

2017/2018 Annual Incentive Report

The Incentive Development and Administration Division (IDAD)



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



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Department:
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Abbreviations and Icons

12I	Tax Allowance Incentive
AIS	Automotive Investment Scheme
ADEP	Aquaculture Development and Enhancement Programme
APSS	Agro-Processing Support Scheme
B-BBEE	Broad-Based Black Economic Empowerment
BIS	Black Industrialist Scheme
BPC	Broadening Participation Cluster
BPS	Business Process Services
CDP	Cluster Development Programme
CIC	Competitiveness Investment Cluster
CIP	Critical Infrastructure Programme
CM	Component Manufacturer
CPFP	Capital Projects Feasibility Programme
EBFM	Emerging Black Filmmakers
EMIA	Export Marketing Investment Assistance
FILM and TV	Film and Television Production and Post-production Incentives
IDAD	Incentive Development and Administration Division
IDC	Industrial Development Corporation
ISP	Incubator Support Programme
MCEP	Manufacturing Competitiveness Enhancement Programme
MIC	Manufacturing Investment Cluster
MIP	Manufacturing Investment Programme
SARS	South African Revenue Services
SEZ	Special Economic Zones
SIC	Services Investment Cluster
SMMEs	Small, Medium and Micro-sized Enterprises
SPII	Support Programme for Industrial Innovation
SPP	Strategic Partnership Programme
SSAS	Sector-Specific Assistance Scheme
the dti	The Department of Trade and Industry
THRIP	Technology and Human Resources for Industry Programme



* Jobs at the time of company approval for the incentive.

Foreword by the Minister of Trade and Industry

the dti believes that industrialisation remains integral to achieving sustainable economic growth in South Africa and across the region. Through the use of its incentives, it has supported this goal by approving 871 projects during 2017/18 and which are expected to generate R94,1 billion in investments from domestic and foreign entities. Incentive programmes that are anticipated to contribute significantly to investment over the next two to three years include Black Industrialist Scheme (BIS), the Agro-Processing Support Programme (APSS), the Automotive Incentive Scheme (AIS), the 12I Tax Allowance Programme, the Special Economic Zones (SEZ) and the Critical Infrastructure Programme (CIP) which includes the Industrial Parks. The AIS has attracted R8,4 billion from foreign investors, entrenching the South African automotive industry's place as a resilient global competitor, while the 12I has supported investments

linked to key sectors in the Industrial Policy Action Plan (IPAP) of **the dti**. More than R60 billion of significant investments are expected from SEZ and CIP approvals and these will ensure that the required infrastructure will be in place to attract more foreign and local investment.

the dti's commitment to promote industrial innovation is made evident through the approval of 62 projects which will receive grant funding from the Support Programme for Industrial Innovation and Technology and Human Resource Investment Programme. Both of these incentives are key instruments to help prepare the country for the fourth industrial revolution. The digital industrial revolution presents enormous potential for industrial development and broader, inclusive, socio-economic growth.

the dti is committed to ensure that its incentives support projects which expedite social and economic transformation such as gender equality, youth employment and inclusive growth.

This report details **the dti's** hard work and commitment to reindustrialisation of the economy. I hope that the report will also inspire your further support for these important initiatives.



DR. ROB DAVIES
Minister
Department of Trade and Industry
Government of the Republic of South Africa

Forewords

Through the administration of incentives, a key instrument of industrial policy, **the dti** aims to promote industrialisation, sustain inclusive economic growth and transform the South African economy for the better. During the 2017/18 financial year, the department was successful in adding R9,7 billion to the local economy.

With 79% of incentive approvals having a B-BBEE level of four and less, the department is steadfast in its commitment and responsibility to eliminating race-based ownership and control of important economic structures.

In particular, through the incentive of the Black Industrialist Scheme (BIS), the department is determined to build a legion of black industrialists which are emerging from the small, medium and micro-enterprise (SMME) sector. A further incentive which promotes inclusive socio-economic growth is the Business Process Services (BPS) incentive which will create 2 145 new jobs of which at least 80% have to be for youth. The Technology and Human Resources for Industry Programme (THRIP) will support 295 students to obtain technical skills and knowledge. The Critical Infrastructure Programme (CIP) supports full-scale industrialisation and inclusive growth through the approval of projects incentivised for R105,6 million to revitalise eleven industrial parks which are located in and around townships and rural communities in South Africa.

Through the goals and actions set in motion by **the dti**, I trust that these incentives will help to change the inherent structure of our economy into one that is sustainable, fair and inclusive.



MR LIONEL OCTOBER
Director-General
Department of Trade and Industry
Government of the Republic of South Africa

The Incentive Development and Administration Division (IDAD) within **the dti** is committed to growing sustainable, competitive enterprises and effective project-based financial support.

One of the highlights of 2017/18 has been the launch of the Agro-Processing Support Scheme (APSS) in May 2017. This incentive is expected to create employment due to the labour-intensive nature of the agro-processing sector, to encourage investment in up and downstream support industries and to enhance transformation. Other incentive accolades include the launching of seven Black Industrialist projects with an estimated investment of R431 million. These comprise of the 50 approvals from the Black Industrialist Scheme (BIS), an incentive which is positively shifting the demographic composition of South Africa's industrial sector.

Over the past financial period IDAD has supported 871 projects with an incentive value of R9,7 million, in the form of grants, loans and tax allowances. Estimates from these approvals indicate an overall investment multiplier of 9,7 and a retention of 36 311 jobs, with the creation of 32 578 new jobs over the next two to three years.

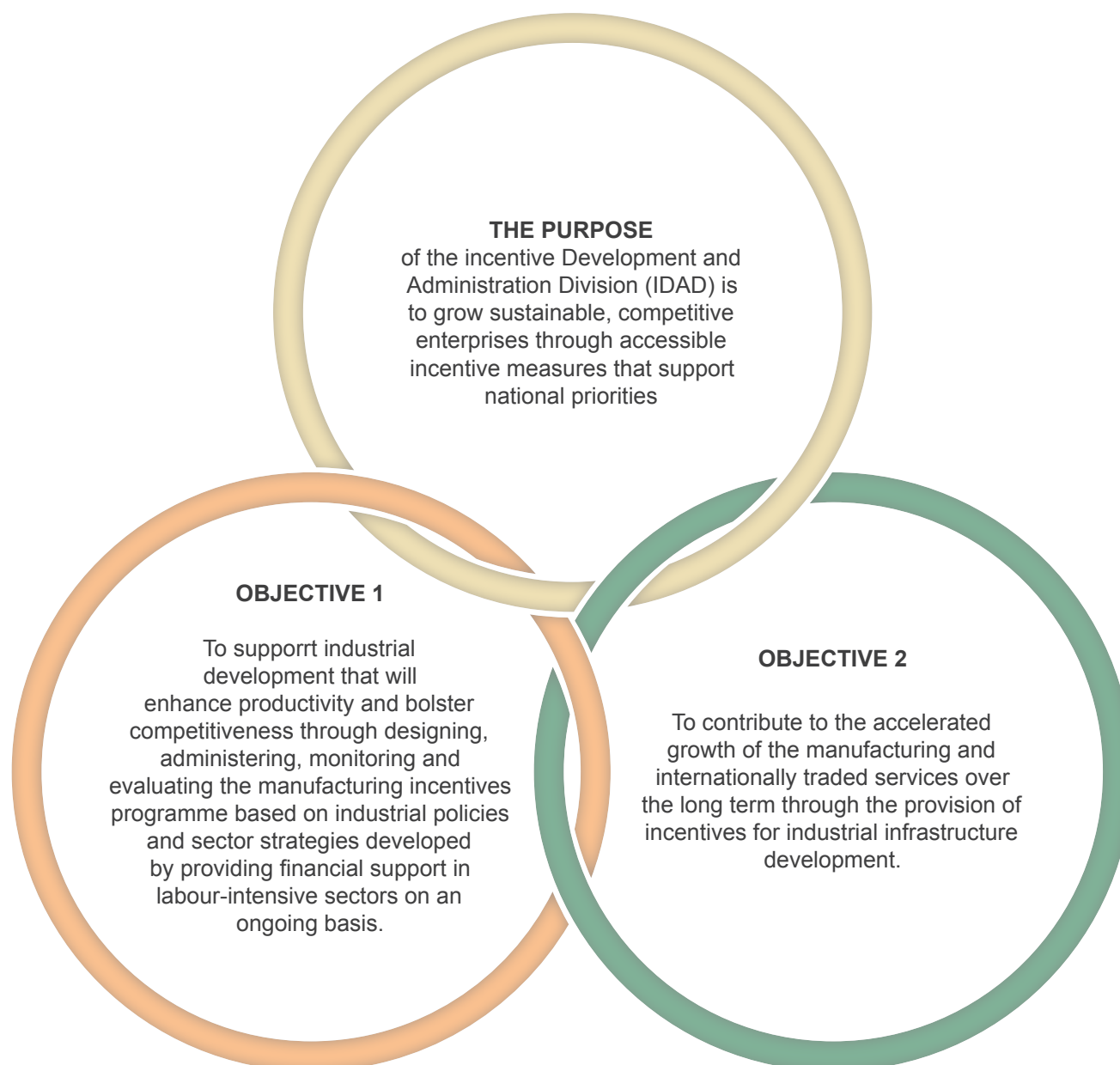
This year's report provides further examples of how our work has translated into positive results in the form of incentive analyses and reports on companies and projects which have benefited from these incentives.

We will continue to evaluate our work in order to constantly learn from what we do and to improve upon our positive impact on business and, ultimately, the South African economy.



MS MALEBO MABITJE-THOMPSON
Deputy Director-General: Incentive Development and
Administration Division
Department of Trade and Industry
Government of the Republic of South Africa

Purpose and Objectives



DIVISIONAL SERVICE CHARTER



INTEGRITY



CARING



TRANSPARENCY

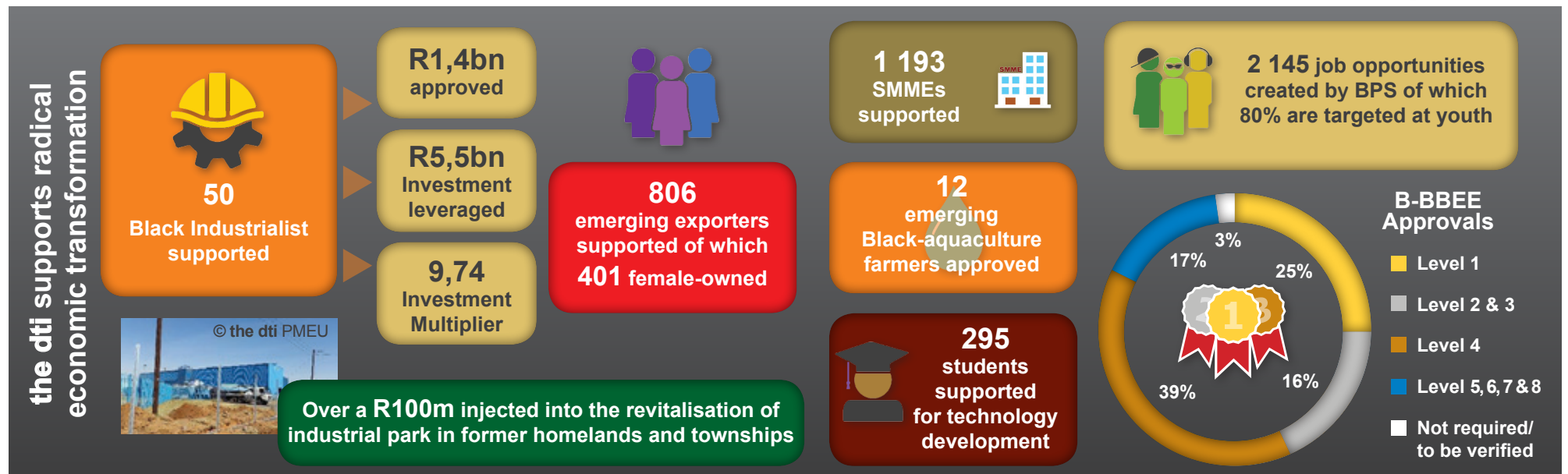
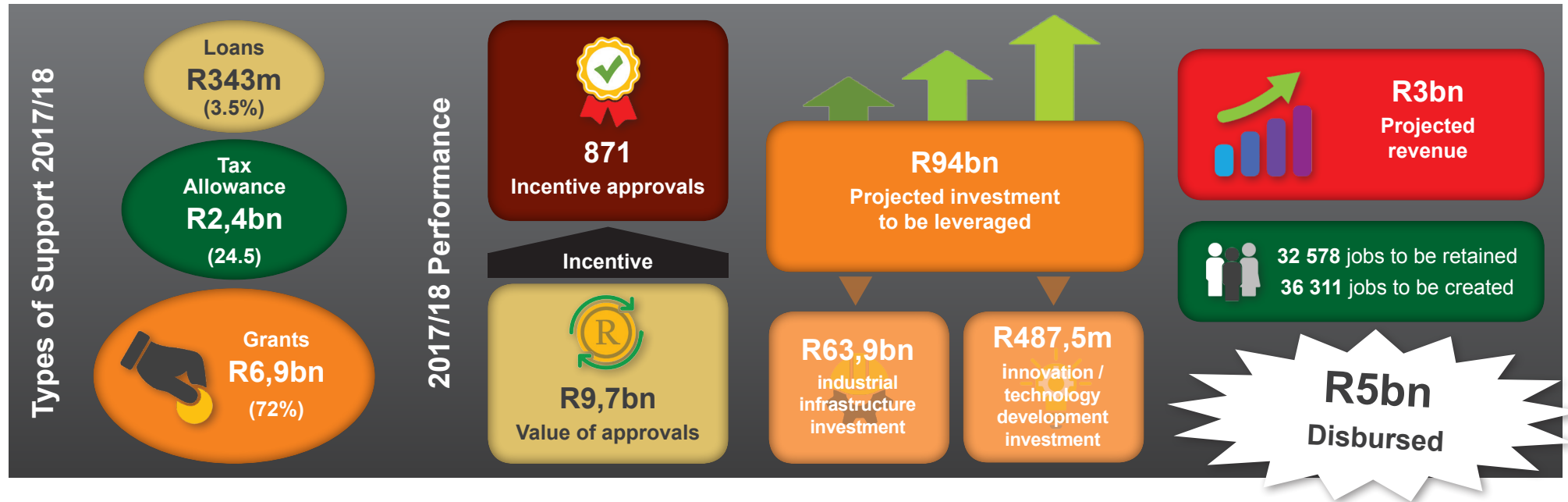


