SHARING GRANT
JOBS CREATED	23
JOBS RETAINED	229

PRODUCTS

Soya crushing



THE NOODLE FACTORY



In 2009, Mohammed Parker approached the IDC for a loan to establish South Africa's first independent instant noodle manufacturer.

After obtaining further grant funding from **the dtic**, he imported the necessary manufacturing equipment.

From employing fewer than 10 people, the newly minted black industrialist employed 109 full-time employees in 2018. While the Covid-19 pandemic has affected consumer spend, production capacity should grow once consumer demand picks up.

Once operational, The Noodle Factory's new production line is expected to be the single largest noodle production facility in South Africa and, most likely, on the continent.

BLACK INDUSTRIALIST	MOHAMMED SHAKIEL PARKER
LOCATION	PHILIPPI, WESTERN CAPE
FUNDING TYPE	IDC LOAN AND the dtic COST-SHARING GRANT
JOBS CREATED	N/A
JOBS RETAINED	109
	PRODUCTS
	Noodles



SAUCY SECRETS CC



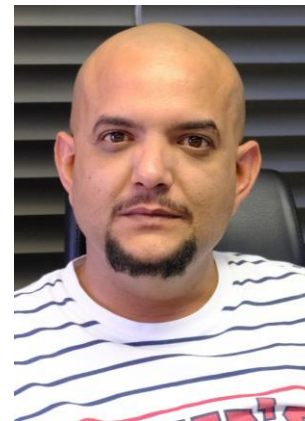
In 2008, Rashaad Musa and Ricardo Ferreira identified an opportunity to manufacture sauce for the low- and middle-income markets.

Saucy Secrets supplies supermarkets and caterers in the Eastern Cape. The black industrialist funding enabled the company to obtain accreditations, expand its product lines and print its packaging in-house. It subsequently expanded into still and flavoured water, carbonated drinks, cordials and squashes. It also diversified into blown bottles and blended and concentrated juices. The investment in printing allows Saucy Secrets to design and produce high-quality branding for customers. The project sources all raw materials domestically.

BLACK INDUSTRIALIST	RASHAAD MUSA
LOCATION	UITENHAGE, EASTERN CAPE
FUNDING TYPE	IDC LOAN AND the dtic COST-SHARING GRANT
JOBS CREATED	23
JOBS RETAINED	40

PRODUCTS

Sauces



SIYAYA BRANDS (PTY) LTD



Siyaya Brands (Pty) Ltd started operations in 2009 in the production and distribution of kettle fried crisps, pellet snacks and coffee. The company has since invested in additional machinery and equipment, building improvements and commercial vehicles.

Exports into the Southern African Development Community increasing significantly. Its product quality has given Siyaya Brands a competitive edge and it has secured sales agreements with household South African retail brands. For the kettle fried crisps, total procurement is from the local market. At application stage, the company did not have any black suppliers, but by the second stage, in March 2020, 60% of packaging material and oil were procured from black-owned suppliers.

The company has also converted its electricity burners into gas burners, which has substantially lowered electricity costs.

BLACK INDUSTRIALIST	KURA SIBANDA
LOCATION	RANDBURG, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	23
JOBS RETAINED	24

PRODUCTS

Crisps and Snacks



Source: <https://www.elbers.co.za>

SUNOLA OIL MILLS



Sunola Oil Mills intends to expand to manufacture vegetable oils for human consumption. Approval was granted for machinery and equipment, a manufacturing facility and commercial vehicles and equipment, installation is 80% complete. In October 2020, the project was anticipating starting commercial production by December 2020.

The company has consolidated its competitiveness with the purchase of two new superlink trucks. Cross-border opportunities have emerged in Swaziland and are currently being explored in Botswana and Angola.

BLACK INDUSTRIALIST	YUSUF MOOSA
LOCATION	AEROTON, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	1
JOBS RETAINED	21

PRODUCTS

Cooking oil



Source: <http://www.goldenglo.co.za>



CASE STUDIES:
AUTOMOTIVE

RONDEX PARTS (PTY) LTD



Rondex Parts (Pty) Ltd is expanding to manufacture brake pads, with approval granted for machinery and equipment, commercial vehicles and the construction of a new building.

The company currently imports all heavy duty and light commercial brake pads, but import dependence will drop once local production starts, which will have cost and order turnaround benefits.

The new machinery, with its advanced technology in energy efficiency and power saving, will also reduce energy costs and CO² emissions.

BLACK INDUSTRIALIST	AYESHA KUCULYILMAZ
LOCATION	SEBENZA, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	6
JOBS RETAINED	12

PRODUCTS	
	Brake pads





CASE STUDIES:
**CHEMICALS
AND
PLASTICS**

BLENDTECH (PTY) LTD



Founded in 2015, Blendtech (Pty) Ltd produces lubricants for the automotive, mining and agriculture industries.

the dtic funded machinery, equipment and commercial vehicles for automation that will enhance product quality. The project also includes sophisticated laboratory equipment to perform international-standard quality tests. The factory will be designed according to international environmental standards and incorporate energy-saving lighting, solar panels, waste recycling and hardware to reduce contamination and oil spillages.

