

**Briefing to Portfolio Committee  
on Trade and Industry**

**NEF's Contribution towards the  
Economic Reconstruction and  
Recovery Plan**

**Wednesday, 3 March 2021  
09h00 - 13h00**

**Ms Philisiwe Mthethwa, CEO**

# NEF Mandate...

Established by the National Empowerment Fund Act No. 105 of 1998, the NEF is a driver and a thought-leader in promoting and facilitating black economic participation through the provision of financial and non-financial support to black-owned and managed businesses, as well as by promoting a culture of savings and investment among black people.

**The NEF is an agency of the dtic and is the only DFI exclusively mandated to grow B-BBEE**

**NEF funds across all sectors of the economy from R250 000 up to R75 million**

# The NEF's strategic outcome-oriented goals

1. To provide finance to business ventures established and managed by black people.
2. Invest in black empowered businesses that have high employment creating opportunities
3. Support the participation of black women and youth in the economy
4. Maximise support for township and rural economies.
5. Facilitate investment across all provinces in South Africa
6. Encourage and promote savings, investment and meaningful economic participation by black people
7. Advance black economic empowerment through commercially sustainable enterprises
8. Establish the NEF as a financially sustainable DFI in South Africa.



# The strategic planning framework...

## Broad Based Black Economic Empowerment The Codes of Good Practice

**NEF Act:  
Objectives**

**the dtic  
Objectives - Industrial  
Policy Action Plan**

### NEF Sectors

Tourism; Construction & Materials; Agri-processing; Transport; ICT & Media; Mining Services; Franchising, Property; Energy; Services; Creative Industries; 4<sup>th</sup> Industrial Revolution; Financial Services; Food & Beverages; Engineering; Manufacturing; Automobile; Printing; Retail; Clothing & Textiles etc

### Government Priorities:

- 1) Acceleration of economic growth and transformation, creating decent work and sustainable livelihoods;
- 2) Infrastructure development to achieve social and economic goals and rural development;
- 3) Skills and human resource development;
- 4) Build a developmental state and improve public service.

**NEF Sectors in line with national industrial objectives**

# NEF Strategic Priorities

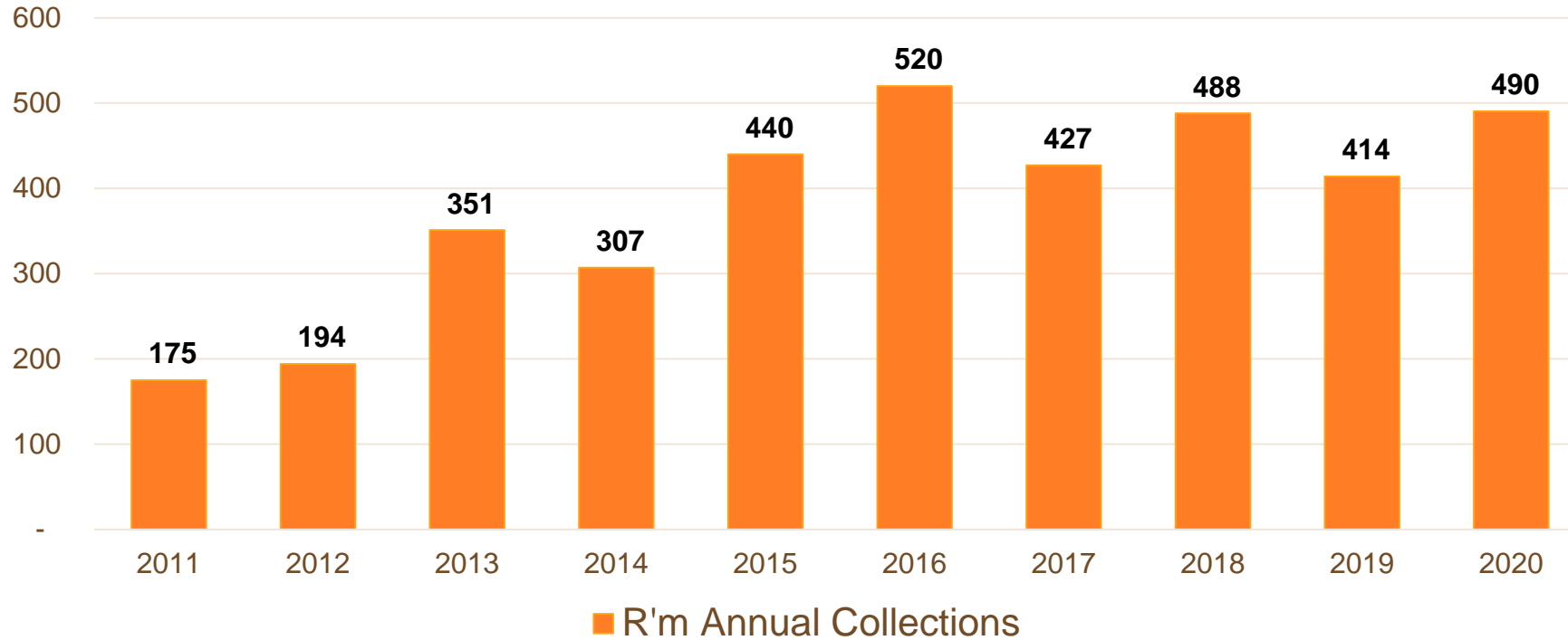
- Achievements and enhancement of the empowerment dividend and development effectiveness.
- Financial sustainability.
- Implementation of PPPs for co-funding inclusive growth.



# Life to date performance milestones as at 31 Dec 2020

	Output	Achievements
1	Approvals	<ul style="list-style-type: none"> <li>Approved <b>1 120 transactions</b> worth more than <b>R10.98 billion</b> across the country.</li> </ul>
2	Disbursement	<ul style="list-style-type: none"> <li>Over <b>R7.34 billion</b> has been disbursed to these companies since inception.</li> </ul>
3	Integrity	<ul style="list-style-type: none"> <li>Secured <b>clean external audit</b> opinions for 17 years running.</li> </ul>
4	Supporting jobs	<ul style="list-style-type: none"> <li>Since inception, the number of job opportunities supported is <b>103 081</b> of which <b>69 322</b> were new.</li> </ul>
5	Industrialisation	<ul style="list-style-type: none"> <li>24 strategic and industrial projects worth <b>R13.2 billion</b>, with the potential to support over <b>52 000</b> jobs. 75% of the transactions are at an advanced development stage.</li> <li>Since inception <b>3 600</b> job opportunities have been created.</li> </ul>
6	A culture of savings & investment	<ul style="list-style-type: none"> <li>In a transaction worth over R1 billion the NEF Asonge Share Scheme made available more than 12 million MTN shares to over 87 000 investors comprising black individuals and groups. 49% of investors were women.</li> </ul>
7	Investor education	<ul style="list-style-type: none"> <li>Reached approximately <b>2 925 505 people</b> in villages and townships through <b>552</b> community seminars on how to save and invest, personal financial discipline, shares, dividends, bonds, the property and money markets.</li> </ul>
8	Entrepreneurship training / incubation	<ul style="list-style-type: none"> <li>Business skills training provided over <b>4 459 potential entrepreneurs</b> who attended <b>475</b> seminars from 2012 to date.</li> </ul>
9	National footprint	<ul style="list-style-type: none"> <li>Approximately 72% of the number (76% by value) of approved transactions emanated from the regional offices and Pre-Investment Unit.</li> </ul>
10	Collections	<ul style="list-style-type: none"> <li>Over <b>R3.7 billion</b> has been repaid by investees.</li> </ul>

# Annual Collections over 10 years (R'm)



**R3.7bn  
repaid**

▪ **Since inception over R3.7bn has been paid by investees, with more than 90% collected over the past 8 years because of:**

- Effective portfolio management,
- Culture of loan payments entrenched.

# Unlocking Third-Party Funds

In partnership with other stakeholders, the NEF leveraged a total of **R782m** third party funding during FY 2018-2019

	uMnotho	iMbewu	RCDF	SPF	Total
Total value of funded projects	R952m	R61m	R18m	R135m	R1166bn
NEF funding	R304m	R34m	R8m	R37m	R383m
Third party funding	R647m	R27m	R10m	R98m	<b>R782m</b>
% funding leveraged	68%	44%	55%	73%	67%

- Average leverage of 60% across the Funds, with higher leverage in uMnotho and SPF (also driven by limited available capital for the NEF),
- NEF is a catalyst for unlocking economic value.

**Life to date the NEF has leveraged third-party funding amounting to R8.8 billion.**





# Growing BEE through partnerships

- The NEF has been growing, and will continue to make an effort to grow, BEE by partnering with various stakeholders to leverage on funding opportunities to fund NEF investees. The stakeholders include, but not limited to, Enterprise Development (ED) funders.
- The NEF continuously look to foster strategic partnerships that unlock third party capital that can be deployed applicants/investees along with the organisation's own unencumbered capital.
- To date the NEF has leveraged third party funding amounting to R8.8 billion (made of both the ED funds and funds from commercial lenders/other DFIs).
- The NEF is currently in partnership with various stakeholders, which are from both private and public sectors, for the purpose of crowding in capital.