PERFORMANCE
EXCELLENCE

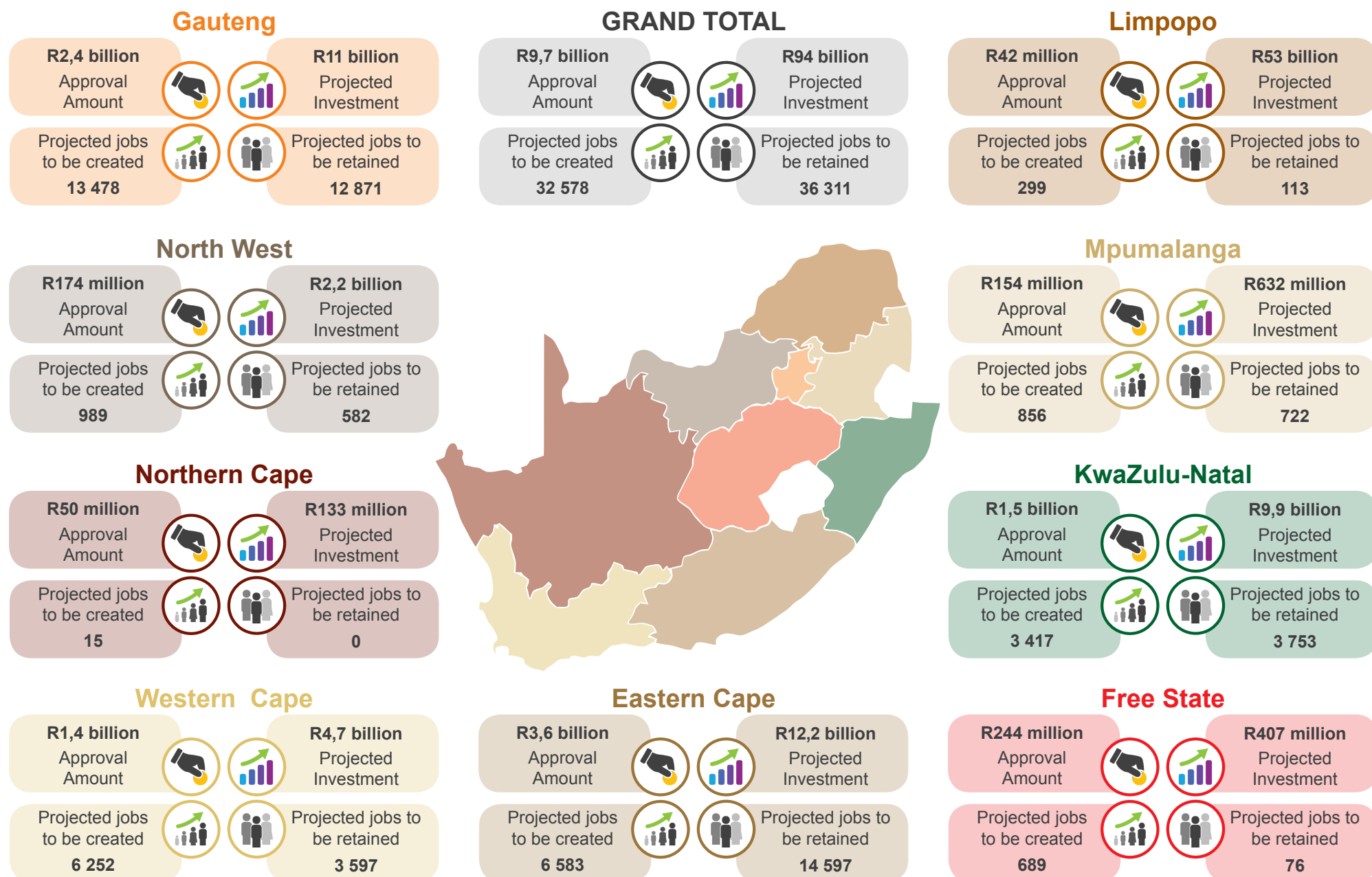
We commit to customer centricity by:

- ▶ Treating customers trustfully, honestly ethically and professionally
- ▶ Caring for our investors, entrepreneurs, customers, communities, nation and environment.
- ▶ Being accountable and taking full responsibility for our actions
- ▶ Embracing operational excellence






















Incentive Performance Overview 2017/18



Provinces Overview



Key Sectors Overview

	 Agriculture	 Business Process Services	 Industrial Infrastructure	 Innovation	 Manufacturing	 Film and TV
	R82,7 million	R33 million	R1,4 billion	R307 million	R7 billion	R724 million
	R215 million	R3 billion (Projected Export Revenue)	R64 billion	R488 million	R26,5 billion	R2,9 billion
	2 298	2 145	6 673	295 students to be supported	12 039	9 423
	634				35 677	
						
	Agro-Processing	Automotive	Textiles	Wood, Paper and Furniture	Chemical Products, Pharmaceuticals and Plastics	Mining and Mineral Benefication
	177	83	71	7	74	8
	R627 million	R2,7 billion	R144 million	R842 million	R1,5 billion	R166 million
	R1,7 billion	R9,5 billion	R316 million	R4,8 billion	R5,1 billion	R1,7 billion
	1 814	1 736	944	265	1 506	429
	2 968	23 245	1 030	1 414	650	2 537

Clusters Overview

Broadening Participation Cluster

Provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions. The broadening participation cluster comprises of the Black Industrialist Scheme, the Technology and Human Resource for Industry Programme and the Support Programme for Industrial Innovation



Manufacturing Investment Cluster

Provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the following programmes and schemes: the section 12I Tax Incentive Allowance, the Automotive Investment Scheme, the Manufacturing Investment Programme, the Agro-processing Support Scheme, the Aquaculture Development and Enhancement Programme and the Incubator Support Scheme.



Services Investment Cluster

Provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the Business Process Services programme, and the Film and Television Production Incentive Support Programme for South African and foreign productions.



Competitiveness Investment Cluster

Provides incentive programmes that promote industrial competitiveness and growth of South African goods and services in the global economy. This cluster consists of the following programmes: the Manufacturing Competitive Enhancement Programme, the Export Marketing and Investment Assistance Scheme, the Sector Specific Assistance Scheme and the Capital Projects Feasibility Programme.



Infrastructure Investment Support Cluster

Provides grants for industrial infrastructure initiatives; the SEZs, Critical Infrastructure Programme, including Industrial Parks, and the Cluster Development Programme, which are aimed at enhancing infrastructure and industrial development, increasing investment and export of value-added commodities.



Highlights



**Increase of 40%
in approvals from
2016/17 to 2017/18**



**Broad span of
manufacturing sub-
sectors approved**



**Black industrialists
are growing in
independence and
confidence**



**Positive multiplier
effects on investment
and on projected jobs
in all sub-sectors
approved**



**More potential among
black industrialists
emerging through
the scheme than was
previously known**



**Payments and claims
show sound achieve-
ments of projected
investments and jobs**

Black Industrialist Scheme

The Black Industrialist Scheme (BIS) proposes focused efforts to facilitate the inclusion and participation of black industrialists as more equal societies grow faster than those that are unequal. The BIS incentive centers on the growth and global competitiveness of black-owned enterprises. The intention is to contribute towards shifting the demographic composition of South Africa's industrial sector and to engage under-utilised sources of jobs, revenue, taxes and innovation through the Black Industrialist Scheme. Despite the short time of implementation, the policy has been showing significant results. However, it is still in an early phase and should be considered to be leaning towards further scale and expansion.

The entry criteria for the BI Scheme are industrially and economically rigorous, including the dominance and participation of black ownership and doing business in a favoured manufacturing sector relative to the dti's industrial policy action programme.

questionable involvement of the black partner or the balance sheet showing that the industrialist was able to fund the project. The provincial data is predictable and yet shows some positive changes. As Gauteng is the industrial heartland of the country it is predictable that it would lead, given that agglomeration is a promoter of investment. In the case of KwaZulu-Natal, it is encouraging, as this province also has higher unemployment and poverty levels.




The more promising trend is the approvals in three provinces which have not had any BIS approvals prior to the current reporting year. These are the North West, Mpumalanga and the Northern Cape. The projected levels of jobs in the Eastern Cape, KwaZulu-Natal and Mpumalanga – 1 092, 1 060 and 406 (a total of 2 558) is also a favourable trend for provinces with high unemployment.

Approvals

As the data on the following page reflects, there is considerable potential among black-owned businesses that would not be fully developed in the absence of a policy and incentives such as the BIS. This potential is more evident in the 2017/18 approvals which recorded substantially high projected investment figures and new jobs to be created. There were 69 applications received during 2017/18 for the BIS incentive of which 50 were supported. The rejections were mostly related to lack of viability,

2016/17	Aggregate Performance	2017/18
36	Projects approved	50
R1bn	Value of grants	R1,4bn
R3,1bn	Projected investment	R5,5bn
3 979	Projected new jobs	5 159
3 837	Baseline jobs	2 536
R122,5m	Disbursements	R505,1m

BIS Approvals per Province

	Eastern Cape	Free State	Limpopo	KwaZulu-Natal	Gauteng	Western Cape	Mpumalanga	North West	Northern Cape
	2	1	1	11	27	3	3	1	1
	R80,9 million	R31,6 million	R14,2 million	R183,5 million	R719,5 million	R125,2 million	R127,7 million	R50 million	R50 million
	351	0	92	491	1 445	105	52	0	0
	1 092	49	46	1 060	1 561	870	406	60	15
	R572,7 million	R79 million	R36 million	R737,4 million	R3 billion	R344,7 million	R432 million	R208,2 million	R133,1 million

1 Free State, North West and Northern Cape are new projects and hence baseline jobs are zero.

Black Industrialist Highlights

Ocean's Peak

Oil and gas expansion project



100%
Indian female



25
Baseline jobs



R35,8 million
Grant



50
Projected new jobs



R81 million
Projected investment



Gauteng

Dalisu Holdings

Chemicals, pharmaceuticals and plastics



Black / White Male
50% co-ownership



2
Baseline jobs



R50 million
Grant



28
Projected new jobs



R253,9 million
Projected investment



Mpumalanga

The BIS approvals of grants to black industrialists show a number of healthy economic shifts:

- ▶ The projects that are to be supported span across 11 sectors. This displays significant achievements in relation to strategic sectors as supported by the industrial policy.
- ▶ Manufacturing sub-sectors with the highest approvals display movement into non-traditional areas for B-BBEE, that is, Chemicals, Pharmaceuticals and Plastics, followed by Agro-processing, Manufacturing-related Logistics and Mineral Beneficiation.
- ▶ All the sectors in which grants were provided showed positive multiplier effects on investment and on jobs projected. The investment multiplier ranges from two to 10,7 with an average of a vigorous four, that is, for every R1 provided as a grant to a black industrialist a concomitant investment of R4 was made in the business. The leaders in the category of jobs multiplier were in Clean Technology and Energy and in Mineral Beneficiation where start-up industrialists are set to create 806 and 335 jobs, respectively. Outside of these exceptions, the jobs multiplier ranged from four to 1,2, with an average multiplier of 2,3.
- ▶ The grants and investments in Mineral Beneficiation and Clean Technology and Energy are noteworthy as these are start-ups in desirable sectors under current economic challenges and meet the needs to reduce the carbon footprint.
- ▶ The six projects in Pulp, Paper and Furniture and in Clothing, Textile/Leather and Footwear are also worthy to be mentioned as these approvals and investments displays competitive capability in sectors where South Africa has struggled to compete.