BLACK INDUSTRIALIST	GOPAUL NAIDOO
LOCATION	MARIANN INDUSTRIAL PARK, KZN
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	42
JOBS RETAINED	38

PRODUCTS
Lubricant products



Source: <https://www.blendtechsa.co.za/about>

DALISU HOLDINGS



Dalisu Holdings was formed as a joint venture between Dalisu Speciality Products, a 100% black-owned company, and Mpact to provide a dust-suppression service to the mining industry. It produces sodium lignosulphonate, a dust suppressant obtained from black liquor, which it is branded. It has also developed a way to produce sodium sulphate from salt cake obtained from Mpact's pulping process.

The IDC has funded the construction of the high purity 82 tons a day sodium sulphate plant, which will commercialise this process.

BLACK INDUSTRIALIST	MOHLOMI MOTHABI
LOCATION	PIET RETIEF, MPUMALANGA
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	23
JOBS RETAINED	N/A

PRODUCTS

Dust suppressant



HOTO TRADING AND PROJECTS



Hoto Trading and Projects received funding from **the dtic's** BIS to expand existing operations. The company offers a range of flexible packaging solutions, flexible ducting and cable insulation and sources locally produced materials from South African Bureau of Standards-approved suppliers.

The project is currently running at about 25% to 30% capacity due to Covid-19, but is showing signs of recovery. The company is able to buy locally about 90% of previously imported aluminium polystyrene film products. About 10% of PET polystyrene film is still imported from China and India.

The company reported production of about 500 tons a month in November 2020, exporting to Zimbabwe and Botswana. The new investment has enabled it to conclude a deal with a USA-based company for its packaging and cabling products.

BLACK INDUSTRIALIST	MTHUNZI LUCAS LUGULWANA
LOCATION	HEIDELBERG, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	8
JOBS RETAINED	6

PRODUCTS
Laminating and slitting



INTERSTELLAR PLASTICS (PTY) LTD



Interstellar Plastics was incorporated in 2012 and started operating in 2017 after receiving support from the BIS incentive. The company, based in Midrand, Gauteng, manufactures plastic packaging containers for soft drinks, household cleaners and other consumer goods. The BIS support funded a patent and provided rebates on new machinery that facilitates the use of new and recycled raw materials in production and the production of custom-design plastic packaging, for which demand is increasing. Furthermore, BIS support was paramount to the company's return on capital expenditure and improved market access. Interstellar Plastics employs 33 people, all of whom are black and four of whom are female. The company plans to upskill current staff and recruit a further 50 people in 2021.

Due to Covid-19, Interstellar Plastics has put planned projects on hold and is producing more packaging for fast moving consumer goods such as soaps, detergents and sanitiser. New markets have been captured and there is potential to export anti-bacterial and anti-viral packaging.

BLACK INDUSTRIALIST	SULEIMAN KHAN
LOCATION	LENASIA, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	17
JOBS RETAINED	16

PRODUCTS

Plastic packaging containers



KEVALI CHEMICALS



Pooling their savings and supported by an IDC loan and incentive funding from **the dtic**, three black industrialists launched the 100% black-owned Kevali Chemicals in 2014.

In 2018, it opened a 3 000m² chemical plant in Harrismith's Maluti-A-Phofung special economic zone, where it manufactures chemicals for hygiene and sanitation, water treatment and adhesives.

Owning the plant rather than renting has allowed the company to review processes and eliminate steps using energy. The project has also implemented water saving technologies.

BLACK INDUSTRIALIST	BONGUMUSA KUNENE
LOCATION	HARRISMITH, KWAZULU-NATAL
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	32
JOBS RETAINED	41

PRODUCTS
Hygiene and sanitation,
water treatment and adhesives



LALI ROTHE PLATINUM REFINERIES SA



Lali Rothe Platinum Refineries SA is interested in establishing a turnkey plant to recover high-value metals such as gold, silver and palladium from e-waste or waste from electrical and electronic equipment such as circuit boards. These metals are then converted into specific chemical products, including gold potassium cyanide, silver nitrate, palladium chloride and copper sulphate. The project involves buying machinery, equipment and commercial vehicles, building renovations and business development services.

The project will eliminate the need for imports and 100% of raw materials will be sourced locally. All manufacturing operations will be environmentally friendly, with low carbon emission, eco-efficiency and energy saving.

The project will also create employment in Hammanskraal, a rural area with 70% unemployment.