# A partner trusted by many



No.	Partner	Launch Date	Total Funds Received	Primary Objective of Fund
1	Daimler Chrysler SA	Sept 2011	R4 800 431.26	To empower two former employees of Chrysler to start their own business.
2	Dept. of Economic Dev. (WC)	Aug 2020	R40 302 775.00	Co-funding black entrepreneurs in the Western Cape.
3	Bakwena Ba Mogopa	Nov 2012	R5 000 000.00	Co-funding black SMME's in the North West.
4	Evrax Highveld	Dec 2012	R2 000 000.00	Co-funding black SMME's participating in the steel and Vanadium value chain in Mpumalanga.
5	Transalloy	Dec 2012	R250 000.00	NEF to provide funding on a 60:40 ratio to black suppliers participating in the ED Gas supply chain in Emalahleni.
6	Intersurgical	Dec 2012	R400 000.00	Co-funding black entrepreneurs in the value chain.
7	ED Gas	Dec 2012	R350 000.00	Co-funding black entrepreneurs in the ED Gas value chain.
8	BPSA	Feb 2017	R53 000 000.00	Support black entrepreneurs to acquire filling stations.
9	Bakgatla Ba Kgafela	March 2013	R5 000 000.00	Provide financial and non-financial support for SMME's and entrepreneurs in the community.
10	Dept. of Rural Dev. & Land Reform	March 2016	R583 222 424.57	Support farms workers to become land owners.
11	Department of Sports Arts & Culture	Sept 2016	R75 000 000.00	Unlocking business opportunities in the arts & heritage sectors.
12	Dept. of Tourism	March 2017	R120 000 000.00	Tourism Transformation Fund (TTF).
13	Nissan South Africa	March 2016	R5 305 900.00	Allocate business vehicles to black entrepreneurs.
14	Transnet Port Terminals	April 2019	R15 000 000.00	Empower SME's operating within the Transnet value chain..
15	Bakubung	Dec 2019	R3 000 000.00	Empower SME's in local host communities in line with the Enterprise and Supplier Development obligations.
16	City of Ekurhuleni Municipality	Dec 2019	R33 000 000.00	Invest in SME's conducting business within the City of Ekurhuleni.
<b>Total</b>			<b>R945 631 530.83</b>	

# NEF Investment Funds

	<b>uMnotho</b>	<b>iMbewu</b>	<b>Strategic Projects Fund</b>	<b>Rural and Community Development</b>	<b>Women Empowerment Fund</b>
<b>Objectives</b>	Provides capital for expansion of businesses, the buying of shares in white-owned businesses or funding new ventures	<ul style="list-style-type: none"> <li>• Supports start-up businesses</li> <li>• Provides capital for the expansion of small enterprises</li> </ul>	Funds the Development of projects through stages of projects	Supports the development and growth of a rural economy in rural communities, which is achieved by the mobilisation of structures such as cooperatives	Supports businesses that are more than 50% owned and managed by black women
<b>Products</b>	<ul style="list-style-type: none"> <li>• Acquisitions</li> <li>• New Ventures</li> <li>• Expansion</li> <li>• Capital Markets</li> <li>• Liquidity and Warehousing</li> </ul>	<ul style="list-style-type: none"> <li>• Franchise financing</li> <li>• Procurement/ Contract</li> <li>• Entrepreneurship funding</li> </ul>	<ul style="list-style-type: none"> <li>• Venture Capital funding structures</li> <li>• Development of Black Industrialist funding in strategic sectors</li> </ul>	<ul style="list-style-type: none"> <li>• New Ventures</li> <li>• Business Acquisition</li> <li>• Expansion</li> </ul>	The product offerings cut across all products provided by the different Funds
<b>Range</b>	Funding ranges from R2 million to R75 million	Funding range from R250 000 to R15 million	Funding range of up to R75 million	Funding ranges from R1 million to R50 million	Funding from R250 000 to R75 million

# Non-Financial Support

## **Pre-investment**



As the first-point-of-contact the unit provides product advisory services, manages the online business-plan solution, manages the administration of applications, incubation and entrepreneurial training.

## **Socio Economic Development**



Empower black people in existing NEF transactions and other broad based groups through various interventions such as promotion of saving and investments, social facilitation, investor education, corporate governance training and market access for the acceleration of meaningful participation.

## **Post-investment support**



Monitor investments, provide ongoing portfolio management, manage mentorship support and collections as well as legal compliance.

## **Turnarounds, Workouts and Restructuring**



Rehabilitate distressed transactions and reduce impairments Through a combination of measures including balance sheet restructuring, equity and /or working capital injection, operational restructuring, introduction of a strategic equity partner and / or turnaround specialist and business rescue.



# NEF's Performance and Investment Criteria...

## “The Empowerment Dividend”

*The assessment of impact is not driven only by financial returns but by measurement in terms of “The Empowerment Dividend” made up as follows:*

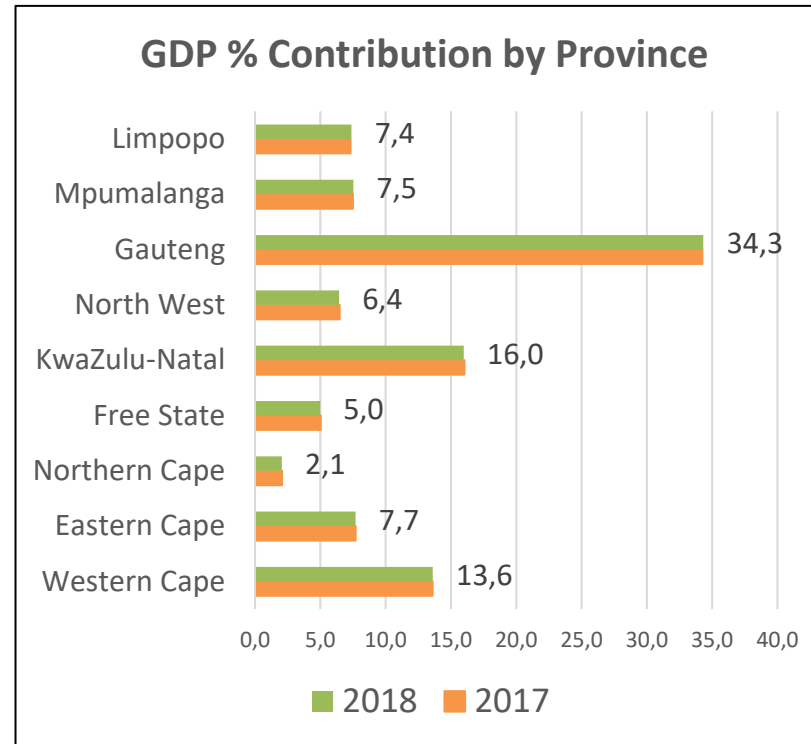
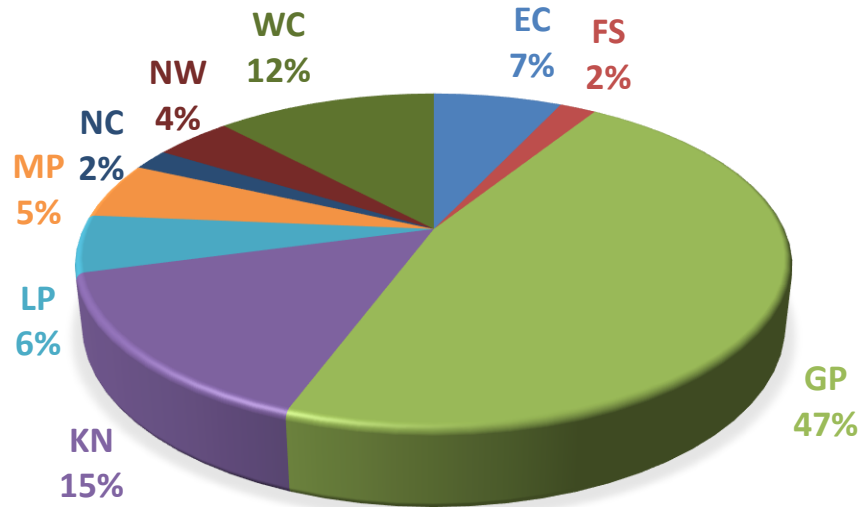
- Broad Based Black Economic Empowerment
- Ownership, management control, employment equity etc.
- Black Women Empowerment
- Job Creation
- Growth Sectors
- Geographic Spread
- Investment Return



# Sectors Funded by the NEF

	Government Sector Focus	Examples of NEF Investment Breakthroughs
1	<b>Black industrialists</b>	Create new manufacturing and industrial capacity alongside local and international partners. To date the NEF has invested about R900m in developing projects (with a total of 24 projects currently under development) with a total of 5 operational businesses that have created over 3600 jobs and leveraged over R4 billion of third party funding.
2	<b>Support SMEs</b>	A dedicated fund that has supported entrepreneurship, procurement & franchise funding, as well as business planning, incubation, training and mentorship support. To date, NEF disbursed over R1.6 billion into the support of 454 small and medium enterprises.
3	<b>Township &amp; Rural Economy</b>	A dedicated fund that supports businesses in rural areas and townships. The businesses are in various sectors including property (shopping malls), petroleum sector (petrol stations) and tourism. To date the NEF disbursed over R2.1 billion in support of entities in rural and township economies.
4	<b>Property</b>	To date the NEF has approved over R372 million in the property sector. These investments are expected to contribute in job creation, infrastructure development, addressing the lack of student accommodation and supporting government's economic stimulus and recovery plan. In the past year alone, the NEF approved approximately R150 million in this sector, leveraging close to R600 million in third-party funding.
5	<b>Construction</b>	Construction is the NEF's largest funded sector, with investments in excess of R785 million, which comprises 14.41% of the total invested portfolio. NEF investment has supported 6205 jobs, and 29% has benefitted black-women entrepreneurs.
6	<b>Tourism</b>	The NEF continues to invest in community-owned hotels and lodges to drive the growth of the tourism sector. This includes investments in tourist attraction projects like the Graskop Gorge Lift, a flagship project that will drive tourism development in the Panorama Tourist Route in Mpumalanga, and is the first of its kind in Africa. To date the NEF has disbursed over R251 million into this sector and continues to identify opportunities in partnership with the Department of Tourism.
7	<b>Affordable &amp; Social Housing</b>	In partnership with various industry stakeholders, supported the construction of several social housing, student accommodation and related projects. To date, NEF invested over R272 million in this sector.
8	<b>Student Accommodation</b>	In partnership with private developers, to date the NEF has invested over R143 million in the student accommodation sub-sector.
9	<b>Agro-processing</b>	Supported beneficiation investments across the agricultural value chain such as processing of castor oil, fruit juices, condiments etc. To date, NEF invested over R316 million in this sector.
10	<b>Energy</b>	Invested over R885 million in service stations countrywide, 40% of which are owned and managed by black women.