BIS Approvals per Sector

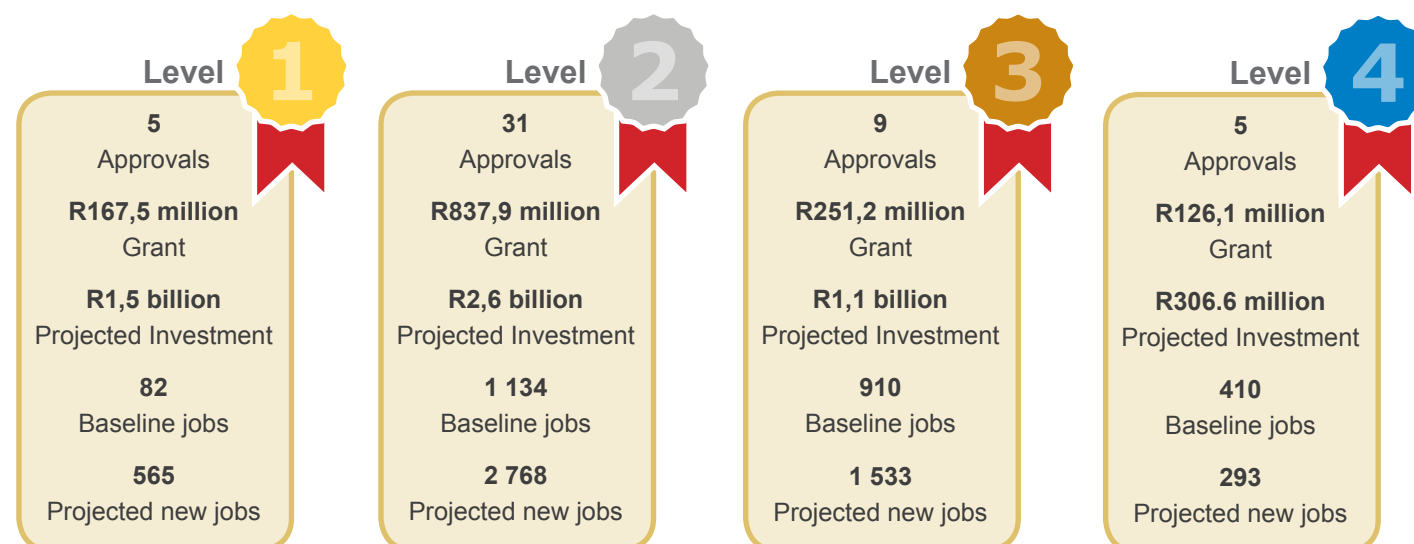
				SIM ²			SJM ³
 Chemicals, Pharmaceuticals and Plastics	11	R289,6m	R950,3m	3.3	170	483	2.8
 Agro-processing	8	R213,6m	R485,6m	2.3	325	768	2.4
 Manufacturing-Related Logistics	6	R162,9m	R873,8m	5.4	835	1361	1.6
 Mineral Beneficiation	3	R150m	R1,6bn	10.7	0	335	335
 Industrial Infrastructure	5	R141,7m	R360,4m	2.5	311	397	1.3
 Oil and Gas	5	R120,9m	R315,4m	2.6	38	151	4
 Clean Technology and Energy	2	R80,1m	R299,9m	3.7	0	806	806
 Pulp, Paper and Furniture	3	R73,6m	R170,8m	2.3	156	181	1.2
 Clothing, Textile / Leather and Footwear	3	R70,4m	R166,1m	2.4	518	614	1.2
 Aerospace, Rail and Automotive Components	2	R51,3m	R102,9m	2	15	28	1.9
 Designated Sectors for Localisation	2	R28,7m	R202,1m	7	168	35	4.8

² This column shows a simple multiplier effect on investment (SIM) from the grant approved. It does not take into account any leakages or taxes, hence it is a simple multiplier.

³ Similarly, the jobs multiplier shows the employment effect resulting from the grant to the business.

Approvals by B-BBEE Level








The data on B-BBEE levels of investors also show heartening data patterns. That approvals, investment and jobs are highest at levels one and two is very positive. The totals at these two levels consists of grants of R1 billion, a projected investment of R4,1 billion and the projected jobs total 3 333. This data shows that **black industrialists, both male and female, are growing in independence and confidence.**



Disbursements

The BIS incentives are paid over a two-year period. The patterns of claims show that they are about half way through the projected investment and job creation levels. Thus, we could assume that most claims are being made on time and that IDAD and the businesses are meeting both investment and job targets. The highest levels of claims were from Gauteng, KwaZulu-Natal and the Eastern Cape.

Disbursements per Province

	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Western Cape
						
	4	1	21	9	1	1
	R58,2 million	R4 million	R326 million	R74,7 million	R40,5 million	R1,7 million
	R126,9 million	R10,2 million	R824 million	R361,8 million	R99,6 million	R52,3 million
	0	12	1 339	763	125	11
	72	38	1 726	799	196	37
	72	26	387	36	71	26

Quick Stats



March 2016



91% black



Agro-
processing



Pet food
and treats



R12,5 million

Maneli Pets (Pty) Ltd

Two ideals underpinned the establishment of Maneli Pets: Creating jobs and improving the South African image abroad through quality exports. The company is managed and 65% owned by two young, black South Africans who left high-end jobs in the consulting and finance industries to follow these ideals.

Maneli Pets' treats are naturally lean and free of artificial additives, making full use of nutritious and proudly South African meats like game and ostrich. High-tech production also contributes to a lower allergy risk in their products. So far, palatability scores amongst pets have been phenomenal, resulting in a profitable demand for the product.

The company is part of a USA-based brand, Roam Pets, which provided it with an immediate market for its products. However, when it became clear that Maneli Pets' production moved at a quicker pace than the Roam Pets brand could support, the executives did not hesitate to find supplemental consumer bases. Subsequently, the company created its own brand and now supplies to the likes of Woolworths and the European Union in addition to the USA.

Adaptability and keen problem-solving skills are what drives its success as the only large-scale producer and exporter of ostrich and venison pet food

and treats. Employing the right people also helps; at Maneli Pets care is taken to identify individuals with a high learning ability, positive attitude and sound work ethic. The interview process takes fairly long and a two-month trial period is utilised.

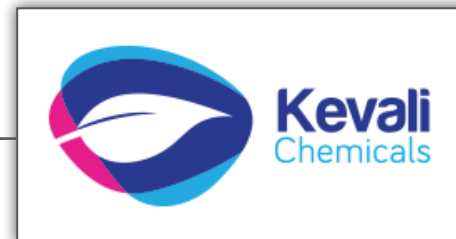
the dti incentive, in conjunction with financial support from the Industrial Development Corporation (IDC) through debt funding, provided Maneli Pets with the opportunity to purchase 15% to 20% more equipment and subsequently employ more people. It also allowed the company to invest in its own brand sooner than anticipated and create a much-needed buffer for unexpected expenses.

I realised that, as a South African, I had a duty to create jobs in South Africa. I grew up in Soweto and a lot of the people I grew up with are still unemployed, or are in and out of prison, and have never really realised their potential.

- Mr Nhlanhla Dlamini, founder and COO of Maneli Pets



Kevali Chemicals (Pty) Ltd



On 6 May 2018 the first Kevali Chemicals production plant was launched in Harrismith, Free State, with the support of **the dti** and the Industrial Development Corporation (IDC). The implications of this plant are profound; the Kevali Chemicals brand now has complete control over every aspect of its supply chain, instead of relying heavily on third party suppliers. Production, quality control, research, and more employment opportunities all became possible with this strategic development. Recruitment processes have started and aim to bring some relief to a community stricken by 41,8% unemployment (Census 2011).

Kevali means “supreme knowledge” and embodies the management team’s commitment to using chemistry as a means of bettering the lives of others. Knowledge is one of the company’s biggest assets. The founders, five colleagues and friends, had extensive experience in the chemistry field before teaming up for this venture. Being the very first black-owned company in this sector, they also set out to be role models to black youth who are interested in science and chemistry.

The company exports to twelve African countries and aims to expand its reach. Competing against global companies with bigger brands is no easy feat. Eventually owning its own production plant was part of the expansion plan from the beginning, but with the support provided by **the dti** and the IDC this plan was realised much sooner than anticipated. Additionally, the funds provided Kevali Chemicals with the opportunity to access costly new technologies and make them available to the South African market.

“We opted to write our own business plan instead of using a consultant, because when you write your life story you don’t give someone else the pen.”

- Mr Bongumusa Kunene, CEO of Kevali Chemicals



Quick Stats



2014



50% black



Manufacturing of chemicals, pharmaceuticals, plastics



Water treatment, industrial hygiene and sanitation chemicals, adhesives for packaging



R8,02 million

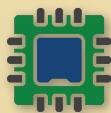
Highlights



Increase in support to science, technology and engineering projects from R158,2 million to R235,4 million



295 students to be supported across 11 institutions; among them are Fort Hare University, University of the Western Cape, University of Venda and Cape Peninsula University of Technology



Promoting technology and development amongst 17 approved SMMEs



Research and development projects located in the Free State, North West and Mpumalanga



Approved projects building competitiveness in key sectors, including agro-processing, chemicals, energy and forestry

Technology and Human Resource for Industry Programme

The Technology and Human Resource for Industry Programme (THRIP) meets one of the essential needs for businesses to remain competitive through product development and enhancement to meet changing preferences in the market. While larger companies and multinational corporations are able to and do allocate extensive resources (e.g. laboratories, scientists, designers and engineers, amongst others) to ensure innovation, this is not always possible for smaller enterprises. The state then needs to step in with support to ensure innovation and consequently growth of small enterprises takes place and to improve competitiveness of the South African industry.

THRIP is aimed at forging collaborative partnerships between government and industry (working with academia) for research and development in science, engineering and technology. This is done on a cost-sharing basis up to R8 million to produce highly-skilled human resources and technology solutions for improved industry competitiveness. THRIP works by increasing the number of people with appropriate skills in the development and management of research-based technology for industry.

The programme aims to build and strengthen relationships across higher education institutions (HEIs), science, technology and engineering institutions (SETIs) and industry in order to promote technological innovation towards alliances and competitiveness. In the process of recruiting students at HEIs, priority and preference is given to projects that support efforts to meet industrial policy goals, overcome gender and race disadvantages and are located in institutions that were in previous homeland and tribal areas.

THRIP is designed to support industrial competitiveness through innovation and development.

Approvals

The value of THRIP support to industry and students is evident from the observed increases over the two-year period. While the value of approvals has improved by nearly 50%, the investment multiplier is at 1,3 and the number of students approved to be involved in the development of innovative technology comprised 295 in 2017/18. The significant leap in THRIP disbursement to R20,1 million is noted.

2016/17	Aggregate Performance	2017/18
23	Projects approved	35
R158,2m	Value of grants	R235,4m
R251m	Projected investment	R346,2m
75	Students to be supported	295
R1,6m	Disbursements	R20,1m





The distribution across provinces shows that Gauteng and the Western Cape generated the highest number of projects which is not surprising, given that industry is more developed in these provinces. Yet it is also encouraging that there are projects in five other provinces. That there are seven approvals at B-BBEE level one is very positive, while the rest should be expected at this stage of development in South Africa.

B-BBEE Compliance Level



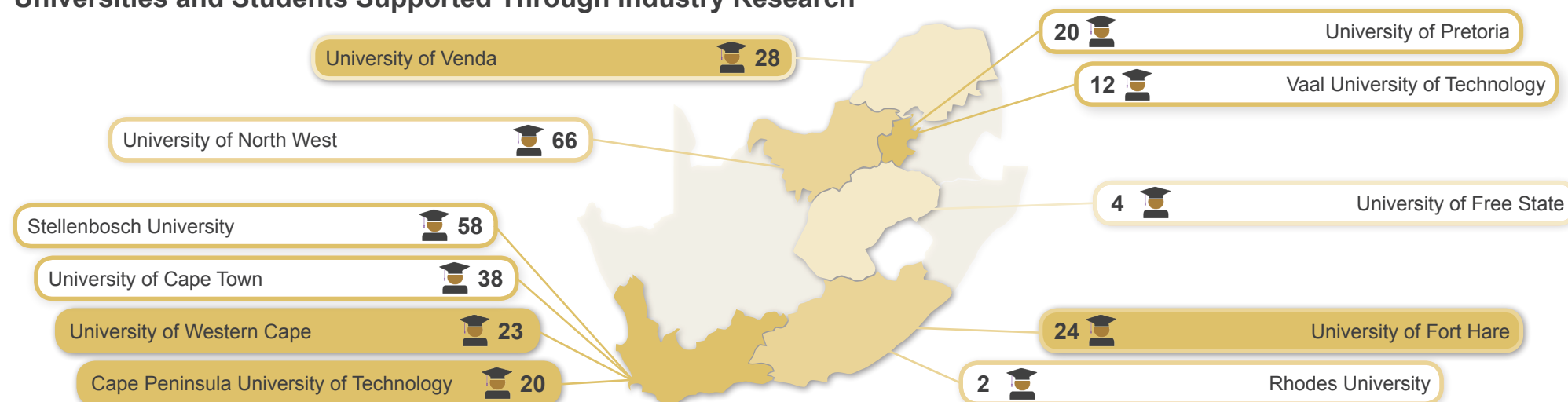
HEIs in the Western Cape dominate among the HEIs that have recruited and are supporting students in the research process. This is followed by the North West, Gauteng and Limpopo showing some encouraging changes.