BLACK INDUSTRIALIST	STEVEN MATLODI MABELA
LOCATION	HAMMANSKRAAL , GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	13
JOBS RETAINED	N/A

PRODUCTS	
	E-waste



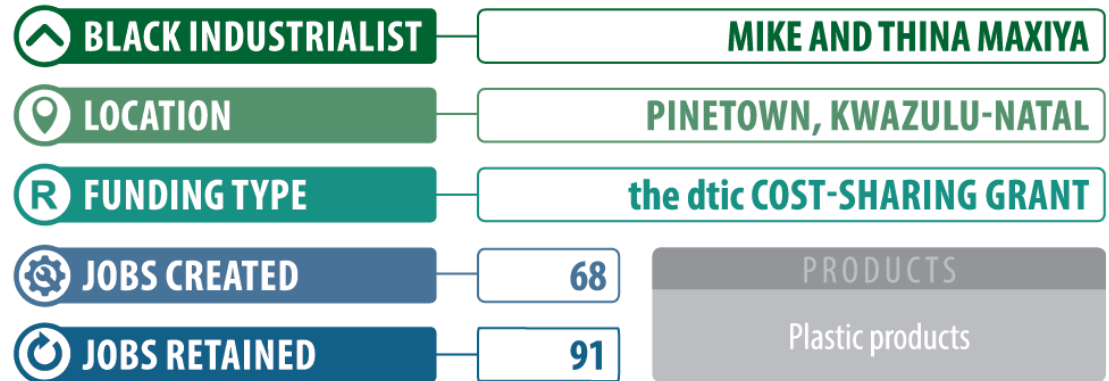
VERIGREEN



The Pinetown-based plastics products manufacturer was founded by Mike and Thina Maziya in 2001.

Verigreen's growth had been hampered by a lack of capital to sustain business momentum and insufficient resources to pursue new opportunities until financial assistance from **the dtic** enabled it to increase production from 420 tons a month to 800 tons. The company had 91 full-time employees in 2017, which had increased to 159 by March 2020.

Verigreen's corporate social investment initiative 'The Supa Mama Programme' started in 2012 has assisted about 300 'mamas' in KwaZulu-Natal to derive an income from the collection of recyclable waste from their local communities. The recycled waste is then used in Verigreen's production process.





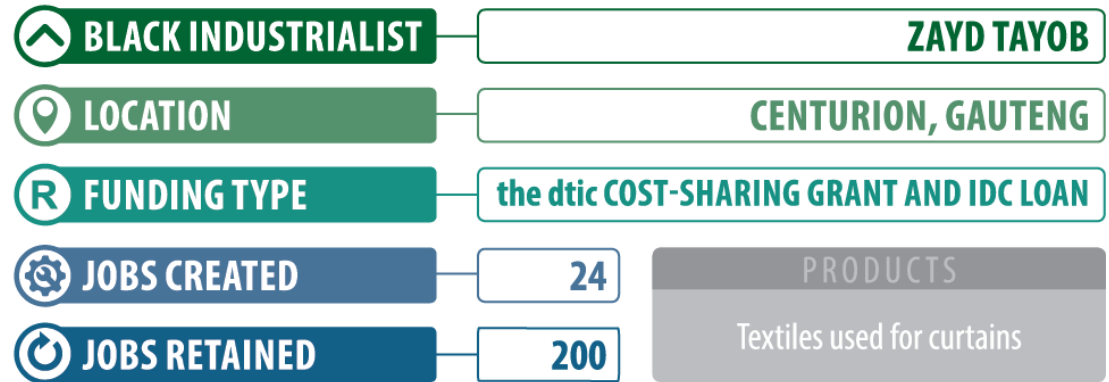
CASE STUDIES:
**CLOTHING
AND
TEXTILES**

KORTEX TEXTILES AFRICA (PTY) LTD



Korteks Africa is a wholly owned and operated South African company based in Centurion, Gauteng. Producing curtain textiles, the company used its BIS funds to buy a coating line to be added on its existing machinery. This enabled the company to produce block-out curtain fabric without requiring a stitched-in lining, while adding to the durability of the curtain. An outdated embroidery machine was replaced, which increased capacity to meet growing demand and upscale its products. The company procures most raw materials from local suppliers, most independent retailers.

As a result of Covid-19, the company has lost revenue and laid off some employees. It is now developing new products and produces to order. It has started producing three-ply cloth masks and is considering medical gowns and linen.