# Geographic Split Life to Date



- The NEF has supported Black Businesses throughout the length and breadth of the country.
- As a development financier the NEF has prioritised the provinces with the smallest GDP contribution to spread the empowerment dividend countrywide more effectively.

# Qualifications Statistics

No	Qualification	Number
1	Chartered Accountants	15
2	Master's degree	17
3	Engineers (additional 3 holds Master's degree)	4
4	Honours degree	22
5	Bachelors degree	39
6	LLB degrees (8 are admitted attorneys)	9
7	Advanced Diploma	1
8	Diplomas	20
9	Certificates	30
10	Abet	3
<b>Total</b>		<b>160</b>

## Head Count – Core vs Support

	No.	Percentage
Core	106	66%
Support	54	34%
<b>Total</b>	<b>160</b>	<b>100%</b>

**Average age of NEF employees is 39 years – maturing organisation**

- **60% of the employee complement is female**
- **41% of MANCO is female**



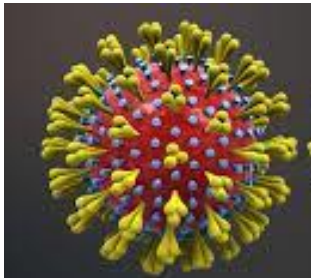


# 2020/21 Allocations by the dtic to the NEF



**R160m**

**Women  
Empowerment Fund**



**R200m**

**NEF COVID- 19  
Black Business Fund**



**R150m**

**Economic Distress  
Fund**

**R510m**

**Total**

# Economic Recovery Action Plan

1. Overview and core actions (**page 18**)
2. Priority interventions contained in the Reconstruction and Recovery Plan
  - a. Mass public employment interventions (**page 19**)
  - b. Aggressive infrastructure investment (**page 30**)
  - c. Employment orientated strategic localization, reindustrialization and export promotion (**page 43**)
  - c. Energy Security & Green Economy (**page 47**)
  - d. Support for tourism recovery and growth (**page 50**)
  - e. Strengthening food security (**page 55**)
  - f. Supporting black youth in business (**page 60**)
  - g. Gender equality and economic inclusion (**page 65**)
3. Co-ordination with other **dtic** entities (**page 70**)

## NEF approach:

- a. Brief summary / profile of two or three transactions, sectoral performance & funding.
- b. Plan/s (transactions and/or pipeline for financial year/ MTEF) & Budget for the MTEF period.
- c. What is the strategy & expected impact in terms of growth, jobs & economic inclusion?



trade, industry  
& competition

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

# Mass Public Employment Interventions

# President declares a National State of Disaster

**“ We have decided to take urgent and drastic measures to manage the disease, protect the people of our country and reduce the impact of the virus on our society and on our economy.**

**We have now declared a national state of disaster in terms of the Disaster Management Act. This will enable us to have an integrated and co-ordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus.**

**We will also be able to set up emergency, rapid and effective response systems to mitigate the severity of its impact. ”**

**His Excellency President Cyril Ramaphosa,  
President of the Republic of South Africa, 15 March 2020**



# Overview of NEF's Covid-19 Relief and Economic Recovery Interventions

Programme	Description	Amount
<b>COVID-19 Black Business Fund</b>	To provide concessionary funding to black businesses to manufacture and supply healthcare products and essential foods, in fighting the COVID-19 pandemic.  Total employment created as a direct consequence of the Fund = <b>1 466 jobs</b> .	<b>R200 million</b>
<b>Economic Distress Fund</b>	To provide relief in the form of capital to financially distressed businesses as a result of the pandemic.	<b>R150 million</b>
<b>COVID-19 relief measures</b>	NEF's grant of loan repayment holidays and zero interests to existing investees during the Covid-19 pandemic.	<b>R50 million</b>
<b>TOTAL</b>	<b>Total jobs sustained through NEF COVID-19 initiatives amount to 50 836.</b>	<b>R400 million</b>

In addition to the **R400 million** Covid-19 Relief packages, the NEF will:

- Approve R160 million for the Women Empowerment Fund from **the dtic**

**Total funding of approximately R560 million will be made available to black-owned-and managed businesses.**

# Overview of NEF Mass Employment Creation

**1**



**R200 million from the dtic for NEF COVID-19 Black Business Fund (manufacturing of essential products).**

**2**



**Portfolio Risk Analysis and R50 million set aside by NEF as COVID-19 relief measure for investees (loan and interest repayment holiday).**

**3**



**R150 million from the dtic for NEF Economic Distress Fund.**

**4**



**R160 million from the dtic for NEF Women Empowerment Fund.**

# NEF COVID-19 Black Industrialist Business Fund Milestones



Received a R200 million endowment from **the dtic** for concessionary funding of black businesses to manufacture and supply healthcare products and essential foods, in fighting the COVID-19 pandemic.



Over **R207 million approved for 33** transactions comprising R166 million from *the dtic's* endowment and R41.2 million from the NEF's balance sheet.



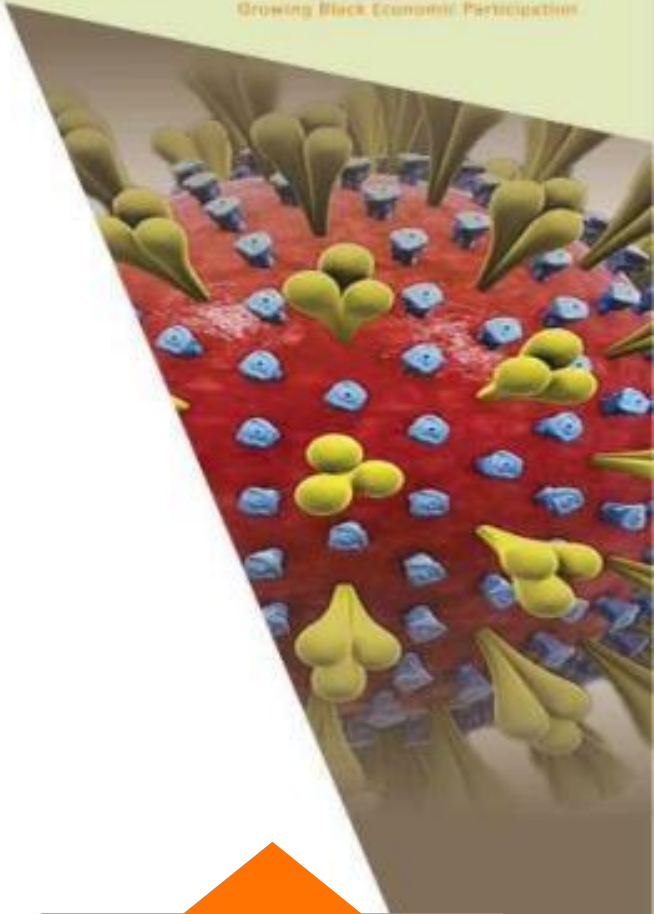
The Fund received a total of 395 applications valued at more than R2.1 billion for equipment and working capital.



Shortened turnaround times to ensure disbursement within 2 weeks of approval.



Declined applications comprised objectives not related to COVID-19, lack of requisite track-record with healthcare products, focus on distribution instead of manufacturing and incomplete documents.



# NEF COVID-19 Black Business Fund – Priority Products

- **DIPOSABLE PLASTIC GLOVES AND FACE MASKS**



- **PCR TEST KITS FOR CORONAVIRUS**



- **DISINFECTANTS AND ALCOHOL-BASED WIPES**



- **MEDICAL PROTECTIVE CLOTHING AND OVERSHOES**



- **HOSPITAL LINEN AND CLOTHING**



- **PROTECTIVE GOGGLES AND PROTECTIVE HOODS / FACE SHIELDS**



- **PLASTIC MOULDING AND BOTTLING / PACKING**



- **HAND SANITISERS AND SOAPS**



- **DETERGENTS / CLEANING PRODUCTS**



- **DISPOSABLE APRONS AND CUPS**



- **DISPENSERS (WATER, SANITISERS AND SOAP)**



- **PROTECTIVE RESPIRATORS**



- **TOILET PAPER**



- **STEEL BEDS FOR HOSPITALS AND CLINICS**



- **MATTRESSES AND / OR SPONGE**



- **STERILE AND UNSTERILE**



- **MILK**



- **FRUITS: ORANGES, NAARTJIES, LEMONS (VIT. C)**



- **EGGS**



- **VEGETABLES: YELLOW VEGGIES, POTATOES / SWEET POTATOES, CABBAGES, SPINACH, MOROGO, TOMATOES, BEETROOT AND CORN**



- **MAIZE MEAL**



- **FLOUR**



- **YEAST**



- **SAMP**



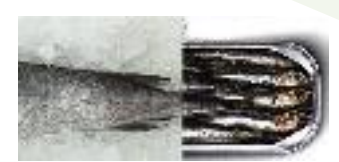
- **BEANS**



- **COOKING OIL**



- **FISH AND CANNED FOOD**



- **MARGARINE AND BREAD SPREAD**



- **CHICKEN**



- **BABY FOOD**



- **WATER**





# NEF Economic Distress Fund

a lifeline for black businesses affected by the pandemic

- the dtic entrusted NEF with R150m to support black-owned businesses under financial distress as a result of the COVID-19 pandemic, for recovery, to sustain existing jobs and improve productive capacity.
- NEF to provide loan and equity funding of between **R250 000 and R10 million** with a maximum interest rate of 2.5%.
- Applicants must prove that the business is financially distressed by demonstrating the following:
  - The business is unlikely to pay all its debts as they become due and payable for the upcoming six months,
  - The business is unable to fund its operating activities within the immediate ensuing six months,
  - With the support provided, the company must prove that it has a fair chance of recovery and job retention,
  - The business must have been in existence for at least 3 years at application date with proper historical financial records demonstrating a track-record of honouring debt obligations, except during the period since the COVID-19 pandemic began, and
  - The business must have at least 10 employees.