Approvals per Province

















				
Eastern Cape		2	R18,1 million	R20,3 million
Free State		1	R2,6 million	R3,6 million
Gauteng		17	R84,3 million	R133,7 million
KwaZulu-Natal		1	R2,2 million	R3,4 million
Mpumalanga		1	R2,7 million	R7,5 million
North West		1	R2,8 million	R4 million
Western Cape		12	R122,6 million	R173,7 million

⁴ Compliance verification to be conducted before any claim disbursement.

Universities and Students Supported Through Industry Research





Approvals per Sector

			
 Agriculture	1	R2,8 million	R4 million
 Agro-processing	10	R42,6 million	R59,6 million
 Aviation	2	R6,6 million	R14,7 million
 Chemicals (incl. plastics)	6	R52,6 million	R75,8 million
 Communication	1	R2,7 million	R3,1 million
 Energy	4	R31,1 million	R43,3 million
 Engineering	1	R22,9 million	R41,8 million
 Forestry (Incl. game ranging)	3	R12 million	R18,7 million
 Manufacturing	1	R2,6 million	R3,6 million
 Metallurgy	1	R10 million	R21,1 million
 Minerals	2	R8,4 million	R12,2 million
 Clothing & Textile	1	R17,5 million	R19,4 million
 Technology	2	R23,2 million	R28,9 million

Disbursements

The highest disbursement was made to the green energy sector, a very significant investment for the environment and the economy. While Gauteng and the Western Cape dominated the value of disbursements, the remaining 33% of disbursements were paid to other provinces. It is also positive that the disbursements were spread across seven sub-sectors.

Disbursements per Province and Sector

			
Eastern Cape	R2,2 million	Agro-processing	R1,6 million
Gauteng	R5,8 million	Clothing & Textile	R2,2 million
KwaZulu-Natal	R2,2 million	Energy	R 242 500
Mpumalanga	R1,9 million	Green Energy	R7 million
North West	R339 000	Manufacturing	R2,9 million
Western Cape	R7,6 million	Pharmaceuticals	R3,8 million
		Services	R2,4 million

Overall, the approvals and disbursements, the range of participating HEIs and the spread across provinces and sectors strongly suggest that these investments are likely to promote development and growth at a number of levels:

1. increasing research competence among institutions;
2. building skills in marginalised groups; and
3. enhancing collaboration across institutions.

Chumani Farming

Chumani Water Solutions' vision has always been to improve the quality of life in rural communities. For the larger part of a decade this multi-skilled group of innovators focused on water and sanitation services for their surrounding communities, but recently the decision was made to diversify their offering to farming. This mainly entails cattle and livestock production, as well as fodder and crop production where arable land is available. This initiative is called Chumani Farming. After acquiring land from the Agricultural Research Council (ARC) the idea of pursuing beef production and, more importantly, the possibility of exploring more accessible and affordable feed for beef cattle, emerged.

Most cattle feeds are based on maize grains, but the price of maize is volatile and relatively expensive. The ARC had already found, through a scientific study, that maize is nutritionally comparable with sorghum. Sorghum is a robust crop that is more appropriate for South Africa's arid and semi-arid farming conditions. Thus, the pursuit of proving that sorghum forage as a viable alternative feed resource for South African cattle was born.

Chumani teamed up with the ARC and the University of Fort Hare (UFH) to conduct the research. As a result of the dti's funding they were able to employ nine extra staff members to supplement their existing staff complement of forty. This includes two university students; in accordance

with the stipulations for the THRIP grant. They could also provide more security to their land through fencing, an upgrade necessitated by increased theft and vandalism in the area.

Despite having sufficient land and high production potential, South Africa still imports a sizable amount of beef. Mr Bomela attributes this to outdated production technologies and a lack of feed supplementation programmes to support farmers who do not have the capital to invest in such schemes. Should the hypothesis prove to be scientifically correct, this would be the first sorghum-based feed in the world. The possibilities this presents to the cattle and forage industry in South Africa, as well as globally, are tremendous.

As farming becomes more capital-intensive, margins narrow and the adoption of rapidly changing technology and methodologies becomes the norm. Planning techniques used in other lines of business must be applied to farming. Thus, we find that our rare skills (the planning and execution of viable projects) have become a good fit.

- Mr Xola Bomela, owner and founder of Chumani Farming



Quick Stats



2011



100% black



Agriculture



East London,
Eastern Cape



R12,5 million

Highlights



Approvals and projected investments have grown more than five times



Positive growth in approvals is a good sign for the economy as innovation is a key factor in competitiveness and growth



SMMEs will receive an injection of R5,9 million into their innovative projects



Innovative projects in provinces such as Mpumalanga, Free State and North West promotes economic growth across less developed provinces

The Support Programme for Industrial Innovation

The Support Programme for Industrial Innovation (SPII) is designed to promote technology development in South African industry through the provision of financial assistance for the development of innovative products and/or processes. It is geared to building economic competitiveness. SPII is focused specifically on the development phase, which begins at the conclusion of basic research and ends at the point when a pre-production prototype has been produced.

The SPII offers two schemes, namely, the:

- ▶ SPII Product Process Development (PPD) Scheme; and
- ▶ SPII Matching Scheme.

While **both schemes offer** financial assistance in the form of a non-taxable, non-repayable cost-sharing grant, PPD is targeted at small, very small and micro-enterprises and the Matching Scheme has been designed to assist large enterprises. In order to qualify for SPII, the applicant must be a registered South African enterprise engaged in pre-competitive development activity in manufacturing, services or related industrial fields, or software development, which is planned for commercialisation of the product. Furthermore, the major proportion of the development project and subsequent manufacturing of the product must take place in South Africa and the intellectual property rights must reside in a South African company.





Approvals

Approvals for SPII grants have increased substantially over the two-year period with growth exceeding five times the 2016/17 figures recorded for both the approval amount and projected investments. Of the 25 approvals in 2017/18, five were awarded to SMMEs through the PDD scheme. These SMMEs will receive an injection of R5,9 million into their innovative projects that will generate investment of R8,7 million. The remaining 20 approvals were granted R65,9 million through the Matching Scheme and anticipate investments of R137,7 million into the economy as a result of the supported projects.

While the provinces with higher levels of industrialisation still dominate in the provincial distribution of the SPII approvals, there are positive trends in the allocations of grants to provinces such as the Free State, Mpumalanga and North West. This is an improvement from the 2016/17 financial year which had all SPII approvals emanating from the Western Cape. The approval in Mpumalanga is in the mining sector for a wet stone dust application in underground coal mines and has a high investment multiplier of 3,8. Projects from the North West and Free State will leverage investment of 2,5 and 1,8 times, respectively, more than the SPII grant amount.

2016/17	Aggregate Performance	2017/18
6	Projects approved	25
R13,4m	Amount approved	R71,8m
R27,7m	Projected investment	R141,4m
R20,8m	Amount disbursed	R36,2m

Approvals per Province

















				
Free State		1	R1,5 million	R2,2 million
Gauteng		13	R42,9 million	R76.4 million
KwaZulu-Natal		1	R5 million	R16,5 million
Mpumalanga		1	R1,4 million	R5,3 million
North West		2	R7,3 million	R18 million
Western Cape		7	R13,6 million	R22,7 million

The distribution of innovation grants across 13 sectors is impressive and it is very encouraging that there are more grants for innovation in the manufacturing, information and communication technology (ICTs) and software development and technology sectors. These are sound attributes for increasing the industrial competitive edge. A further positive trend is that half of the grants are level one and two B-BBEE compliant.

B-BBEE Compliance Level



Approvals per Sector

				
 Aerospace		1	R5 million	R7,7 million
 Agriculture		1	R1,5 million	R2,2 million
 Agro-processing		1	R5 million	R16,7 million
 Construction		1	R2,3 million	R4,4 million
 Information and communication technology		5	R12,2 million	R18 million
 Manufacturing		5	R12,6 million	R28,1 million
 Mining		2	R3 million	R7,2 million
 Energy		2	R9,5 million	R15,9 million
 Software development and technology		4	R10,3 million	R15, 4 million
 Pharmaceuticals		1	R5 million	R16,4 million
 Plastics		1	R5 million	R8,4 million
 Food and beverages		1	R345 569	R776 666
TOTAL		25	R71,8 million	R141,4 million

Approvals Supporting the Fourth Industrial Revolution

The “Smart STS” innovation project aims to develop software that will replace conventional electricity meters with “smart-meters”. Smart-meters will allow both the customer and the electricity provider to have constant online bi-directional communication with respect to electricity usage. The software provides for continuous monitoring and customer billing accordingly; as it is aimed at improving non-technical losses of electric energy lost due to tampering with meters and erroneous meter reading and/or billing. A need for a technician to be in the field in order to get the readings would be eliminated, because smart STS meters comprise of an optical interface with many registers which provide instant current credit balances, token statuses and total consumption.

Automated reading systems



Applicant: **Kani Smart Works (Pty) Ltd**

Project: **Smart STS**

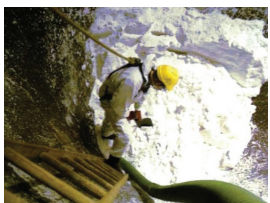
Grant: **R1,3 million**

Industry contribution: **R1,2 million**



The “spider jet” project is working towards an improved effective and efficient way of cleaning storage silos within the mining and agriculture sectors. The spider jet machine invention is meant to clean the silos quicker and at a lower cost while protecting human life, as this task is currently done physically, exposing cleaners to hazardous environments when silos collapse during the cleaning process. The spider jet is usable on a range of surfaces and on underground orphasses through remote control, while using high-pressured water for mining silos and high-pressured air for grain silos.

Industrial scanning



Applicant: **Lylascan (Pty) Ltd**

Project: **The Spider Jet**

Grant: **R2,3 million**




Industry contribution: **R2,1 million**



Disbursements

The highest disbursement was paid to innovations in the energy sector at R7 million, followed by agro-processing at R5,9 million and manufacturing at R5 million.

Disbursements per Province and Sector

				
North West	R2,8 million	Construction R828 529	Manufacturing R2 million	
Free State	R902 738	Agriculture R902 738		
KwaZulu-Natal	R5 million	Agro-processing R5 million		
Mpumalanga	R955 436	Mining R955 436		
Western Cape	R4,7 million	Electronics R714 026	Food & bev R93 802	ICT R1,9 million
		Manufacturing R676 347	Software development R1,4 million	
Gauteng	R21,1 million	Aerospace R3 million	Communication R459 054	Construction R1,2 million
		Energy R7 million	ICT R215 050	Manufacturing R2,3 million
		Mining R217 345	Plastics R3,3 million	Pharmaceuticals R1,7 million

Senso Solutions

The failing of his grandmother's hearing was the inspiration behind Mr Zuko Mandlakazi's establishment of Senso Solutions. After finding that the products able to assist her are either too invasive or too expensive, or both, his pursuit to find alternatives began. During the early stages of research and development it was found that roughly four million South Africans are either deaf or hard of hearing. Globally, this number stretches to 356 million. The World Health Organisation estimates that current assistive hearing products meet less than 10% of the global need. This was all the confirmation Mr Mandlakazi needed; the product Senso had in mind could make a valuable contribution to the global community.

Funding and mentoring was secured not only from **the dti**, but also from The Innovation Hub, Multichoice, the South African Breweries Foundation, and RedBull's Amaphiko Academy. Finally, the Senso wrist wearable was born and aptly named Senso.

When the device detects a sound that's significant to the wearer, a vibration, coupled with a specific LED will alert them to the sound. When the wearer first uses their Senso they will be prompted to programme the device by linking specific sounds to specific LED colours available for display. For example, a deaf mother will be able to programme the sound of her crying child to her Senso and link it to the colour blue. When her device



vibrates she will be able to tell from the colour that her child is crying. Similarly, the sound of a barking dog or breaking glass can be programmed for the safety of the wearer.

Market research revealed that an extremely large portion of Senso's target market is unemployed. For this reason they've partnered with NGOs in the sector and adjusted their pricing model to include the poorest of the poor. They've already filed patents in 64 countries and are currently in the product-tooling process. Next, they will be conducting third party laboratory tests for the Independent Communications Authority of South Africa (ICASA) and CE accreditation and certification.

We haven't launched our product yet, but the dti's SPII team have started preparing us through inter-governmental support. We're making sure that our foundation for corporate governance is established and credible.

- Mr. Zuko Mandlakazi, CEO of Senso Solutions and main inventor

Quick Stats



February 2014



100% black



ICT



Wrist wearable that senses sound



Pretoria, Gauteng



R1,162 million



Highlights



The KwaZulu-Natal approvals yield the highest projected investment of R5.2 billion



Projected procurement from SMMEs more than doubled over the two-year period from R486,1 million to R1,2 billion.



Amongst the companies that have started reporting, the level of purchases from SMMEs is close to 20% and the spending on training is over 10% of the wage bill



R9,5 billion
Actual investment generated by 12I projects

12I Tax Allowance Incentive

The 12I Tax Incentive is designed to promote manufacturing in the country through investment in manufacturing assets and training of personnel to improve labour productivity and the skills profile of the labour force. The incentive encourages greenfield investments, as well as brownfield investments. The incentive offers support relative to capital investment and staff training. The minimum investment in qualifying assets required is R50 million for a greenfield project and an investment of R30 million for a brownfield project.