SYCAMORE TRADING (PTY) LTD

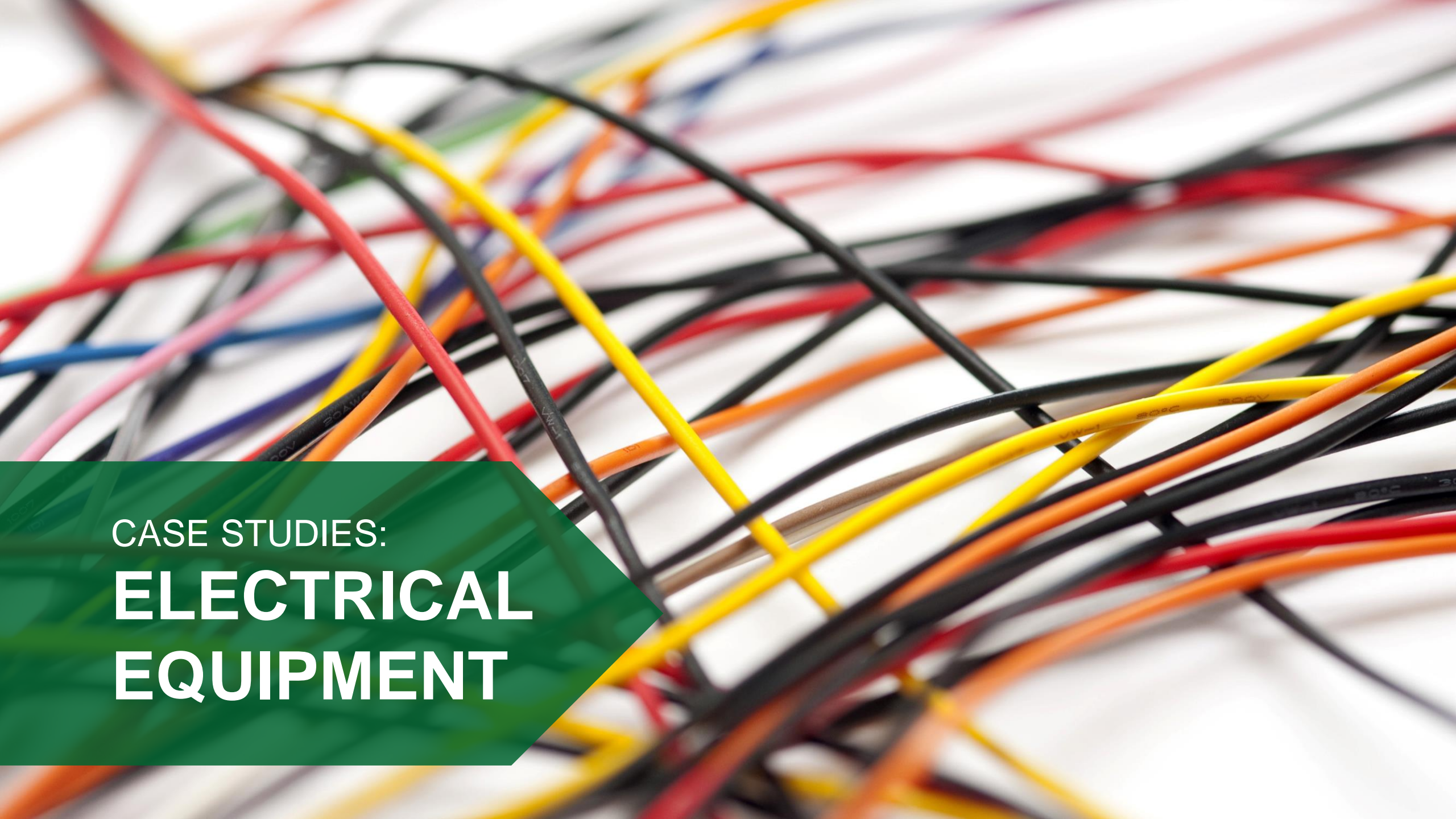


Observing a fundamental shift in the European textile industry through digital printing, Sudhir Harilall, having more than 30 years' experience in the industry, decided to start manufacturing textiles locally. Initially lacking equipment, raw materials and skills, he looked to **the dtic**.

The resultant funding enabled the company to start exporting narrow fabrics to Europe and reduce imports of digital print fabrics. The project improved the print quality with no wastage of delicate fabric. Recycled water is used in manufacture and an onsite borehole reduces reliance on municipal water. The company procures 64% of its inputs locally - 42% from black suppliers and 19% from black female suppliers. The factory is situated between two townships, Phoenix and Cornubia, and most staff hail from these areas, the majority being young people.

BLACK INDUSTRIALIST	SUDHIR HARILALL	
LOCATION	DURBAN, KWAZULU-NATAL	
FUNDING TYPE	the dtic COST-SHARING GRANT	
JOBS CREATED	110	PRODUCTS Printed textiles
JOBS RETAINED	10	





CASE STUDIES:
**ELECTRICAL
EQUIPMENT**

BK ELECTRICAL (PTY) LTD



This black-owned company founded by a former Eskom employee started operating in 2019. It manufactures conduit piping, square moulding and other injection-moulding products.

With **the dtic** funding, machinery and equipment was bought and the manufacturing plant constructed. The project is working with engineers to ensure that its products are energy efficient and low cost.



Electrical Wholesalers



REVIVE ELECTRICAL TRANSFORMERS (PTY) LTD



Revive Electrical Transformers (Pty) Ltd, based in Kliprivier, Gauteng, was established in 1997 and is now one of the largest distribution transformer manufacturers in Africa. The company supplies transformers to Eskom and South African municipalities, and exports to Botswana, Democratic Republic of Congo, Ghana, Lesotho, Malawi, Mozambique, Namibia, Swaziland and Zambia.

Through BIS support, Revive has improved the quality of its transformers, which it produces at a rate of more than 1 500 a month .

Although productivity and turnover were negatively impacted by Covid-19, the company was able to continue trading as an essential service provider.