NEF COVID-19  
Economic Distress Fund  
A rescue plan for  
black business





## Examples of NEF employment creating investments

# Logistics

- South Africa is home to the farthest-reaching and highest-quality transport network on the African continent, which is good news for aspiring transport entrepreneurs.
- For decades the country's extensive road, air, rail and sea links have underpinned economic and social development not only in the domestic market but through the region as a whole.
- As with all sectors of the economy, however, transportation and logistics remain largely untransformed.
- The NEF has invested R385 million in the sector, which comprises 3,27% of the invested portfolio. NEF investment has supported 3101 jobs.
- 14% has benefitted black women entrepreneurs.

The liquidation of Greyhound opens opportunities for growth of black businesses in the sector

Below is a sample of the logistics businesses funded by the NEF:

Name of Investee	Location	Total Project Cost	NEF Commitment	Nature of Business	Jobs Created	Black Women Ownership
APM	Gauteng	79 050 000	45 000 000	Passenger Transport	179	6%
AB 350	Eastern Cape	23 668 000	12 268 000	Passenger Transport	501	23%
Desert Oil	Western Cape	50 000 000	37 390 122	Wholesale Fuel Retailer	31	0%
Gibela Rail	Gauteng	300 000 000	90 000 000	Train Manufacturing	31 121	60%
Bapo Transport	North West	176 571 000	65 928 000	Passenger Transport	174	30%
		<b>629 289 000</b>	<b>250 586 122</b>		<b>32 006</b>	

# APM Busses

- APM provides intercity passenger transport services.
- APM started its operations with four rented/leased buses before obtaining NEF funding.
- APM received R50.5 million expansion finance from the NEF.
- The company has sales offices in Pretoria, Johannesburg and Durban.
- APM has 32 operating licenses for all the routes envisaged in the business plan.
- Black ownership is 100% and includes black women and youth.
- Through this investment, 30 jobs were retained and 33 new jobs were created.
- Localisation: All NEF-funded buses were assembled South Africa.
- Local content of body value is 31%, chassis is 19%. Average of 25%.



# Nkomazi Cotton Development

- **Nkomazi Cotton Development** – The project was progressed to financial close in the FY2020.
- The project is aimed at the development and operation of a cotton lint manufacturing plant to be located in Mpumalanga
- The project requires R300 million at financial close
  - The NEF has committed **R50 million** to the project.
  - The Project will be applying for Agro-processing Support Scheme incentive (dtic) targeting incentive assistance of R20 million.
  - Capital raising currently underway for the balance of ca. R230 million with progress being managed with AgriSA, IDC and Cane Growers' Association.
- Upstream analysis showed the upside potential of increasing employment to 16 500. Currently employment in the small holder farms ranges between 3 500 – 5 000 depending on how much of the land is committed to cotton production in any given year.



# Aggressive Infrastructure Investments

# Industrialisation Focus and Objectives

**Creation of new manufacturing and industrial capacity**

**Creation of new jobs as opposed to replacement capital finance**

**Investment of new fixed capital in the South African economy in an equitable manner**

**Creation of an inclusive economy by increasing industrial investment participation of black businesses**

**Increase RSA export earning potential and reduce import dependence**

**Increase co-investment and linkage with foreign direct investment**

# NEF Approach to Industrialisation

## Objective

- A unit of the NEF established with the mandate to increase the participation of black people in early-stage projects
- Aligned to national government's socio-economic development policies (IPAP and NDP)
- Seeks competitive investment opportunities in the South African economy for the inclusion of black people through participation in investment opportunities at the outset of project development in contrast to the equity or financial closestage(s).

## Investment Criteria

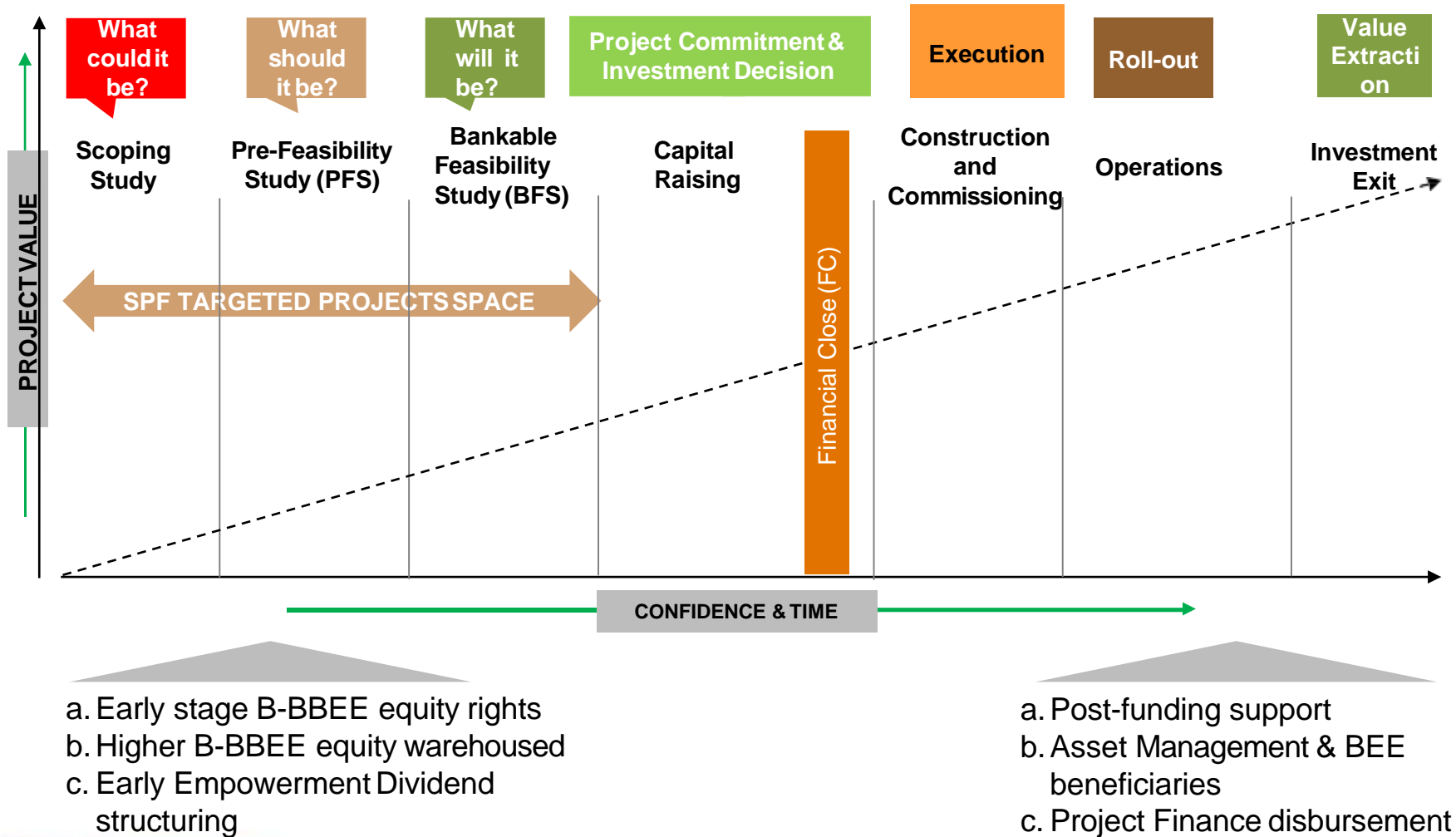
- SPF funds projects with mature technologies at commercialization stage.
- Projects with superior economic merit and industrial impact have been previously funded at pre-commercialisation (piloting) stage.
- SPF will participate in the development process until technology is operational commercial.