Approvals

Procurement from SMMEs more than doubled over the two-year period from R486,1 million to R1,2 billion. There was a marginal increase in projected new jobs, however, it is likely that the level of SMME procurement created an off-set in this area.

While the 12I tax act does not require companies to comply with B-BBEE, the majority of approvals across both years complied at least with level four.


Provincial investments of the 12I show that projects were approved from four provinces. The Western Cape leads with six approvals, followed by five from Gauteng and four from KwaZulu-Natal, which yields the highest projected investment of R5,2 billion. The approvals in KwaZulu-Natal includes a foreign project which will generate R207,2 million in investment.

2016/17	Aggregate Performance	2017/18
25	Projects approved	16
R14,3bn	Projected investments	R9,6bn
R1,2bn	Projected foreign investment	R207,2m
R486,1m	Projected procurement from SMMEs	R1,2bn
1 148	Projected new jobs	1 234
R3,9bn	Investment allowance approved	R2,3bn
R83,4m	Training allowance approved	R70,4m

Approvals by B-BBEE Level

Level	2016/17	2017/18	Level	2016/17	2017/18	Level	2016/17	2017/18
Level 3	7	3	Level 4	6	6	Level 5	1	1
Level 6	0	1	Level 7	1	0	Level 8	2	1
Didn't report as not required		8	2016/17		4	2017/18		

Provincial Investments

			 allowance	 allowance			
Eastern Cape		1	R427,5 million	R10,5 million	R2,3 billion	0	517
Gauteng		5	R454,1 million	R5,8 million	R987,6 million	R18 million	105
KwaZulu-Natal		4	R966 million	R40,5 million	R5,2 billion	R765,2 million	111
Western Cape		6	R481,4 million	R13,6 million	R1,1 billion	R422,2 million	501
TOTAL		16	R2,3 billion	R70,4 million	R9,6 billion	R1,2 billion	1 234

While the types of investments under 12I generally require highly skilled labour, the latter has a positive effect on creating jobs for semi-skilled and less skilled labour. A generic example is when more designers of finished wood products are trained, the demand for skilled workers manufacturing those wood products is likely to increase and that in turn increases the demand for foresters, millers and others. This in turn increases demand for workers in both upstream and downstream processes related to the industry.

The scale of investment from the dti and magnitude of returns to the investment is well illustrated by the two 12I companies approved during 2017/18.

SAPPI Southern Africa - Brownfield project

Wood and Paper Produces dissolved wood pulp



KwaZulu-Natal



R550 million

Investment allowance approved



R30 million

Training allowance approved



R4 billion

Total projected investment



7

Projected multiplier

Pharmacare Ltd - Greenfield project

Produces small volume parenteral products - Pharmaceuticals



Eastern Cape



R427 million

Investment allowance approved



R10,5 million

Training allowance approved



R2,3 billion

Total projected investment



5,4

Projected multiplier

Actual Performance

On approval, projects get points for innovation, improved energy efficiency, business linkages, SMME procurement, skills development and whether they are located in an SEZ. These points, in turn, determine the approval amount of the tax allowance. Projects are then required to provide audited progress reports on an annual basis to ensure that they comply with the points scored when starting with the project. It is also important to note that these progress reports are linked to the projects' financial years and not to the dti's financial year, and hence reporting could have up to a year-long lag in project performance.

The performance of the beneficiaries of this incentive appear to be exemplary in some aspects. That the SMME spend is approaching 20% is a positive sign as more jobs are likely to be created in those local small enterprises. This is also significant, because it shows that SMMEs are being integrated into the mainstream of the economy. The level of expenditure on training has exceeded 10% of the wage bill and is likely to ensure mobility and increase the probability of higher income for workers. The actual spend on training is substantial and it means that income is also increasing amongst trainers. In addition, the full value of this training will probably be realised over the four years that is allocated under the terms of this incentive, as it takes a bit of time for trainees to implement their new learning.

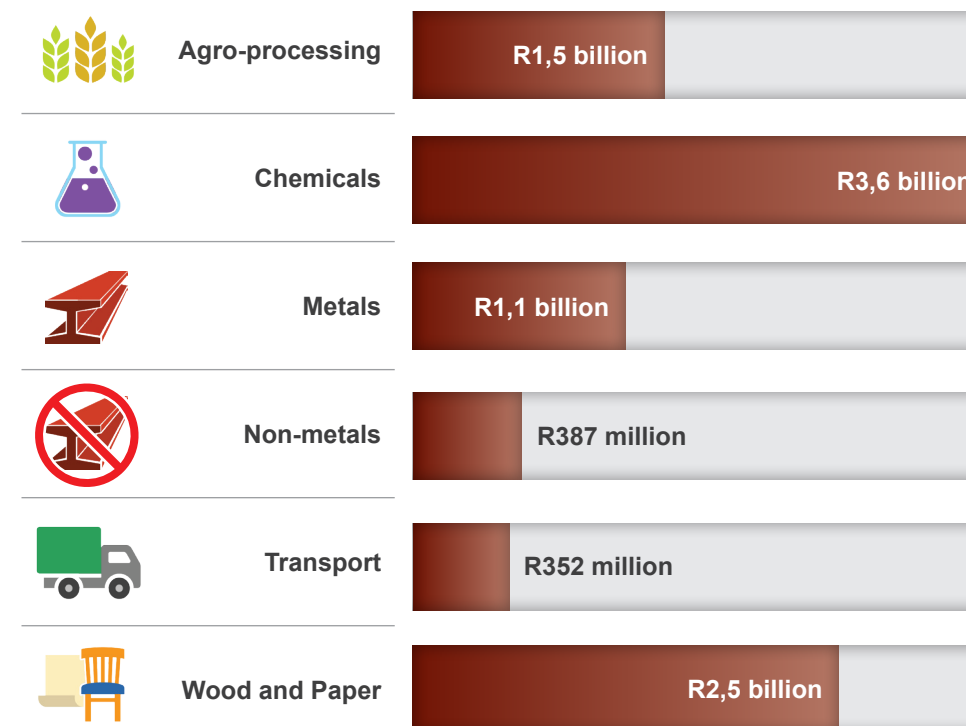
Actual Performance Reported from Progress Reports

Number of progress reports received	34
Average spent on SMME procurement	17,58%
Average percentage of wage bill spent on training	11,96%
Total actual investment	R9,5 billion
Total value of SMME spend	R284 million
Total value of training	R 13,7 million
Energy savings	Ranges from 22% to 75% from the baseline year

The sectors with the highest investment levels demonstrate further layers of economic advantages. The wood and paper products from Mpumalanga are bringing in foreign revenue from India, China and Indonesia. The level of purchases from SMME at nearly 19% is likely to engender sound downstream effects, that is, not only increased revenue for the SMMEs, but also for the companies with which they do business. The improved technology producing higher volumes and the energy savings are also very important effects to achieve.

The leading sector is chemicals, followed by wood and paper. The wood and paper investments include Brownfield projects in Mpumalanga, Gauteng and the Western Cape. It is also encouraging that the agro-processing and metals sectors are above a billion in investments as these indicate value addition in sectors where South Africa generates raw materials (that is agricultural produce and minerals and metals).

Actual Investment per Sub-sector



Sub-sectors Supported in Provinces with Top Actual Investment



	Free State	Mpumalanga
Sub-sector	Chemicals	Wood and Paper
Actual investment	R2,6 billion	R2,5 billion
Products produced	<ul style="list-style-type: none"> nitric acid, ammonium nitrate solution, porous granulated ammonium nitrate; hard wax, paraffin and waksol. 	<ul style="list-style-type: none"> Chemical cellulose
Brownfield / Greenfield	Brownfield	Brownfield
Innovation	<ul style="list-style-type: none"> New plant is more than 98% efficient; production time and quality improved and cost reduced; 58% increase in kg/day hard wax of hydrocarbons per kNm³/h syngas production. 	<ul style="list-style-type: none"> Produces 29 000 tonnes more over the same period; plant is expected to have useful life of 30 years.
Actual exports	17% exported	100% exports to India, Indonesia and China
Value of training	R974 763	R2 890 209



Highlights



69 (R2,6 billion)
Projects approved



R9,4 billion
Projected investment



23 230
Baseline jobs



1 708
Projected new jobs



More support to component manufacturers:
R918,7m (2016/17)
to R964,5m (2017/18)



Large black component of AIS beneficiary employees:
▷ 9 977 black males
▷ 3 756 coloured males
▷ 3 970 black females



The average investment multiplier for the 2017/18 financial year was 3,6.

Automotive Investment Scheme

The Automotive Production and Development Programme (APDP) was launched in 2013, with a focus on local production incentives, rather than export incentives. The APDP will run until 2020 and supports component manufacturers to enable the production of cost-competitive components to the Original Equipment Manufacturers (OEMs) and to international markets via exports. Under the APDP, is the Automotive Investment Scheme (AIS). This incentive is designed to grow and develop the automotive sector through investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain.

Over the last seven years AIS approvals amounted to R11,8 billion with an estimated leveraged investment of R37,7 billion and the sustaining of 121 919 jobs.

Approvals

As mentioned above the focus is designed to increase component manufacturing and the data below demonstrates the effects of shifting from OEM support to promotion of component manufacturers as evident in the value of approvals from 2016/17⁵ to 2017/18.

Component manufacturers (CMs)

2016/17	Aggregate Performance	2017/18
79	Projects approved	65
R918,7m	Value of grants	R964,5m
R3,3bn	Projected investment	R3,8bn
20 029	Baseline jobs	15 209
1 412	Projected new jobs	1 581
R584m	Disbursements	R542,5m

Original equipment manufacturers (OEMs)

2016/17	Aggregate Performance	2017/18
6	Projects approved	4
R2,5bn	Value of grants	R1,6bn
R8,4bn	Projected investment	R5,6bn
13 412	Baseline jobs	8 021
611	Projected new jobs	127
R1,3bn	Disbursements	R1bn








⁵ Other support categories available through AIS include the People Carrier-Automotive Incentive Scheme (P-AIS), Medium and Heavy Component Manufacturers (MHCM), Medium and Heavy Commercial Vehicles (MHCV) and People Carrier Component Manufacturers (PCM). While there are no approvals for these categories in 2017/18, there were 3 approvals in 2016/17 for the MHCV category amounting to R202,4 million. These approvals reported 1 347 baseline jobs, 347 projected new jobs and projected investment of R674 million.

While the shift towards increased component manufacturing bodes well for the South Africa economy and the sector, there are other aspects in which the AIS supports economic progress. As the OEMs have established themselves in the country, they have spread across five provinces, namely the Eastern Cape, KwaZulu-Natal, Gauteng, Western Cape and North West. With the distribution of OEMs, component manufacturers are likely to follow the distribution, thereby growing diversification and further investment and employment in the sector. As the tables below demonstrate, both the approvals and employment are highest in the Eastern Cape, a province that needs skills, jobs and further investment.

The highest baseline jobs are in the Eastern Cape at 14 071, followed by Gauteng at 6 423 jobs and KwaZulu-Natal with 1 375. The pattern of investments is considerably higher with 37 approvals totalling R2,2 billion and a healthy projected investment of R7,7 billion in the Eastern Cape. In Gauteng there were 18 approvals totalling R349,4 million with projected investment of R1,4 billion, another vigorous return. The investment multipliers across the provinces are consistent and can be considered strong as they are between 3,4 and 4.

The majority of approvals were at B-BBEE levels six to eight. This is expected as most projects supported through AIS are foreign-owned and have attracted an estimated R8,4 billion in foreign investment into the country. The investment multipliers are consistently above 3,5 and can be considered a sound return on the department's investment through grants.