BLACK INDUSTRIALIST	PADDY PADAYACHEE
LOCATION	KLIPRIVIER, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	N/A
JOBS RETAINED	144

PRODUCTS

Transformer manufacturers



Source: <http://bkelectrical.co.za>

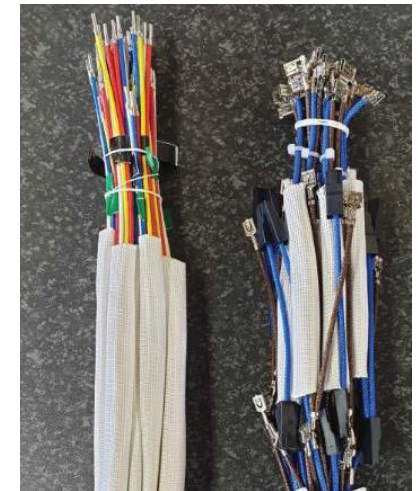
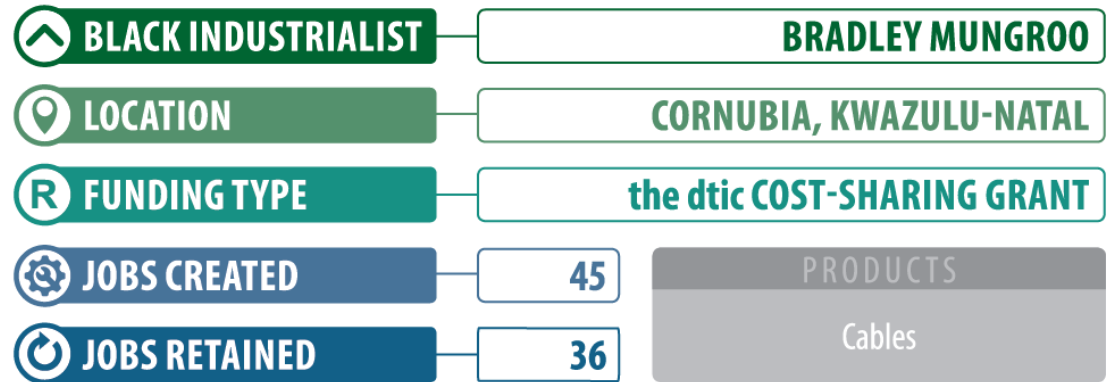
SEALTRON SA CC



Sealtron SA cc manufactures and assembles cable harnesses, injection moulding and process cable for the automotive, white goods and utility sectors. Funding was approved for machinery and equipment, commercial vehicles and building acquisition.

The new machinery and equipment have reduced electricity costs by 20%, have increased productivity by 30% and significantly improved product quality. They have also allowed diversification into manufacturing of small appliances (two-plate stoves).

Sealtron SA has employed workers from Cornubia, Verulam, Umlazi and Phoenix.



Source: <http://www.sealtron.co.za>



CASE STUDIES:

**FORESTRY
AND WOOD
PRODUCTS**

EAST COAST BOARD (PTY) LTD



Founded in 2019, East Coast Board (Pty) Ltd is a 100% black-owned company producing hardboard, soft board, shutter ply, chipboard and postform tops to make furniture and coffins.

the dtic funded machinery and equipment, commercial vehicles and building improvements, as well as conformity assessment certification.

This expansion has improved efficiency and ensured that products are world class goods and comply with European quality standards. All waste is recycled and supplied to recyclers who turn it into pellets for further use. The company procures all inputs locally, 30% from black South Africans.

BLACK INDUSTRIALIST	SANDHEER SEWGOOLAM
LOCATION	WESTMEAD, KWAZULU-NATAL
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	39
JOBS RETAINED	40

PRODUCTS

Melamine boards



GOLDEN ERA PRINTERS & STATIONERS



Golden Era Printers & Stationers was started in 1955 by Bhoola Chhita, with two paper bag manufacturing machines. It is now the largest family-owned printing and packaging business in South Africa, manufacturing a wide range of printing and related products including cans, aerosols, corrugated cartons, carrier bags, kraft paper, shrink sleeves, flexibles, self-adhesive labels, blister packs and thermoformed trays.

The IDC approved funding for the company to buy a flexographic printing line from Switzerland to increase its production capacity in line with demand food, drinks and healthcare products packaging.

BLACK INDUSTRIALIST	ASHA CHHITA AND FAMILY
LOCATION	MOGWASE, NORTH WEST
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	31
JOBS RETAINED	N/A

PRODUCTS

Printing



WOMEN EMPOWERED 

YOUTH EMPOWERED 

PROXIMO 101 INVESTMENTS/GQ TISSUE PAPER



GQ Tissue Products specialises in facial tissue products.

The company decided to backward integrate its converting operations by establishing a tissue paper mill to make the jumbo rolls it had been importing.

IDC funding allowed GQ to make its own tissue paper and to produce facial and pocket tissues and wet-wipes with additional production lines.