## Current Portfolio Highlights

- 24 Strategic Projects at different development stages (Feasibility, Financial Close, Pilot and Commercial Operation)
- 52 000 Jobs estimated to be created
- 3 600 jobs already supported
- Leveraged more than R4 billion in 3<sup>rd</sup> party funding



# SPF Project Development Stages



# NEF Industrial Sector Focus



## NEF Industrial Investment Sectors

RENEWABLE ENERGY	MINERAL BENEFICIATION	AGRI-PROCESSING	INFORMATION & COMMUNICATION TECHNOLOGY	INFRASTRUCTURE	RETAIL & MANUFACTURING	TOURISM
Biofuels Biomass Biogas Solar Wind Hydro Recyclables	Mineral Beneficiation	Chemicals Agriculture	Telecoms Broadcasting	Specialised Buildings & Bulk Services	Textiles Consumables	Real Estate Infrastructure

# Black Industrialists supported (2010-2020)



Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Services	51,380,001	80,395,000	43,128,504	202,169,144	156,400,000	147,032,750	127,696,658	183,335,688	37,390,827	19,270,600	68,397,697	1,116,596,869
Energy	23,960,000	38,132,000	128,582,000	118,986,380	46,405,000	183,621,223	65,760,464	62,721,215	122,402,000	57,790,000	38,610,000	886,970,282
Construction and Materials	250,000	57,350,501	110,075,998	91,923,406	45,638,730	73,053,019	146,404,752	67,745,000	79,700,000	49,000,000	-	721,141,406
Manufacturing	4,619,871	15,595,000	81,875,965	91,150,000	50,411,057	96,634,200	96,285,500	47,210,000	77,966,983	22,992,336	36,711,000	621,451,911
Retail	1,200,000	54,833,500	79,060,500	98,315,245	-	10,242,610	63,901,610	36,333,488	74,671,870	70,945,000	88,740,000	578,243,823
Property		50,000,000	700,000	6,600,000	-	86,255,323	57,880,986	-	81,964,394	141,398,310	49,299,193	474,098,206
Agro Processing	44,500,687	46,241,030	125,471,759	45,889,952	-	10,100,000	126,700,000	18,100,000	-	-	34,011,850	451,015,278
Media	170,010,000	31,900,000	50,000,000	76,244,000	-	5,000,000	84,276,944	-	8,500,000	13,568,500	-	439,499,444
Engineering	133,520,049	9,300,000	143,000,000	17,420,000	-	35,650,585	47,480,000	7,950,000	-	29,902,410	-	424,223,044
Transportation	30,000,000	51,945,563	5,000,000	9,375,210	95,945,000	15,960,032	73,293,750	75,429,408	5,820,000	-	47,411,750	410,180,713
Tourism and Entertainment	96,705,358	-	9,666,960	56,299,158	-	-	33,400,000	9,831,832	-	38,316,487	128,016,560	372,236,355
Mining Industry	10,000,000	50,000,000	33,500,000	8,500,000	2,100,000	87,568,169	35,309,000	2,000,000	13,000,000	15,000,000	35,446,033	292,423,202
Food and Beverage	53,403,632	11,211,300	38,048,200	21,154,234	-	46,208,650	30,898,610	16,678,750	10,907,000	5,725,000	2,000,000	236,235,376
Chemicals & Pharmaceuticals		17,200,011	53,500,000	-	-	45,220,000	-	-	-	8,520,000	1,250,000	125,690,011
ICT	50,001,000	-	-	7,215,130	-	-	39,820,000	4,500,000	480,000	5,000,000	14,875,000	121,891,130
Maritime	71,380,000	9,800,000	-	-	-	-	-	-	-	-	-	81,180,000
Distributors, Dispatchers and Processors				30,800,000	-	-	7,580,000	17,736,000	3,535,000	5,000,000	-	64,651,000
Financial Services		25,002,510	12,000,000	1,000,000	-	-	-	8,050,000	-	3,485,000	15,000,000	64,537,510
Motor Industry		2,672,734	2,186,080	-	1,200,000	-	27,487,473	-	350,000	-	15,950,000	49,846,287
Arts and Culture		10,000,000	-	-	-	-	-	-	-	14,499,563	23,940,662	48,440,225
Textiles				8,500,000	-	-	17,200,030	-	-	-	5,000,000	30,700,030
Printing and Publishing Services	22,308,195	7,526,484	-	-	-	-	-	-	-	-	-	29,834,679
Wholesale								12,788,000	10,000,000	-	-	22,788,000
Equipment Rental and Leasing	20,000,000	-	-	-	-	-	-	-	-	-	-	20,000,000
Education							15,000,000	2,240,000	1,500,000	-	-	18,740,000
<b>Total</b>	<b>783,238,793</b>	<b>569,105,633</b>	<b>915,795,966</b>	<b>891,541,859</b>	<b>398,099,787</b>	<b>842,546,561</b>	<b>1,096,375,777</b>	<b>572,649,381</b>	<b>528,188,074</b>	<b>500,413,206</b>	<b>604,659,745</b>	<b>7,702,614,781</b>

Provincial Split	2	2	2	2	2	2	2	2	2	2	2	Total
GP	364,663,661	304,949,256	271,920,229	390,276,234	107,305,000	274,642,240	553,015,906	191,626,670	325,169,204	301,738,976	279,684,954	3,364,992,330
KN	219,309,574	26,726,484	314,634,698	120,567,941	4,700,000	60,049,250	131,289,030	151,965,838	55,190,870	37,031,765	29,112,253	1,150,577,703
WC	142,715,520	41,350,000	82,816,978	65,447,210	174,913,000	60,346,232	90,256,000	33,709,408	17,050,000	36,600,055	39,011,000	784,215,403
EC	49,500,038	114,017,563	70,150,000	110,540,100	44,138,730	156,722,323	31,631,500	24,290,000	40,295,000	6,140,000	39,930,000	687,355,254
LP	-	53,664,000	74,263,000	43,762,374	-	102,689,750	64,323,610	12,260,000	19,100,000	50,000,000	67,694,856	487,757,590
MP	3,500,000	17,448,330	53,121,358	36,638,000	14,445,000	64,201,565	105,890,000	20,451,000	41,548,000	45,602,410	62,927,110	465,772,773
NW	3,550,000	3,000,000	28,278,000	10,000,000	-	94,205,201	71,038,506	111,380,715	17,970,000	1,700,000	56,631,949	397,754,371
FS	-	-	4,750,000	99,945,000	10,000,000	29,690,000	21,443,752	11,965,750	8,330,000	6,600,000	20,000,000	212,724,502
NC	-	7,950,000	15,861,703	14,365,000	42,598,057	-	27,487,473	15,000,000	3,535,000	15,000,000	9,667,623	151,464,856
<b>Total</b>	<b>783,238,793</b>	<b>569,105,633</b>	<b>915,795,966</b>	<b>891,541,859</b>	<b>398,099,787</b>	<b>842,546,561</b>	<b>1,096,375,777</b>	<b>572,649,381</b>	<b>528,188,074</b>	<b>500,413,206</b>	<b>604,659,745</b>	<b>7,702,614,781</b>

# Affordable & Social Housing

Notable shifts impacting affordable and social housing in South Africa:

- Migration to urban centres continues to gain momentum. Gauteng remains the primary destination for economic migration
- South African household sizes are decreasing. This is reflective of cultural and economic changes to people's lifestyles
- Urban backyard backrooms continue to be a prominent feature in urban centres. This is largely due to inadequate affordable housing in locations close to employment centres
- The number of households in formal dwellings increased materially since 2001.
- However, the housing backlog remains a significant challenge to the South African housing sector



# Student accommodation

- There were 1 036 984 students registered to study at South Africa's 26 universities during the 2018/2019 academic year and enough student accommodation for just over 115 000 students , barely meeting 11% of the demand . Less than 10% of 1<sup>st</sup> year university students can be accommodated.
- Technical and Vocational Education and Training (TVET) colleges had over 687 955 college students during the same academic period, with only 10 120 beds. Colleges can provide accommodation for only 1.4% of students
- **Increase in accommodation costs** - poorer students will increasingly find themselves in tough competition with those who can afford to pay for the cost of accommodation.
- **Limited land for development** at Universities. Universities simply do not have sufficient space to build additional student residences
- **Accreditation:** NSFAS only works with off-campus student housing providers that have been accredited by universities or colleges. Accreditation takes between 3-6 months.
- By 2030, to meet the enrolment targets set out in the Post School Education and Training policy and the National Development Plan, **an extra 400 000 beds would be needed.**



# NEF's contribution to Affordable & Social Housing and Student Accommodation

Name of Investee	Total Project Cost (R'm)	NEF Commitment (R'm)	Number of Beds/Units	Jobs	Black Women	Type
MapChief Trading	52	33	308	128	50,40%	Student accommodation
Makwarela	233	50	1062	490	0%	Student accommodation
Tshellaine	50	35	264	255	35%	Student accommodation
Devland Gardens	391	48	1168	1151	25,10%	Social housing
Ordicode	49	26	106	366	100%	Student accommodation
YG Properties	120	32	312	321	0%	Social housing
<b>Totals</b>	<b>895</b>	<b>224</b>	<b>3220</b>	<b>2711</b>	<b>35%</b>	



# Joy House Academy- The doors of learning are open



## NEF Invested R15 million in Joyhouse Academy

Joy House, situated in the Maphaya area in Jozini (Kwa-Zulu Natal), is one of the newest schools in the area with 26 staff members and it caters for 341 learners ranging from Grades R to 6. The NEF invested R2 million BFS funding into the project in 2015 and a further R13 million for Phase I construction in 2017. The construction of Phase I is complete and the school has been in use since 2018. The school is managed through an NPC that is owned by Ms. Nyawo, a Black South African woman from the Jozini area. The total funding required for the completion of Phase II is R13 million.

# BusaMed – transforming healthcare in SA

Busamed's vision is to be a consolidator of the fragmented health care market. This has been kick-started with the commercialisation of 4 hospital licenses for 630 hospital beds, spread over three provinces, namely Western Cape, Gauteng and the Free State. The aim is to develop centres of excellence, which will provide world-class services. The first hospital (a cardiologic centre) commenced operations & admitted its first in May 2015. The second hospital was launched in Johannesburg's Modderfontein in November 2016, while the third was launched in Harrismith at the same time. The Bloemfontein hospital began operation in 2018.



**PIC invested circa R700 million in BusaMed**





# Building the economy, brick by brick



Construction of 312 social housing apartments in Kempton Park, Ekurhuleni, known as *Kempton Village*.

Its scale and magnitude, developmental essence and the entrepreneurial spirit that birthed it, define the courage and vision of the NEF and its co-funders.