Provincial Investments

					 Simple		
Eastern Cape		37	R2,2 billion	R7,7 billion	3,5	14 071	1 099
Gauteng		18	R349,4 million	R1,4 billion	4	6 423	412
Western Cape		6	R39,4 million	R134,2 million	3,4	783	89
North West		2	R20,7 million	R82,9 million	4	578	96
KwaZulu-Natal		6	R13 million	R52 million	4	1 375	12

Approvals by B-BBEE Level












					
Level 2	4	R20,5 million	R59,4 million	262	38
Level 3	2	R826 939	R3,3 million	23	0
Level 4	3	R37,7 million	R133,7 million	510	120
Level 5	7	R61 million	R221 million	4 846	388
Level 6	5	R74,6 million	R298,4 million	691	296
Level 7	3	R6,1 million	R24,3 million	785	16
Level 8	45	R2,4 billion	R8,6 billion	16 113	850

Ownership Structure

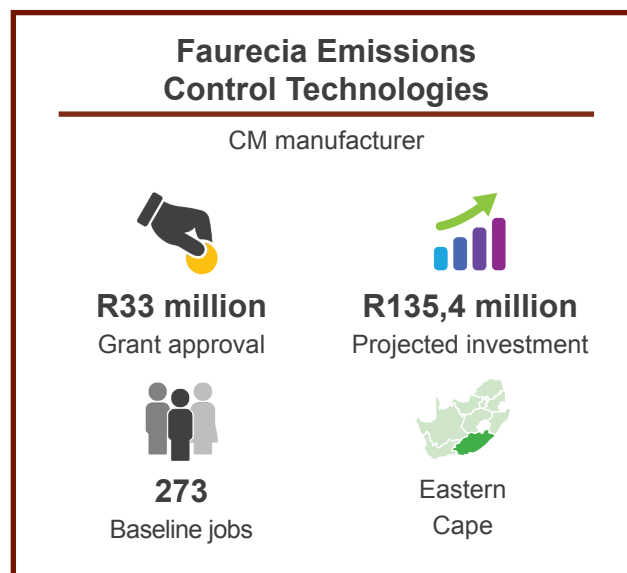
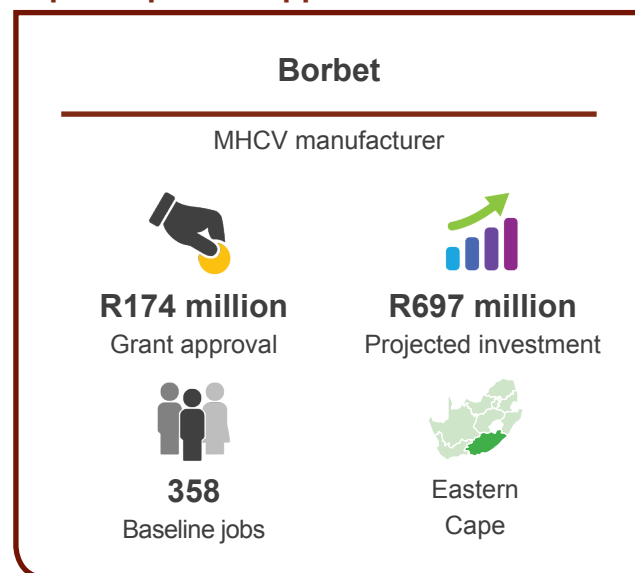
				 simple		
 Foreign	42	R2,4 billion	R8,5 billion	3,5	18 626	1 324
 South African entity	17	R198,8 million	R760,4 million	3,8	3 567	304
 Majority white male-owned	9	R35 million	R136,9 million	3,9	526	80
 Majority black male-owned	1	R1,8 million	R7,3 million	4	511	0

The total baseline employment figure of 23 230 jobs reflects the extent of employment opportunities in the automotive sector. As the table shows, the highest employment levels are among black males at 9 977 jobs, followed by black females at 3 970 jobs. While B-BBEE levels in ownership are still lagging, employment levels by race are showing healthier trends. Through further skilling and programme support such as the Black Industrialist Scheme, the B-BBEE levels in ownership are expected to improve over the next few years.

Baseline Jobs Disaggregated by Race and Gender Across Provinces

		Eastern Cape	Gauteng	KwaZulu-Natal	North West	Western Cape	TOTAL
 White male		1 908	550	97	50	52	2 657
 White female		477	119	21	21	12	650
 Black male		5 073	3 986	523	216	179	9 977
 Black female		2 071	1 291	284	265	59	3 970
 Indian male		157	26	270	0	5	458
 Indian female		62	47	79	0	1	189
 Coloured male		3 055	324	56	9	312	3 756
 Coloured female		1 179	80	44	10	159	1 472
 Other male		64	0	1	4	3	72
 Other female		27	0	0	3	1	31
TOTAL		14 073	6 423	1 375	578	783	23 230

Top Component Approvals



Top Original Equipment Manufacturer Approval





Disbursements

Disbursements across provinces during 2017/18 show a high rate of claims and very healthy multipliers in investment and in jobs retained, as well as in new jobs.

While the OEM claims are the largest in terms of value, both OEM and CM have vigorous multipliers at 11,5 for OEMs and 10,9 for CMs.

Provincial Investments

					
Eastern Cape	65	R712,5 million	R4,4 billion	4 674	25 564
Gauteng	36	R471 million	R6,9 billion	1904	23 050
KwaZulu-Natal	35	R384 million	R6,5 billion	985	21 521
North West	1	R39,9 million	R107,2 million	26	805
Western Cape	9	R11,9 million	R93,9 million	523	3 042
TOTAL	146	R1,6 billion	R18,1 billion	8 112	73 982

Quick Stats



2013



40% IDC
35% Naledi Group
23% Employees Trust
2% Private Trust



Manufacturing
Ferrous Metal
(grey iron and
spheroidal graphite)



Automotive parts



277



R8,015 million

Naledi Foundry Operations (Pty) Ltd



Naledi Foundry is a division of the Naledi Inhlanganiso Group which was established in 2013. The foundry has been in operation since 1947. Building on the foundry's over 60 years' experience in casting metal vehicle components the new CEO, Mr Sibusiso Mphatiane, strove to place an uncompetitive, unproductive foundry back on the map in a South African market crowded with international players.

Transformation was an important part of Mr Mphatiane's vision for the new foundry. Predominantly white and male at first, the foundry's management now consists of 70% black and 35% female managers – a trend that cascades down to the lower levels of employment. This change was met with resistance from the local and international industry, but through leadership and determination, Naledi is now the only large-scale, transformed foundry in South Africa.

The necessary skills were not hard to find and, according to Group CEO, Mr Pieter du Plessis, South Africa's engineers stand second to none. The foundry is also committed to workplace skills development. However, finding people with the right mind-set and commitment to the values and vision of the foundry's new management was a demanding task.

The foundry industry is extremely competitive. In order to modernise production and to be able to deliver cost-effective products the dti's grant was invested in the foundry's equipment, as well as the building and facilities in order to improve the working environment. Naledi Foundry was also supported with outward investment missions, connections with the broader industry and solving challenges emanating from import-export duties. They now supply parts to the likes of Toyota, BMW, Nissan, Ford and Volkswagen, and have many other customers locally and internationally.

Sometimes it's not about a person having the skill; it's about whether that person can apply that skill within the environment. For us the challenge was in putting a team together that bought into the new vision, culture, and style.

- Mr Pieter du Plessis, CEO Naledi Inhlanganiso Group



Sumitomo Rubber South Africa (Pty) Ltd



**SUMITOMO RUBBER
SOUTH AFRICA (PTY) LTD.**

Ladysmith is home to the only Sumitomo Rubber plant in Africa. Albeit under previous ownership, it has been in operation since the 1970s. When the plant was taken over by Sumitomo Rubber Industries in 2013, management introduced a new strategy that would propel its South African plant towards increased capacity, new product ranges, modernised production technology and, most importantly, increased quality standards. High-tech equipment was secured and the workforce increased with the support of **the dti**. Sumitomo is now the largest employer in Ladysmith and sells tyres to the likes of established Original Equipment Manufacturers (OEMs) like Toyota and Volkswagen.

As a local manufacturer, Sumitomo has positioned itself well by joining platforms like the South African Tyre Manufacturers Conference (SATMC) and the International Trade Administration Commission of South Africa (ITAC). With **the dti's** support they are also able to liaise easier with other government departments, most notably the Department of Environmental Affairs, which manages a tyre waste management plan.



Second-hand tyres sold without proper regulation to an uninformed public, and often entering the country through trade loopholes, pose a threat to the tyre manufacturing industry. It also poses a threat to the safety of consumers. Seeing that second-hand tyres are in high demand and committing to the plight of job creation in the country, Sumitomo launched an initiative called the Dunlop Enterprise Development Programme in 2017. This initiative trains and mentors people specifically from townships in the service, repair and sale of tyres. Women and youth are particularly targeted. Shipping containers are repurposed as tyre service centres. This is the first initiative of its kind. Since inception over 83 of these outlets have been established.

Sumitomo aims to expand its operations in Ladysmith with a second facility and is in the process of applying for another grant from **the dti**.

A lot of the high-tech machinery we've had to purchase is bought from overseas. We have to bring those experts to set up the machines, but we wanted their skills transferred; we therefore compel these experts to train our local people in the maintenance and operation of the machinery.

- Mr Nduduzo Chala, Group Manager: Strategic Planning (SRSA)



Quick Stats



2013



**Sumitomo Rubber
Industries Ltd (Japan)**



**Manufacturing
tyres for vehicles
of varying sizes
Tyre brands:
Sumitomo, Dunlop,
Falken**



**Ladysmith,
KwaZulu-Natal**



R285,9 million

Highlights



Over the two-year period, 29 502 jobs were retained by assisted manufacturers.



MIP is supporting business rescue and competitiveness.



MIP is promoting value addition in areas of primary production in the country – a desirable trend in creating jobs and developing the economy.

Manufacturing Investment Programme

The Manufacturing Investment Programme (MIP) was introduced during 2008 with an objective to support investment in new and expansion projects by small and medium-sized enterprises in the manufacturing sector. Although it was intended to be implemented until July 2014, the MIP was met with overwhelming interest from industry, with the result that the six-year budget that was set aside for the programme was oversubscribed. This oversubscription necessitated the suspension of the programme in September 2013, earlier than originally intended. The MIP was a reimbursable cash grant of up to 30% of the value of qualifying investment costs for local and foreign-owned manufacturers who wanted to establish a new production facility, expand an existing production facility or upgrade existing facilities. The processing of claims and payments to beneficiaries is expected to continue until September 2018.

The provinces that lead with claims are Gauteng with 18, the Western Cape with 15 and KwaZulu-Natal with nine. Of the 911 retained jobs in Mpumalanga, the majority of 871 emanate from one company operating in the wood, paper and furniture industry.

The highest claims were in agro-processing and wood, paper, pulp and furniture, indicating value addition in areas of primary production in the country – a desirable trend in creating jobs and developing the economy.

2016/17 | Aggregate Performance | 2017/18

508	Number of paid claims	61
R400,8m	Disbursed	R98,1m
26 030	Baseline jobs retained	2 601











MIP has assisted manufacturers to retain jobs even during difficult economic conditions.



Claims per Province

			
Eastern Cape	6	R 1,4 million	86
Free State	1	R 310 534	15
Gauteng	18	R28,5 million	842
KwaZulu-Natal	9	R15,7 million	390
Limpopo	2	R510 914	105
Mpumalanga	7	R17,9 million	911
North West	2	R10,2 million	116
Northern Cape	1	R20,9 million	12
Western Cape	15	R2,5 million	124
TOTAL	61	R98 million	2 601

Claims per Sector

			
 Agro-processing	25	R49 million	736
 Chemicals, Plastics and Pharmaceuticals	13	R27,4 million	511
 Clothing, Textiles, Leather and Footwear	2	R122 119	5
 Metals	7	R3,4 million	152
 Other	5	R1,6 million	80
 Wood, Paper, Pulp and Furniture	9	R16,6 million	1 117
TOTAL	61	R98 million	2 601

Highlights



The investment multiplier among the first 23 approvals is set to be nearly five times the grant amount.



Baseline jobs of nearly 2 000 are all being retained with a further 960 job opportunities.



Approvals, projected investment and new jobs to less industrialised provinces such as Mpumalanga, Limpopo, Eastern Cape and KwaZulu-Natal is an encouraging sign of broadening participation.



Four of the projects are women-owned. They are involved in processing vegetables, dairy products, cookies and ready-to-eat meals.

Agro-Processing Support Scheme

One of the key features and a disadvantage of the South African economy is that it has been a primary producing economy with little value addition. This is influenced by the success of mining and agriculture in the country. In order to become internationally competitive and create more jobs, it is essential that we consider value addition and beneficiation of our raw materials. Given our favourable location, South Africa cultivates and exports a wide range of fruit, vegetables and forestry products. It would seem that agro-processing would be a natural progression, given the strong resource and production base and potential in the sector.

The Agro-Processing Support Scheme (APSS) seeks to stimulate increased investment by South African companies in agro-processing and beneficiation (agri-business). To qualify for the dti support, the investment should demonstrate that it will achieve one or more of the following:

- ▶ increased capacity;
- ▶ employment creation;
- ▶ modernised machinery and equipment;
- ▶ competitiveness and productivity improvement;
- ▶ broadening participation.

The APSS is targeted at five key identified focus areas:

- ▶ food and beverage value addition and processing (including black winemakers);
- ▶ furniture manufacturing;
- ▶ fibre processing;
- ▶ feed production; and
- ▶ fertiliser production.

As the incentive was only launched in May 2017, there were no disbursements as at 31 March 2018. However, the current data indicates that good results will be forthcoming.

Approvals

There are two very promising aspects of the grants awarded in the current year. Firstly, the investment multiplier is set to be nearly five times the grant amount. Secondly, the baseline jobs of nearly 2 000 are all being retained and there will be a further 960 new jobs created. Most approvals are for new projects in the agro-processing sector.