This grew the customer base, increased production capacity and allowed for bigger stockholding.

BLACK INDUSTRIALIST	ABDOOL RAZAK LAKHANA, RIDWAAN LAKHANA, YACOOB LAKHANA, HAWA LACKANA, RASHIDA ABDOOLA LAKHANA
LOCATION	CENTURION, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	58
JOBS RETAINED	N/A

PRODUCTS
Tissue paper



WOMEN EMPOWERED	
YOUTH EMPOWERED	

SACKS PACKAGING



Sacks Packaging received about R50 million from **the dtic's** BIS to support expansion. It bought machinery and equipment, which has made its products internationally competitive and reduced competition from imports.

Sacks Packaging produces paper bags for Afrisam Cement, Snowflake, White Star, Iwisa and Hulets.

BLACK INDUSTRIALIST	KEVIN KISTAN
LOCATION	MOBENI, DURBAN, KWAZULU-NATAL
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	N/A
JOBS RETAINED	175

PRODUCTS

Paper packaging



SAM'S TISSUES (PTY) LTD



Since Sam Jada started his business more than 50 years ago, converting wastepaper from mills into toilet and tissue products for the Gauteng market, it has grown steadily. The company opened three paper mills over the years – in Heidelberg, Ga-Rankuwa and Krugersdorp – to source and process raw materials, and then manufacture, package and distribute its own toilet paper for the mass market.

With funding from the IDC for capital expenditure and working capital, the company procured a paper mill from Mexico. **the dtic** supported Sam's Tissue Products with the capital for modern, innovative Gambini tissue-converting machinery and a TMC packaging machine. This has simplified and improved the business's production process, while increasing its flexibility and enhancing its safety protocols.

Commissioned in January 2019, the new plant is able to produce 24 000 tonnes of tissue products a year – five times the firm's previous capacity. This has increased the business's competitiveness in the South African market.

BLACK INDUSTRIALIST	SAM JADA
LOCATION	SEBENZA, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOB'S CREATED	140
JOB'S RETAINED	80

PRODUCTS

Tissue paper



THE FX GROUP (PTY) LTD



The FX Group laminates melamine, foil, postform tops, UV gloss, acrylic gloss and veneers for a wide variety of applications, including kitchen cupboards, tables and coffins.

With the support of the BIS, the company intends to expand into chipboard production for furniture manufacturing to capture a larger local market share.

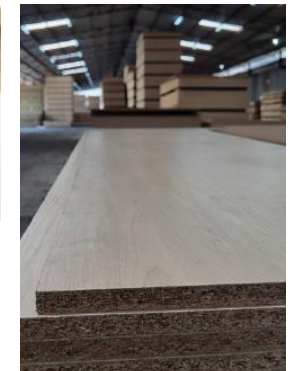
Many of the company's employees are from the nearby township and the Gert Sibande district, where unemployment is over 50%. By procuring all its raw materials locally from small informal businesses, the project promotes the socio-economic development of the area.

To overcome cash flow problems resulting from lost income and increased expenses due to Covid-19, expenses were slashed, with staff salaries being reduced by 20%. The company is identifying possible new export opportunities to China as a result of the weakened exchange rate and has opened two new stores in Limpopo to respond to increased demand for home renovations.

BLACK INDUSTRIALIST	MOHAMMED BERA
LOCATION	LOTHAIR, MPUMALANGA
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
PROJECTED NEW JOBS	210
JOBS RETAINED	N/A

PRODUCTS

Chipboard



TORONTO GROUP (PTY) LTD



Toronto Group (Pty) Ltd will manufacture charcoal for the export market (Europe) and also activated carbon for water treatment and purification. The project will use eucalyptus and acacia wood supplied by a subsidiary company that has contracts (such as Working for Water) to clear these alien, invasive species.

The project has been approved for an environmental impact assessment feasibility study and for construction of the charcoal-manufacturing plant inclusive of machinery and equipment. Construction of the facility is 55% complete and the project is scheduled to go live by August/September 2021. All procurement during construction has been 100% local, 30% from black suppliers.

BLACK INDUSTRIALIST	PHILLIP MULUNGO
LOCATION	SWARTLAND, WESTERN CAPE
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	N/A
JOBS RETAINED	7

PRODUCTS

Charcoal





CASE STUDIES:
**METALS AND
ENGINEERING**

ALCU PRODUCTS (PTY) LTD



Alcu Products is a 100% black-owned and -managed manufacturer of aluminium and copper. The finished or semi-finished products are then sold to end users.

The company, which started operating in January 2009, applied for BIS funding for an expansion project and received support for the purchase of a building and machinery and equipment.

Production started in October 2019 but was halted in August 2020 to remove the machine while a new pit was built for it to operate effectively. Production is expected to resume in April 2021.

BLACK INDUSTRIALIST	KEVIN PILLAY
LOCATION	BOKSBURG, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	N/A
JOBS RETAINED	9

PRODUCTS

Metal trader



Source: <http://www.alcu.co.za>

D-FENCE



D-Fence Manufacturing (Pty) Ltd is a black-owned entity. The company, the first black entity in wire and fencing manufacturing, will manufacture line wires. Funding was approved for machinery and equipment, commercial vehicles and implementation of an effective factory management accounting reporting process.