# MapChief - Student Accommodation

MapChief was established in 2015 and is a 100% black owned and 50% black-woman owned Business that was founded by Mr Thabo Mongoato and Ms Ephy Motlhamme. MapChief Trading . The funding of R52million was approved by the NEF and GPF for the construction of a 77-unit student property in Pretoria West. Property comprise two 5-level blocks that will be built on a site area of 2039 sqm. The Property will be a single block with 5 stories and 44 basement parking. One unit measures 56 square metres (mention rooms & ablution) and will accommodate 4 students at a monthly rental cost of R 3600 per student in the first year.



Location	Gauteng, Pretoria West
Project Stage	In construction
NEF Investment to date	R33 million
Total Project Size	R52 million
Jobs	128 jobs

# Employment-Orientated Strategic Localization and re-industrialization

# Gemilatex - Healthcare Sector Manufacturing Project

The project aimed to address the widespread extent of the AIDS epidemic which underscored the urgent need for the local production, procurement and utilisation of condoms. The promoting company is a 85% Black owned and 51% Women Owned (WEF) business. At completion, the investment will lead to the creation of 289 sustainable jobs in a peri-urban location (East London IDZ).

Location	National
Project Development Stage	FC and Capital Raising
NEF Investment to date	R50 million (partially disbursed)
Total Project Size	R134.5 million
Jobs	289



## Izintso (PTY) LTD – Dialyser Manufacturer R50m

The NEF has entered into a joint venture with JaLo Enterprise to conduct a Bankable Feasibility Study (BFS) into the establishment of a hollow fibre dialyser manufacturing factory in South Africa. A dialyser is a medical device that is used for the treatment of kidney disorder.

The market is dominated by international companies and the establishment of this factory is envisaged to replace imports and some of the products will also be marketed internationally. Kidney dialysis is one of the most expensive treatments and the cost has stagnated wider access by patients.

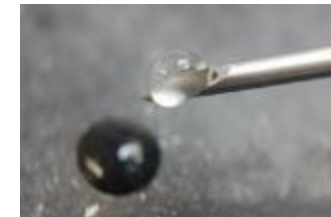
It is estimated that the project will create over 75 jobs at full capacity and more than 200 during construction.



# Kenako Medical Case Study

- ❖ Kenako intends to develop the sole manufacturing plant of normal and safety syringes in the SADC region.
- ❖ The plant will initially produce a total of 250 million syringes and 200 million hypodermic needles per annum.
- ❖ The NEF commenced with a R7.2 million feasibility study funding in 2013 and gave a hands-on approach in assisting the Black Industrialist in bringing the project to bankability.
- ❖ In March 2015 the NEF made a further commitment of R67.8 million towards the construction of the plant bringing the NEF's total investment to R75 million.

Salient Details	
Location	Coega IDZ, Eastern Cape
Project Development Stage	Financial Close
NEF Investment to date	R75 million
NEF Equity	70%
Projected Financial Close Requirement	R200 million
PIC equity and debt	PIC wanted to provide Financial Close funding shortfall of R200 million
Jobs	108





the dtic

Department  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

# Energy Security & Green Economy



NATIONAL  
EMPOWERMENT  
FUND

Ensuring Black Economic Participation

# NEF Investments in the Fuel Sector

- Within the NEF’s franchise portfolio, service stations rank as the most vibrant and successful both commercially and in terms of the repayment trends to the NEF.
- Relationships have been created with the various petroleum companies in line with the NEF SME Strategy that seeks to leverage the technical expertise provided by the oil companies for the benefit of black and women-owned enterprises.



R885 million



110 fuel stations



3 473 jobs



31% successful exits



44% women-owned



R100 million  
guaranteed

## Success attributes:

- ❖ Hands-on approach by the owner
- ❖ Location is very critical
- ❖ Branding – new and revamped sites
- ❖ Continuous marketing with stakeholders
- ❖ High volume-based forecourt
- ❖ New developments in the area
- ❖ Non-financial support
- ❖ NEF personnel continuous monitoring & advice





# Salamax Renewable Fuels Project

The use of biofuels as an energy source presents the potential for numerous environmental, employment, energy security and efficiency benefits to South Africa. A key challenge is establishing a viable biofuels industry able to produce biofuels at a low cost.

The entity will be the first to produce bioethanol from low cost, non-food based, second generation biomass from enzyme technology. It's aim is to produce bioethanol from biomass such as grass and leaves. They developed a novel dual-enzyme (MODAZYMETM) as a catalyst for sugar extraction from cellulose in grass or leaves, where the extracted sugar is then chemically broken down to produce ethanol.

Location	North West
Project Development Stage	BFS
NEF Investment to date	R10 million
Projected Financial Close Requirement	R161 million
Jobs	6 direct;160 indirect



HOTTEL

# Tourism Recovery & Growth

# Supporting Tourism

- In June 2018 the Department of Tourism signed an MOU with the NEF to establish the Tourism Transformation Fund (TTF).
- NDT will transfer R120 million to the NEF over a 3-year period to transform the tourism sector.
- The NEF has funded various lodges and hotels within the tourism industry throughout the country:
  - **Total approved is over R372 million.**
  - **Secured R52 million in 3<sup>rd</sup>-party funding from the Department of Tourism.**
  - **Over 950 jobs supported as a result of investments made in the sector.**
- The impact of these transactions have influenced social and infrastructure development in the respective communities:
  - Road Infrastructure
  - Housing
  - Retail and Shopping Centers
- The transactions have been structured such that the local communities become shareholders in the funded facilities.



# Donga la Boutique - Hospitality

## President Ramaphosa Visits NEF Investee

His Excellency President Cyril Ramaphosa making a brief stopover at Donga La, an NEF-funded hotel in Newcastle recently. Donga la Boutique is a new mid-market 15-room hotel with conferencing and wedding facilities and a restaurant, located in Ladysmith. The boutique hotel boasts a 4-star grading while charging 3-star rates. The hotel has exclusive accommodation units, a presidential and honeymoon suites with ensuite bathrooms. The town is an ideal setting for a boutique hotel with a restaurant and wedding venue. The NEF has invested R1.5million in the business.



**Pictures taken before  
the advent of the  
COVID-19 pandemic**



# Graskop Gorge – Tourism

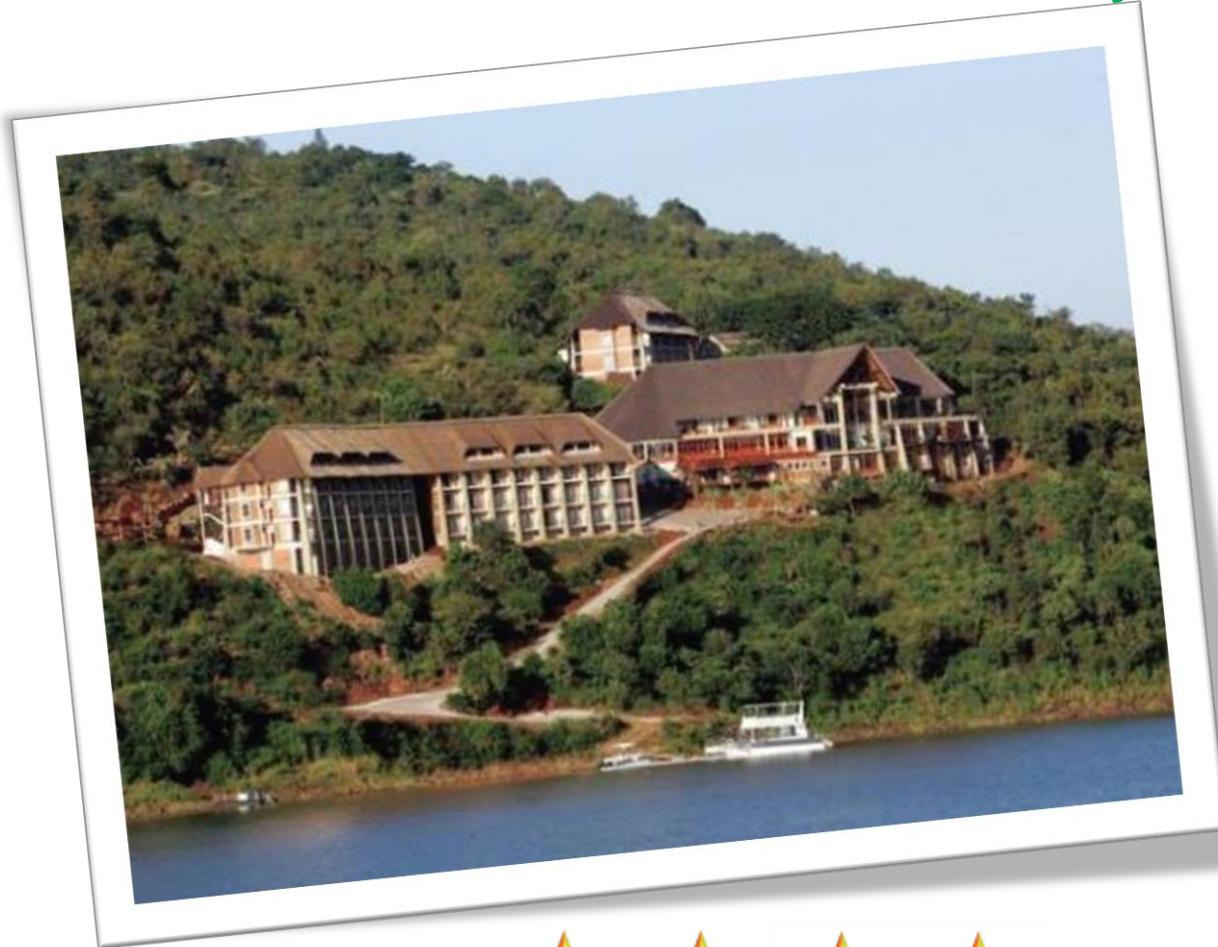
The Graskop Gorge Lift Company is the latest and most innovative tourism development in South Africa. This jewel of Mpumalanga's Panorama Route is located in the breath-taking Afromontane forest and may be accessed via a viewing elevator that travels 51-metres down into the Gorge. The centre also offers a restaurant perched on the edge of the gorge, an art gallery, African fashion, curios, crafts and much more.