Aggregate Performance

TOTAL

Projects approved	23
Grants awarded	R107,8 million
Projected investment	R533,3 million
Projected new jobs	920
Baseline jobs	1 966
Disbursements	None

New

Projects

Expansion

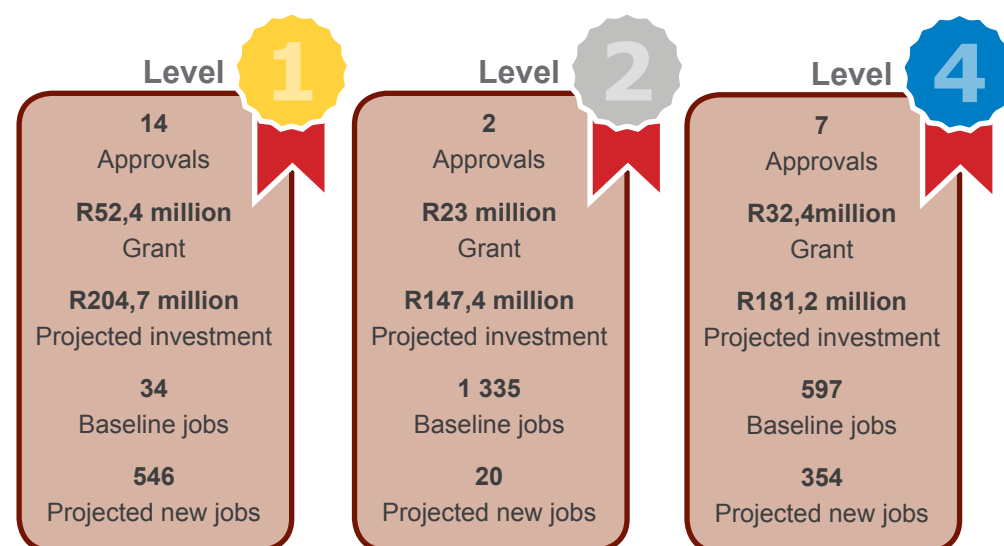
15	Projects approved	8
R64,2m	Grant	R43,5m
R319,7m	Projected investment	R213,5m
	Baseline jobs	1 966
841	Projected new jobs	79

One would have expected that provinces dominated by food cultivation and forestry would explore opportunities in agro-processing. Yet the Eastern Cape, Limpopo and KwaZulu-Natal provinces have very low approvals, totalling R8,9 million. Nonetheless, the approvals, projected investment and new jobs to less industrialised provinces such as Mpumalanga, Limpopo, Eastern Cape and KwaZulu-Natal is an encouraging sign of broadening participation. In contrast, the majority of projects and investments are in the more economically advanced Western Cape and Gauteng, with these provinces showing above average investment multipliers of 5,7 and 4,8, respectively.

Approvals per Province

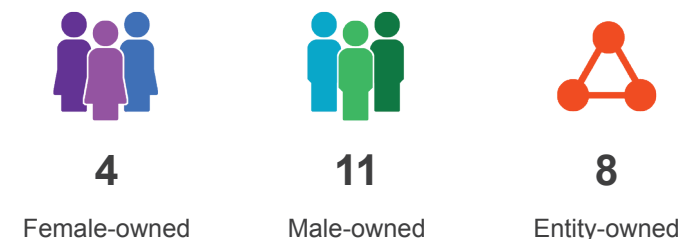
							
Eastern Cape		1	R3 million	R9,9 million	3,3	0	30
Limpopo		1	R1,2 million	R3,9 million	3,6	0	15
KwaZulu-Natal		2	R4,7 million	R16,9 million	3,3	0	72
Gauteng		9	R42,5 million	R204,5 million	4,8	20	346
Western Cape		8	R44,1 million	R256,2 million	5,7	1 338	442
Mpumalanga		2	R12,3 million	R41,8 million	3,4	608	15

The contribution of the incentive to broadening participation is further evident as the majority of approved projects are on a level one B-BBEE.



Of the 23 approved projects, four were female-owned. Three of these are expansions and one is a new project. All four operate in the food and beverage sub-sector and are involved in processing vegetables, dairy products, cookies and ready-to-eat meals. The four female-owned enterprises are located in Gauteng, Western Cape and Mpumalanga. All four will retain a combined number of 117 jobs and create 155 new jobs as a result of the incentive.

Approvals by Ownership

















the dti has managed to allocate grants to all five favoured sub-sectors. The highest number and value of grants went to the food and beverages sub-sector. The highest number of jobs and levels of projected investment were also in the food and beverages sub-sector, followed by the fibre processing sector.

Approvals per Sub-sector

						
 Feed Production	2	R4,3 million	R12,5 million	0	62	
 Fertiliser Production	1	R3 million	R10 million	0	10	
 Furniture Manufacturing	1	R2,9 million	R9,8 million	0	25	
 Fibre Processing	1	R2 million	R7,8 million	594	8	
 Food and Beverages	18	R95,5 million	R493,2 million	1 372	815	

Approval Highlights

Vuma Rural Development Primary Co-operative Ltd - New project					
			Food and beverage washing, sorting and packaging of vegetables		
					
R1,7 million Grant awarded	R7,2 million Projected investment	47 Projected new jobs	7 Cooperatives		

Sekhomo Investment (Pty) Ltd - New project					
			Food & Beverage Making of atchar		
					
R1,2 million Grant awarded	R3,9 million Projected investment	15 Projected new jobs	100% Black male-owned		

Aquaculture Development and Enhancement Programme

The South African coastline is 2 798km long and fishing has been a well-developed industry for some time at a few coastal cities. The fishing industry, like many others, was not really racially inclusive and like most other industries development and keeping abreast of trends and sustainability has needed attention. The Aquaculture Development and Enhancement Programme (ADEP) is geared to promoting the industry in a number of these areas.

ADEP offers incentives to South African businesses engaged in primary, secondary and ancillary aquaculture activities in both marine and freshwater breeding. The grant is provided directly to approved applicants for new, upgrading or expansion projects.

ADEP aims to catalyse investment in aquaculture towards:

- ▶ developing emerging farmers in aquaculture;
- ▶ increasing production;
- ▶ sustaining and creating jobs; and
- ▶ encouraging the geographical expansion of aquaculture and related businesses.

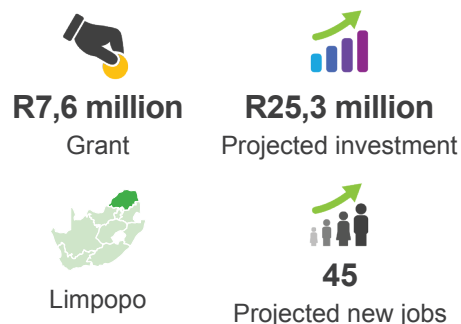
Approvals

There were very significant increases in the incentive approvals between 2016/17 and 2017/18. The approved amount increased by 60% with an investment multiplier of 2,9 recorded for the latter year. The industry is likely to stabilise and grow from this type of performance. Of the 21 approvals, all were B-BBEE level four and 12 are emerging black farmers that were collectively approved for R47,1 million and projected an investment of R121,3 million to be generated. This group of approved partners will be creating a total of 189 new jobs.

Approved Project Highlights

Southern Atlantic Seafood Holdings

A new project started by a black farmer harvesting mussels



2016/17	Aggregate Performance	2017/18
8	Projects approved	21
R45m	Overall amount approved	R72,3m
R198m	Projected investment	R208,8m
141	Baseline jobs	612
220	Projected new jobs	278
R20m	Disbursements	R40,5m

Highlights



The approved amounts grew from R45 million to R72,3 million in the same period, indicating the value of the incentive to the industry.



Aquaculture is taking root in offshore provinces. There were eight projects approved in Limpopo and North West, with grants valued at R15,5 million and projected investment of R27,1 million.



12 emerging black farmers approved for new aquaculture projects.



There are promising new entrants – a black farmer is breeding crocodiles in Limpopo and another is harvesting mussels in the Western Cape.

Approvals per Activity



New projects 12 projects

Primary aquaculture	4	R11,3 million	R34,7 million	0	43
Secondary aquaculture	4	R14,1 million	R35,4 million	0	66
Primary and secondary	3	R17,7 million	R46,2 million	0	75
Ancillary aquaculture	1	R4 million	R5 million	0	5

Expansion projects 9 projects

Primary aquaculture	4	R14,1 million	R52,9 million	313	57
Secondary aquaculture	1	R1,7 million	R6,6 million	94	7
Primary and secondary	4	R9,3 million	R28 million	205	25

The majority of projects supported are in the primary and secondary, or combination of both, activities in the fishing industry. The new projects consist of only the emerging black farmers. Only one project was approved for ancillary aquaculture and will be receiving funding for the purchase of feed. Considering that aquaculture is not a very well established sub-sector in South Africa, more applications for research and development will need to be encouraged in future.

Approved Project Highlights

HIK Abalone Farm (Pty) Ltd

An expansion project in the Western Cape with a high investment multiplier



R4,5 million
grant



R15,2 million
projected investment



Western
Cape



185
jobs to be retained

Predictably, the highest approvals in numbers and funds were in the two coastal provinces, the Western Cape and Eastern Cape. The lowest approval amount was in KwaZulu-Natal, despite it being a coastal province. It is important to note

the approvals from provinces such as the North West and Limpopo, indicating that ADEP is promoting geographical expansion of the aquaculture industry. New projects outnumber expansion projects strongly, a positive sign of growth, especially of jobs in the aquaculture sub-sector.

Approvals in the North West consisted of two operating in primary activities (one farming tilapia and the other crocodile), three in secondary activities that are processing tilapia and one in ancillary producing feed. Of these six approvals, five are projects owned by emerging black farmers. Two projects were approved in Limpopo and both are a combination of primary and secondary aquaculture activities and are involved in the farming and processing of crocodile. One project in this province was emerging while the other was an expansion of an established business.







Approvals per Province

					
Eastern Cape	1	R10 million	R20,7 million	0	30
Gauteng	4	R6,3 million	R19,1 million	101	26
Limpopo	2	R2,4 million	R6,1 million	21	8
KwaZulu-Natal	1	R1,8 million	R13,3 million	17	8
Western Cape	7	R38,6 million	R128 million	469	172
North West	6	R13,1 million	R21,5 million	4	34







Disbursements

The disbursements in 2017/18 compare favourably with the approval of R40,5 million in 2016/17. The highest disbursement was in the Western Cape, where an amount of R30,6 million retained 496 jobs and created 697 new jobs. The disbursement of R8,3 million across Gauteng, Mpumalanga and Limpopo created 38 new jobs, an encouraging trend in offshore provinces.

Disbursements per Province

					
Eastern Cape	1	R1,6 million	16	25	9
Gauteng	3	R1,4 million	1	11	10
Limpopo	2	R2,6 million	15	23	8
Mpumalanga	1	R4,2 million	0	20	20
Western Cape	7	R30,6 million	496	1 193	697
TOTAL	14	R40,5 million	528	1 272	744

Disbursements per Sector

					
Primary aquaculture	10	R35,7 million	405	997	592
Secondary aquaculture	1	R2 million	3	37	34
Primary & secondary aquaculture	2	R2,3 million	113	227	114
Ancillary aquaculture	1	R454 964	7	11	4
TOTAL	14	R40,5 million	528	1 272	744

Quick Stats



1949



100% white



Aquaculture
farming
and retail



Pacific
Oysters



Port Elizabeth
(farm)
Cape Town
(oyster bar)



R1,7 million

Zwembesi Farms (Pty) Ltd - t/a The Knysna Oyster Company



Settled in open sea waters, within sight of the shore, is Port Elizabeth's only oyster farm. At first glance these floating lines of nets seem unassuming, but hidden beneath the surface is a fully-fledged, 100% organic, farm growing millions of world-class Pacific Oysters. Once harvested, these oysters are distributed locally, but also exported all over the world, particularly to Asia.

The Knysna Oyster Company has been in business since 1949. In 2013 it came under new management, bringing with it exciting developments like the upgrading of its own aqua farm in Port Elizabeth, Zwembesi Farms. **The dti** specifically contributed funds towards the expansion of this farm. Some 25 people are employed here, of which nine were made possible by **the dti's** funds.

Hygiene is of the utmost importance, particularly when it comes to the consumption of raw shellfish. For this reason, Zwembesi applies Hazard Analysis and Critical Control Point (HACCP) principles routinely in the testing and handling of its oysters. These principles are applied through its own facility which was constructed with the cost-sharing grant received from **the dti**.

By owning its own farm and managing its own exports and distribution, the company has effectively reduced its oyster price to consumers. Oysters can be ordered online or enjoyed at their oyster bar in Cape Town.

South African oysters compete with the best in the world.

- Mr John Rice, co-owner of The Knysna Oyster Company



The Incubation Support Programme

The Incubation Support Programme (ISP) is aimed at encouraging private sector partnerships with government to support incubators that will develop SMMEs and nurture them towards increasing profitability and employment creation, thereby contributing to economic growth. The incentive was available on a cost-sharing basis between the government and private sector partner(s) and was used to obtain infrastructure and business development services necessary to mentor and grow enterprises towards independent provision of products and services to the market within two to three years. The programme was suspended in November 2016 and no new applications were accepted. ISP has subsequently been replaced with the Strategic Partnership Programme (SPP).

Approvals

The ISP incubator approved in 2017/18 is a level four B-BBEE compliant enterprise that is located in the Eastern Cape and operating in the forestry sector. In particular, the incubator is involved in forestry management and harvesting, as well as the processing of timber into value-addition products. As the bulk of forestry work is being outsourced, the incubator constantly requires contractors that operate efficiently and effectively. The ISP will assist the forestry incubator to provide a comprehensive capacity building programme, inclusive of business skills training, mentorship and financial assistance to develop 46 small local businesses into sustainable and profitable entities.

This incubator is clearly one with a high job creation potential, as evident below. The healthy distribution across racial groups in both ownership and projected jobs is noted. The 2 020 projected new jobs suggest that there will be an average of 43 employees per business, a satisfactory outcome for an incubator.