By August 2020, the project had not started manufacturing activities as the machinery and equipment were still to be delivered from China, the schedule for both delivery and installation by international engineers having been disrupted by Covid-19.

Once running, the company will boost local manufacture of wire and fencing and will minimise logistics cost by sourcing primarily from Gauteng. Manufacturing will take place in East London factory, with low- energy consumption machines and minimal water use of water.

BLACK INDUSTRIALIST	DEAN MADALA
LOCATION	EAST LONDON IDZ, EASTERN CAPE
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
PROJECTED NEW JOBS	80
JOBS RETAINED	N/A

PRODUCTS
Steel fabrication



INKWALI FABRICATION AND MAINTENANCE



Founded in 2005, Inkwali Fabrication and Maintenance (Pty) Ltd is a 100% black-owned company manufacturing steel plates.

the dtic is financing machinery and equipment, commercial vehicles and buildings to expand existing operations.

Once operational, the company will enhance its product and improve its resource efficiency, reducing operating costs. It will also supply materials (currently imported) to automotive component manufacturers and export materials to mines in the Southern African Development Community region.

BLACK INDUSTRIALIST	THEMBA ZUNGU
LOCATION	MIDRAND, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	24
JOBS RETAINED	39

PRODUCTS

Steel plates



Source: <http://inkwali.co.za>

MBALI INDUSTRIAL SOLUTIONS



Mbali Industrial Solutions cc is a 100% black-owned one-stop industrial supply service, serving Gauteng and Mpumalanga customers. The expansion of the existing facility is providing technical services to the mining, sugar, cement, steel mills, power generation and petroleum sectors. The entities core services are fabrication, engineering precision and turning, general mechanical and gear cutting as well as rolls and tires.

With the funds received, the company bought machinery, equipment and commercial vehicles and also completed building construction.

The project has introduced solar power and uses welded plates for lower impact on natural resource. Contracts have been obtained from Eskom, mining companies and construction entities.

BLACK INDUSTRIALIST	SIPHO RADEBE
LOCATION	GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	5
JOBS RETAINED	45

PRODUCTS

Technical services



Source: <https://mbalisolutions.co.za>

NDALAMA ARMATURE WINDERS CC



The company repairs AC and DC motors, water pumps, gearboxes, brakes, transformers and locomotives. It has used the support from **the dtic** and IDC to fund machinery and equipment that has increased efficiency and reduced energy consumption, and to buy new buildings.

The Covid-19 pandemic reduced the number of orders received, but rather than retrench the owner opted reduce working hours to preserve jobs. In March 2021, the project reported that business was picking up and that a number of agreements for 2021 had been signed in late-2020.

BLACK INDUSTRIALIST	GM DHLADLA
LOCATION	GERMISTON, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	4
JOBS RETAINED	79

PRODUCTS

Metal repair and service



Source: <http://www.ndalamawinders.co.za>

PINION & ADAMS (PTY) LTD



Pinion & Adams (Pty) is a sheet metal fabricating and manufacturing company that counts among its customers Bell, Cash Connect Group, ND Engineers and Bosch Projects. It has also provided projects for entities such as Gateway and Sun Coast Casino.

Funding was approved for machinery and equipment, building improvements, commercial vehicles and business development services.

The entity has secured a contract with the Passenger Rail Agency of South Africa to manufacture currently imported components. At the time of the second funding claim, the entity had procured R79 million from South African suppliers. All electric heated ovens have been converted to gas-heated ovens, lowering energy costs. Product quality has improved and rejection rates have declined markedly.

BLACK INDUSTRIALIST	GD ANTHONY
LOCATION	DURBAN, KWAZULU-NATAL
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	2
JOBS RETAINED	125

PRODUCTS

Metal fabrication



Source: <https://www.pinionadams.co.za>

REEF PROFILE CUTTING SERVICES (PTY) LTD



Reef Profile Cutting Services (Pty) Ltd is a steel service centre that manufactures steel components for mining, motor, armoured vehicles, solar and other industries. Services include bending, rolling, cutting, drilling and fabrication. The expansion project has been approved for machinery, equipment and commercial vehicles. The company reports that the quality of products has improved by 80% with the newly purchased equipment, while the cutting technology has improved both quality and turnaround time. The new machinery is also saving energy and material costs.

The project procures 90% of its inputs locally, with procurement from black South African suppliers having increased from 30% to 50%. Annual domestic market share of the product has increased by 40%.

BLACK INDUSTRIALIST	ASHLEY MATHADEEN
LOCATION	ALBERTON, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	40
JOBS RETAINED	23

PRODUCTS
Steel fabrication



TW PROFILE SERVICES



TW Profile Services has been involved in plasma cutting, laser cutting, flame cutting, guillotine cutting, bending, rolling, drilling and chamfering since 1994.