The journey begins as the visitor drops off the grassy cliff top plateau in a custom- designed 26-passenger outdoor elevator. It travels down the cliff face into the cool mountain forest below. The forest trail is a sensory delight and environmental splendour, full of natural sounds, texture and unforgettable sights. Water drips down rock faces, moss grows in abundance, the river dances across boulders and the waterfall cascades. A rich, earthy aroma lingers, and little flowers vie for attention next to towering trees as exotic birds glide gracefully in their pristine habitat



# Jozini Tiger Lodge – Rural Community

## The community are shareholders this 4-Star hotel



- This is a R50 million project
- In 2010 the NEF invested R28,3m for construction and 16.7% community equity
- The Trust represents 22 000 beneficiaries in the Jozini area (Northern Kwa-Zulu Natal)
- Overlooks the third largest lake in South Africa
- The hotel has 70 upmarket rooms
- Employs 90 members of the community
- Accommodates 144 guests
- Near Eswatini & Mozambique



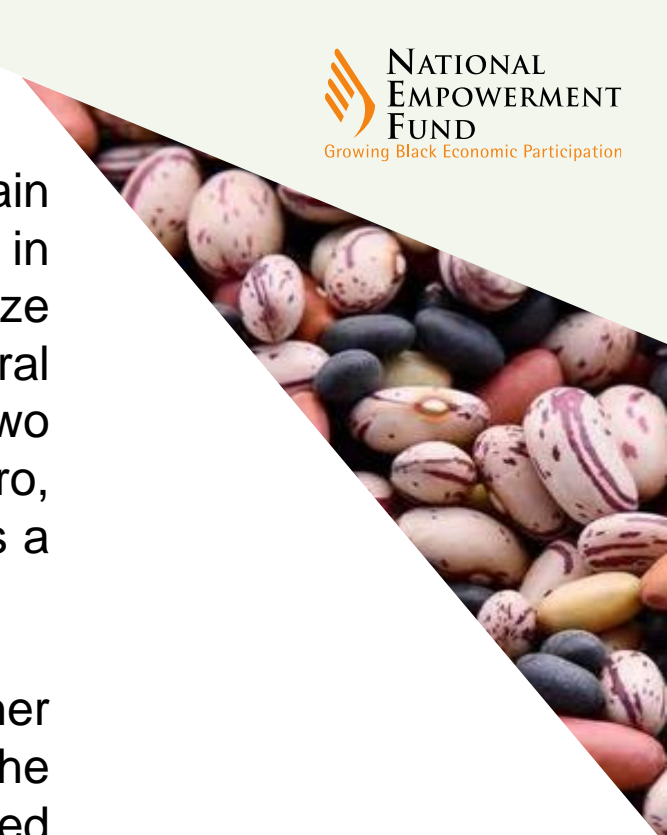
# Strengthening Food Security

# Golden Dice

Golden Dice Foods is a milling company which manufactures and packages grain commodities for wholesalers and the consumer market. The business has been in existence for 25 years and specialises in the milling and manufacturing of maize and mabele products as well as the packaging and distribution of dry agricultural products such as beans, popcorn, sugar and fowl feed. It offers products under two brands, namely Selcro and Golden Dice. Some of our key clients include Makro, CBW Group, OK Foods, Spar, ICC and Elite Group. The business was bought as a going concern and has built significant brand equity over the years,

The outbreak of the COVID-19 pandemic has sparked widespread fears whether there will be sufficient food supplies at affordable prices for the country over the lockdown period. To address this anxiety, one of the businesses that has benefited from the NEF COVID-19 Black Business Fund is Golden Dice Foods, which has R6 million for the purchase of additional machinery, repairs to existing machinery and working capital.

<b>Amount Funded</b>	R6 million
<b>Jobs Supported</b>	35 jobs
<b>Products</b>	Dry Foods (Beans and Grain)





# Imphuphu Mills

Imphuphu Mills is a 100% black owned milling company which produces and supplies maize meal to communities around Weenan, Dundee and Ladysmith, in KZN. The company was established in 2009 and has 20% ownership by black women.

Imphuphu Mills operates in the second phase of the maize industry as a micro milling plant in the largely untransformed sector and food chain. The company sources raw materials from local farmers in KZN in the Okhahlamba Local Municipality and from brokers that source from the SAFEX (South African Futures Exchange), a division of the Johannesburg Stock Exchange (JSE). The company supplies their own brand of maize meal. In the wake of the devastating impact of the COVID-19 national disaster, the NEF COVID Fund has approved funding to the value of R1.52 million.

<b>Amount Funded</b>	R1.5 million
<b>Jobs Supported</b>	2356 jobs
<b>Product</b>	Dry Foods (maize meal)

# Nyamane Foods

The project intends to develop a tomato processing plant to produce tomato paste integrated with a tomato growing facility to provide feedstock for the plant. The facility would be the first of its kind in South Africa with a capacity to grow 3000 hectares of land and produce ca. 7500 tons of tomato paste per annum. The facility will be strategically established in the Lepelle Nkumpi municipality in Limpopo to cater for local and export markets.

Location	Lepelle Nkumpi, Limpopo
Project Development Stage	Bankable Feasibility Study
NEF Investment to date	R7.3 million
NEF Equity	49%
Projected Financial Close Requirement	R250 million (ca. USD16,6mil)
Jobs	110 Direct, 600 Indirect



# Imbaza Mussels

- Funded for R9m,
- A black mussel farm, based in Saldana Bay, Western Cape. This was an initiative of **the dti** , the Community Public Private Partnership Programme. The initiative was piloted and once successful, the NEF funded the commercialisation of the project,
- There are currently 20 rafts built and over 80 tonnes of mussels being produced on a monthly basis,
- Employees are a majority shareholder in the company
- The Department of Agriculture and Fisheries has provided grant funding to the company,
- Good market – an off-take agreement with a shareholder who has a mussel processing facility,
- Committed employees due to shareholding incentives.

## Challenges

- The production of mussels will outstrip the intake by the processing plant. Business needs to invest in a processing plant.





## Supporting Black Youth in Business



# Empowering the Black Youth (2010-2020)

Youth Sector Focus	Amount Approved	Active Deals	Jobs Impact
Arts & Culture	21,398,500	3	1570
Services	61,145,553	7	535
Energy	88,843,000	13	448
Construction	7,300,000	2	258
Mining	13,000,000	1	93
Property	78,369,002	4	83
Retail	12,622,000	5	81
Food & Beverages	13,792,529	6	68
Manufacturing	35,101,240	5	64
Agro Processing	15,750,000	2	47
Transportation	16,136,718	3	30
Tourism & Entertainment	4,051,859	2	17
Distribution	5,000,000	1	6
Engineering	6,500,000	1	1
<b>Total</b>	<b>379,010,401</b>	<b>55</b>	<b>3301</b>

- Young Entrepreneurs have increasingly found expression through the funding of the National Empowerment Fund.
- Creative industries have proven to be a great factor for unlocking broad-based impact with the number of jobs created per funds invested proving to be a great catalytic factor for the NEF.
- The Youth Owned Business portfolio has proven to be as diverse as it is sustainable with investments across numerous industries.

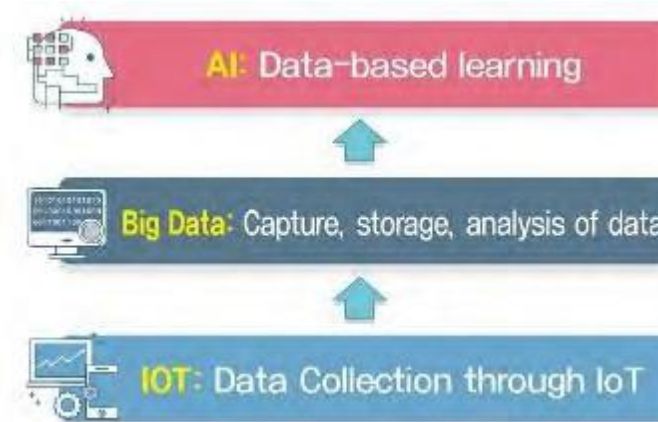
# 4IR Case Study: Rikatec (Pty) Ltd Information Management

The NEF wants to actively drive the participation of black companies in the 4th Industrial Revolution.

Rikatec (Pty) Ltd focuses on information management systems for vehicles. The company uses big data and machine learning to detect vehicle breakdowns, predictive maintenance, vehicle wear and tear, vehicle resale value, driver profiling and driver ratings

- Rikatec is 60 ,63% black youth-owned and youth-managed
- R15m approved and R10m disbursed. NEF owns 10% of Rikatec.
- Rikatec has created 10 jobs with 37 more expected in the next year
- Proof of concept will unlock agreements with SA Taxi, Constantia Insurance, fleet management and other insurance companies.