The company is 51% black owned. Its expansion, with newly acquired machinery and equipment, has created five additional jobs and retained 325 baseline jobs. The new nitracut plant generates nitrogen, eliminating the need to buy this gas, which is required for the daily running of operations.

BLACK INDUSTRIALIST	ALDRIN OCTOBER
LOCATION	BOKSBURG, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT
JOBS CREATED	5
JOBS RETAINED	325

PRODUCTS

Steel fabrication





CASE STUDIES:

**CONSTRUCTION
AND BUILDING
MATERIALS**

NATURECELL (PTY) LTD



Naturecell is a 67.5% black-owned insulation manufacturing business approved to build an insulation-manufacturing plant in Ekurhuleni, Gauteng. The project is strategically positioned to become one of the largest suppliers of building insulation materials in the country and the rest of the Southern African Development Community region. The project is co-funded by the IDC.

Naturecell's product is manufactured from more than 80% reclaimed sustainable raw material made of recycled newsprint. The product is a cellulose insulation mat that is installed above ceilings to improve the energy efficiency of buildings. The project is not yet fully operational as delivery of a machine being shipped from the USA was delayed by Covid -19. The project expects to start production by October 2021.

BLACK INDUSTRIALIST	THEMBA MTOMBENI
LOCATION	ISANDO, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	2
JOBS RETAINED	N/A

PRODUCTS

Insulation



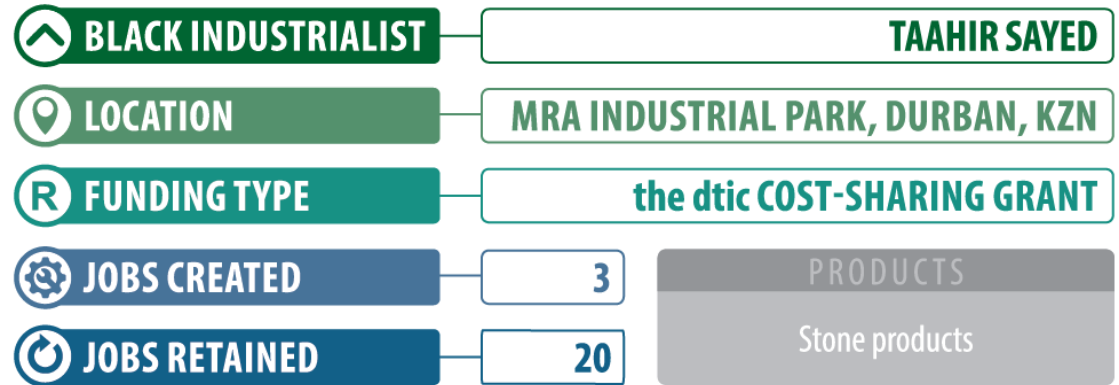
STONECO IMPORTERS AND EXPORTERS (PTY) LTD



StoneCo Importers and Exporters (Pty) was established in 2016 to supply wholesale and retail stone. Initially, the focus was on providing the retail market with pre-cut store slabs for countertops, but it has since diversified into a wide range of stone products and selection.

Funding was approved to buy machinery, equipment, buildings and commercial vehicles.

The new machines - chosen for their innovation, efficiency, energy economy and reduced wastage - are reported to have improved product quality, producing more refined finishes and edgings compared to those produced by the previous handheld, manually operated machines.



THE INSULATION COMPANY SA



The Insulation Company is a greenfield operation for the production of polyurethane insulated metal and board panels, also known as metal insulated sandwich panels and flexible faced boards for building and insulation applications. It will be first facility of its kind in South Africa.

IDC funding will be used to refurbish a second-hand plant, acquire new equipment and conduct a market study. The business is owned and managed by Trevor Mashabane, who has international partners.

BLACK INDUSTRIALIST	TREVOR MASHABANE
LOCATION	WADEVILLE, GAUTENG
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
JOBS CREATED	31
JOBS RETAINED	N/A

PRODUCTS

Insulated panels



ZK ROOF TILE MANUFACTURERS



ZK Roof Tile Manufacturers is a start-up concrete roof tile manufacturer registered in 2017 by Zohra , Faheem, Mubeen and Ahmed Khan, who had identified a market gap for roof tiles and ridges in the Polokwane area.

The IDC provided funding for the company to buy machinery to manufacture the tiles. The project was delayed by the Covid-19 pandemic, but the factory promises to create 67 jobs once operational.

BLACK INDUSTRIALIST	ZHORA KHAN
LOCATION	POLOKWANE, LIMPOPO
FUNDING TYPE	the dtic COST-SHARING GRANT AND IDC LOAN
PROJECTED NEW JOBS	67
JOBS RETAINED	6

PRODUCTS

Roof tiles



WOMEN EMPOWERED 



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PART D: CONCLUSION

CONCLUSION

The report provides a snapshot of work being done by the department and its entities and shows the type of economic activities that are promoted and encouraged through broad-based black economic empowerment programmes.





END
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