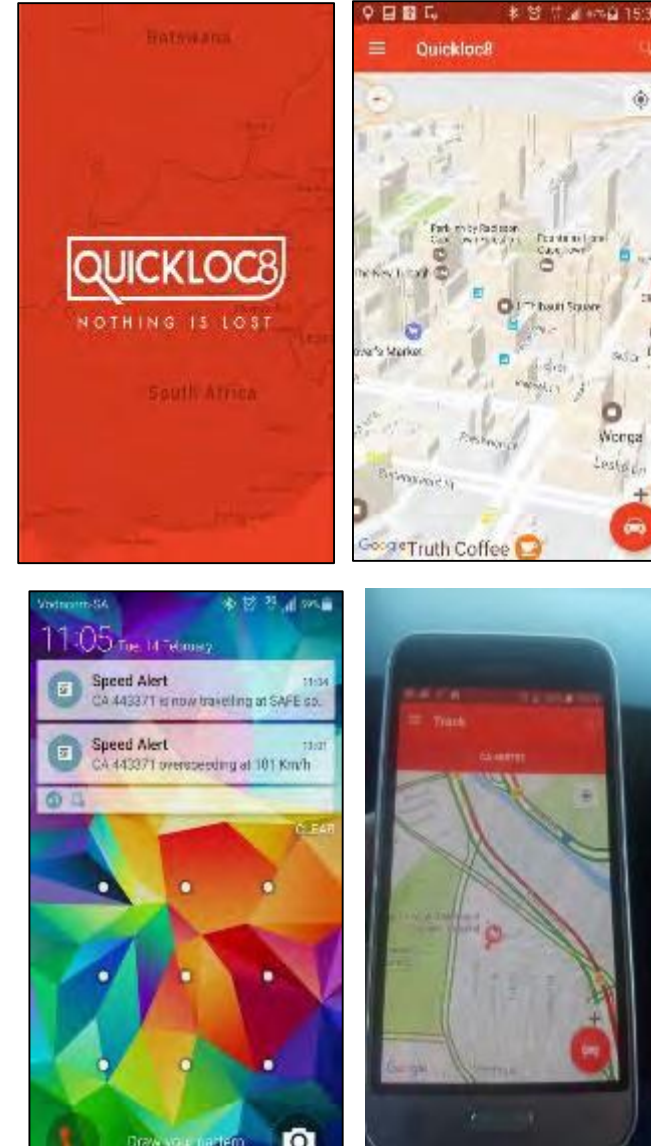
Location	Gauteng
Approved Amount	R10 000 000
Deal Stage	Expansion
Ownership	100% Black, 63% Youth Owned
Jobs Impact	10 Jobs



# 4IR Case Study: Quickloc8 (Pty) Ltd Mobile Application Systems

Quickloc8 (Pty) Ltd is a 100% black owned entity that was established in 2015 by Mr Mbavhalelo Mabogo. The entrepreneur identified a void in the market for a smartphone tracking platform for vehicle tracking, monitoring and telematics for the lower end of the market. Current tracking technology available in South Africa is mostly too expensive and not within reach of smaller businesses. The applicant has positioned itself to offer high end tracking capabilities at a considerably lower cost to users. The product offering is tracking devices with complete mobile capabilities for both individuals and businesses. The entrepreneur approached the NEF for R2.5 million, for funding of business assets, stock and working capital. 2 permanent jobs maintained and 21 new jobs created.

Location	Cape Town, Western Cape
Deal Stage	Start-up
NEF Approved Amount	R2.5m
Ownership	100% Black Male-owned
Number of jobs	10 new jobs



# Creative Industries & Media

- In 2015, global revenue from cultural and creative industries accounted for 3% of the world's Gross Domestic Product (GDP), or a total of \$2 250bn. It also created a total of 29.5 million jobs worldwide, or 1% of the world's actively employed population.
- South Africa is aligned with this trend where in 2014, according to some early mapping of the sector, the country's creative economy contributed over R90.5bn to the national economy and contributed 2.9% of the GDP, exceeding, for instance, the contribution of agriculture to GDP (2.2%). In 2014, the industry accounted for 2.9% of employment in South Africa, equating to 443 000 jobs.
- R390 million creating over 2300 jobs since inception to date.

Below is a sample of the creative industries & media funded by the NEF:

Name of Investee	Location	Total Project Cost	NEF Commitment	Nature of Business	Jobs Created	Black Women Ownership
Long Walk to Freedom	KZN	296 097 916	50 000 000	Movie	799	0%
Power 98.7	Gauteng	132 736 522	75 121 416	Media	107	0%
SkyRink Studios	Gauteng	240 442 291	40 000 000	Production Studios	114	0%
Sew Winter into my skin	Western Cape	12 500 000	3 500 000	Movie	37	50%
Diprente	Gauteng	8 412 000	7 612 000	Animation Studios	140	0%
		<b>690 188 729</b>	<b>176 233 416</b>		<b>1197</b>	







# Gender Equality & Economic Inclusion

## Women Empowerment Fund (WEF)

- The purpose of the Women Empowerment Fund, established in the financial year 2014/15 is to accelerate the women economic empowerment through the provision of funding to businesses owned by black women.
- Finance will be provided from R250 000 to R75 million across the whole of the NEF existing product suite described above.
- Minimum of 51% black woman ownership is the main criteria. Black women have to be operationally involved at managerial and board levels. Other empowerment dividend pillars have to be considered.
- WEF as an important KPA, across all four NEF Funds, approval, commitment and disbursement targets were exceeded in the current FY2019/20.



# Funding Black Women

NEF funds across all sectors of the economy. Construction is one of the key sectors that have benefited black women entrepreneurs in the NEF portfolio.

Sector	Amount Approved	%	Deals	Jobs Impact
Agro Processing	11 414 000	1%	2	4007
Arts & Culture	10 741 336	1%	4	1 905
Construction	244 644 592	14%	27	1 748
Education	2 240 000	0%	1	34
Energy	368 678 195	21%	51	1 739
Engineering	39 380 072	2%	8	210
Financial Services	10 500 000	1%	8	60
Food & Agro Processing	4 750 000	0%	4	21
Food & Beverage	93 777 295	5%	24	655
General Building Construc	12 513 426	1%	3	65
Healthcare	35 800 000	2%	4	106
Horticulture	7 400 000	0%	1	30
ICT	1 860 000	0%	2	13
Infrastructure	35 200 000	2%	3	57
Manufacturing	291 361 336	17%	22	1 013
Mining	10 605 335	1%	2	80
Plant hire	10 000 000	1%	1	61
Property	70 019 002	4%	4	533
Retail	67 241 528	4%	10	129
Services	175 574 491	10%	37	3 046
Textile	13 600 000	1%	4	656
Tourism & Entertainmen	88 683 941	5%	13	574
Transport and Logistics	105 424 568	6%	17	628
Wholesale	10 100 000	1%	1	21
<b>Total</b>	<b>1 721 509 117</b>		<b>253</b>	<b>17 391</b>



# L&R Building and Civils - WEF in Construction

- L&R Building and Civils Construction (Pty) Ltd (“L&R”) is a construction company that has been operating since 2003.
- The business is 100% black woman owned and specialises in social housing.
- Product and Service offering:
  - General Building;
  - Concrete Supplies; and
  - L&R is expanding its services into civil engineering
- The NEF approved a R15 million working capital facility.
- Key Highlights of L&R:
  - Past projects to the value of R322 million since inception;
  - Confirmed order book to the value of R201,4million; and
  - Created and maintained 165 jobs where 134 are temporary and 31 are permanent;
  - Through assistance with the NEF funding has potential of creating 10 new jobs.
- The business’ head office is based in Meyerton, Gauteng and satellite offices in the Eastern Cape and other site operations.



# Rise Uniforms – Clothing Manufacturer R10 million

The universal protective mask policy which requires citizens to wear face masks when in public has increased the nationwide demand for protective masks. In response to this market need the NEF has funded Rise Uniforms to the value of R10 million through the COVID-19 Fund to purchase machinery and raw material that will help the company to produce 55 000 masks a day.

Based in Cape Town, Rise Uniforms is a 100% black woman-owned and managed business that specialises in clothing manufacturing for a wide range of items such as corporate uniforms and school wear.

The business currently has 43 employees and 20 new jobs will be created with the protective face masks line. Rise Uniform has previously received funding from the NEF for clothing-manufacturing.





## Co-ordination with other dtic entities

# Co-funding Opportunities with the dtic Agencies

NEF Projects Expected to Require co-funding in current year	Financial Close Funding Required (millions)	Debt (millions)	Equity (millions)	NEF Involvement (millions)	Dtic Grant Possibility (millions)	CAPITAL REQUIRED		REGION	Industry
						Equity (millions)	Debt (millions)		
Gemilatex	R135	R81	R54	<b>R37</b>	R31	<b>R4</b>	<b>R62</b>	EC	Manufacturing (Medical Devices)
JaLo Renal	R250	R150	R100	<b>R50</b>	R50	<b>R25</b>	<b>R125</b>	KZN	Manufacturing (Medical Devices)
Mendirail	R300	R180	R120	<b>R15</b>	R50	<b>R63</b>	<b>R173</b>	GP	Manufacturing (Transport)
Lebombo Cotton	R306	R183	R122	<b>R50</b>	R20	<b>R77</b>	<b>R159</b>	MP	Manufacturing (Agro-processing)
Kenako Medical	R260	R156	R104	<b>R75</b>	R50	<b>R17</b>	<b>R119</b>	KZN	Manufacturing (Medical Devices)
Nyamane Foods	R350	R210	R140	<b>R50</b>	R50	<b>R65</b>	<b>R185</b>	LP	Manufacturing (Medical Devices)
Okukubayo	R47	R28	R19	<b>R15</b>	R21	-	<b>R11</b>	GP	Manufacturing (Food)
<b>Total</b>	<b>R1648</b>	<b>R989</b>	<b>R659</b>	<b>R292</b>	<b>R272</b>	<b>R251</b>	<b>R833</b>		

THANK  
YOU