Ownership of projected incubatees

SMMEs = 46				
	Black	Coloured	White	TOTAL
Male	19	14	5	38
Female	3	5	0	8

Projected jobs = 2020⁶

	Black	Coloured	White	TOTAL
Male	415	380	5	800
Female	155	80	5	240

2016/17	Aggregate Performance	2017/18
2	Projects approved	1
R27,7m	Amount approved	R10,4m
51	Projected incubatees / SMMEs	46
1 200	Projected new jobs	2 020
R55,5m	Projected investment	R6,3m
R34,5m	Disbursements	R23,5m

Disbursements

ISP disbursements of R23,5 million has supported the creation of 314 incubatees and the creation of 252 new jobs.



Gauteng

Western Cape

KwaZulu-Natal



Construction, ICT, Manufacturing



ICT



Clothing and Textile



R16,4m

R5,8m

R1,3m



163

130

21



48

180

24

Highlights



There has been an increase in projected new jobs from 1 200 to 2 020 over the two-year period.



Projects have promoted the inclusion of black-owned SMMEs.

⁶ The total number of projected jobs (2 020) is for the three-year period. However, the projected jobs disaggregations per gender and race is only provided for year one of the project. Hence, the two totals vary.

Quick Stats



February 2015



100%
African female



Apparel
manufacturing



130
(mainly youth)



Durban,
KwaZulu-Natal



R4,187 million

iGoda Incubator - The Fashion Links Academy

In 2000 the South African government liberated import tariff barriers established by the apartheid regime. This made the importation of products easier for South African companies. But with the good also came the bad – suddenly it became cheaper to import apparel from the likes of mass producers like China. Almost overnight, thousands of workers in South Africa's clothing industry lost their jobs. The clothing sector in South Africa has been trying to recover ever since.

Ms Zola Shabangu was already working in the clothing sector when the crisis hit. She was able to continue in the industry, despite the troubles it faced, and has seen first-hand the effects of losing necessary skills as workers refocused their efforts into other sectors.

In recent years more awareness has been created around the benefits of supporting local clothing production. The industry is a long way from recovering, but little by little more of the skills lost post-2000 are in demand again. This is where clothing manufacturing incubators, like iGoda, play a huge role.

iGoda is an isiZulu word that implies the bringing together, the linking, of various strands or concepts. Ms Shabangu's principle is to link concept, design, production, management, and marketing – the whole supply chain of apparel manufacturing – resulting in a holistic approach. This is at odds with streamlined, compartmentalised manufacturing processes we've become accustomed to since the dawn of industrialisation. However,

the result is a well-rounded product that is as satisfying to wear as it is to produce.

With the support of **the dti**, iGoda was able to invest intensively in machinery acquisition, which is the most cost-intensive element of the business.

The South African clothing industry is in dire need of modernisation should it want to build its competitive advantage, but Ms Shabangu is confident that progress is possible. International fashion consumers generally love the unique style of African design and the country has more than enough talent to rise to the occasion.

“Often you'll find that buyers come to South African fashion shows, liking a design, and learning that the designer doesn't have the capacity to produce enough units to consistently supply to the buyer. They end up taking a picture of the design and manufacturing the garment elsewhere. This is part of the problem we aim to address.”

- Ms Zola Shabangu, owner and founder of iGoda



Business Process Services Programme

The Business Process Services (BPS) incentive was inspired by the jobs that were created by services being offered offshore in other countries. The objective was to attract investment in offshoring and to create jobs. The secondary objectives of the programme include:

- ▶ focusing on employment opportunities for the youth; and
- ▶ contributing to the country's export revenue from offshoring services.

The ultimate value of a programme such as BPS is not just the revenue that is generated and the jobs that are created, but it is also the reputation that is built for South Africa as a desirable investment destination.

Government started with a pilot in 2011, the success of which led to scaling up the incentive in 2014. The criteria to qualify for the incentive ensure that experience, commitment and viability are all key features of successful applicants. The extent of new

jobs created since the programme's inception is testimony to the power of this incentive. The pilot resulted in the creation of 9 077 new jobs while the scaled-up programme has contributed to the creation of about 14 727 new jobs from 2014/15 to 2016/17.

Approvals

Offshore captives are projects that relocate in-house business processes to a foreign location, while outsourcers are projects that use a third party to perform activities previously done in-house. Although there has been a slight drop in the number of approvals over the last two years, the export revenue multiplier for both offshore captive projects and outsourcers remain substantially high.

The most striking trend in the current year is the significant multiplier effects from projected export revenues and the positive effect on jobs in KwaZulu-Natal being the highest across the provinces. Approved projects supporting higher valued skills such as finance and accounting, as well as IT services, are located in the Western Cape and Gauteng.

Offshore captive	2016/17	Out-sourcers	Offshore captive	2017/18	Out-sourcers
3	11 Projects approved	8	5	7 Projects approved	2
R18,5m	Amount approved	R33,8m	R13,2m	Amount approved	R19,8m
R3,5bn	Projected export revenue	R3,7bn	R1,6bn	Projected export revenue	R1,4bn
3 149	Projected new jobs	3 538	1 491	Projected new jobs	654

Highlights



The incentive has reduced the cost of operations in South Africa, now competing with countries like the Philippines and India.



Investments growing into non-traditional areas, e.g. finance and accounting, IT services and online tutoring.








The projected export revenue multiplier remained high - 136 in 2016/17 and 91 in 2017/18.



Sustained and created jobs of 15 337, of which 93% are youth and 61% are female.

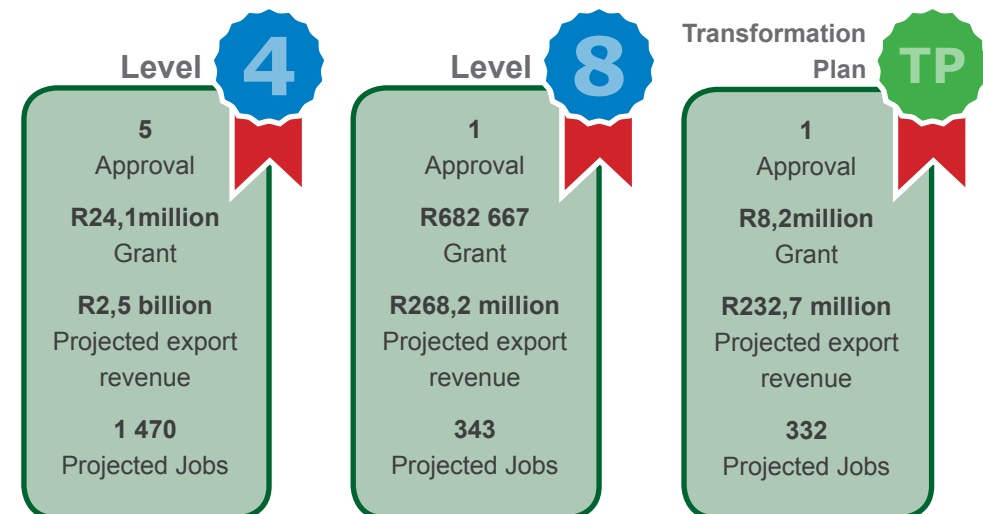


Approvals per Province

				 Projected
Gauteng	2	R1,5 million	435	R312 million
KwaZulu-Natal	2	R19,7 million	951	R1,679 billion
Western Cape	3	R11,7 million	759	R1,014 billion
TOTAL	7	R32,9 million	2 145	R3 billion

the dti's commitment to transforming the economy is evident through the majority of approvals being on B-BBEE level four. In the near future it is expected that the project on level eight, as well as the project with a transformation plan, will move to at least level four.








Approvals per B-BBEE Level



Disbursements

The three provinces attracting the most investment is linked to the levels of industrial and infrastructure development in each province and, probably, also to the skill levels amongst those to be recruited. The disbursements across provinces shows a high velocity indicating rapid implementation of projects and meeting the dti criteria. Again, the revenue effect is very strong and positive.

Disbursements per Province

							 Actual
Gauteng		36	R57,1 million	3 455	2 089	3 261	R970,2 million
KwaZulu-Natal		28	R138,2 million	5 952	3 801	5 524	R1,2 billion
Western Cape		59	R154,7 million	5 930	3 518	5 422	R2 billion
TOTAL		123	R349,9 million	15 337	9 408	14 207	R4,2 billion

Top Approvals

Sigma

Sigma Offshore operations project



R8,2 million
approved



R232 million
projected export revenue



321
projected
non-complex jobs



11
projected
complex jobs

Logicalis

Business and technology working as one



R2,4 million
approved



R650 million
projected export revenue



320
Projected
non-complex jobs



30
Projected
complex jobs



Quick Stats



1998



Budget Holdings Ltd
(Guernsey)



SA insurance
brands:

Auto & General,
Budget, DialDirect,
1st for Women,
VirSeke, 1Life



Johannesburg,
Gauteng



R10,1 million

Telesure Investment Holdings (Pty) Ltd

The South African Telesure group is part of a larger group of companies owned by Budget Holdings Limited. Budget Holdings Limited also owns Auto & General (Australia), an insurance company that decided to offshore some of its telephonic services. With two existing call centres based in Australia and an increasing demand for its services, the company sought to offer extended operating hours in a cost-effective environment. South Africa, being eight hours behind Australia, was a prime location. However, should the costs of setting up a call centre in South Africa have proven more expensive than simply hiring more Australian personnel willing to operate at odd working hours, the company would have opted for the latter solution. This is one of the main reasons the funding from the dti made this venture, aptly named "Project Chasing the Sun", possible.

Telesure (South Africa) already had an operating call centre. Because of its extensive experience in the insurance industry and similar operating systems, Project Chasing the Sun saw the Telesure space adjusted to accommodate more employees that would specifically service Auto & General Australia's market in 2015. This section of the call centre now employs a racially representative staff complement of 228.

As can be expected from a situational context that requires international telecommunications, the speed of electronics plays a major role. On a more

practical level, the call centre has had to bridge some cultural differences, like appointing persons with a relatively neutral English accent to accommodate an Australian audience or exposing staff members to concepts that might be unknown to them, like Airbnb which influences the assessment of property insurance. This is the reality in a country like South Africa, with a largely historically disadvantaged workforce that hasn't enjoyed the same level of exposure to global innovations as countries like Australia. However, Telesure is committed to training and up-skilling its call centre staff. Thus far, the feedback from the Australian counterparts has been very positive.



“One of the things that just stands out to our Australian colleagues is the eagerness and willingness of our people to learn and want to make a difference. If you give people a chance they grab it with both hands.”

- Mr Bradley du Chenne, Director of South African Operations for Australia



Film and Television Production Incentive

South Africa has long been a favoured destination for foreign film makers for many reasons. We have excellent locations for urban, rural and scenic sites. We have competent local technicians and local companies that are able supply the technical requirements of film makers; that is, cameras, tracking equipment, lights, sound equipment and post-production facilities. We also have a wide range of actors and extras for lead and smaller roles. Based on these foundations, the Film and Television Production incentive is poised to attract international and local film makers and promote the development of the local industry as well.

The package of incentives on offer covers three areas:

- **Foreign Film and Television Production and Post-Production** incentive to attract foreign-based film productions to shoot on location in South Africa and conduct post-production activities;
- **South African Film and Television Production and Co-Production** incentive, which aims to assist local film producers in the production of local content; and
- **South African Emerging Black Filmmakers** incentive, a sub-programme of the South African Film and Television Production and Co-production Incentive, which aims to assist local emerging black filmmakers to nurture and grow them to take up big productions and thus contribute towards employment creation (and development of a local creative industry).

Approvals

The overall performance of the film incentive showed positive trends in some key areas over the last two years. While there was a small decline in the grant amounts approved, there was an increase of 56% in the jobs created.

Some interesting perspectives arise from the 2017/2018 approvals. South African films created the highest number of jobs at 6 334. Foreign films had the highest multiplier for investment at 4,7 which is a sound return and positive trend for forex into the South African economy. In general, there is a healthy average multiplier of four for investments across all three sub-programmes. Feature films lead in the production and post-production incentives awarded, followed by television mini-series. The B-BBEE levels suggest that there is a growing number of level one producers and a useful range of partnerships developing.

2016/17	Aggregate Performance	2017/18
96	Projects approved	99
R816,4m	Grant approved	R724,7m
R3,8bn	Projected investment	R2,9bn
6 029	Projected new jobs	9 423
R513m	Disbursements	R462,5m

Highlights



26
Emerging Black
Filmmakers supported



6 334
South African films created the
highest number of jobs













Foreign films had the highest
multiplier for investment (4,7), a
sound return and good trend for
forex into South Africa















Encouraging broadening
participation into provinces
such as the Free State and
the North West.

Approvals per Category

			 QSAPE				
 Foreign Film	22	R468,5 million	R2,2 billion	4,7	2 786	<ul style="list-style-type: none"> • 1 Telemovie • 11 Mini/TV series • 10 Feature films 	<ul style="list-style-type: none"> • Level 1: 4 • Level 2: 3 • Level 4: 15
 SA Film	51	R181,9 million	R565,7 million	3,1	6 334	<ul style="list-style-type: none"> • 2 Telemovies • 5 Documentaries • 3 Mini/TV series • 41 Feature films 	<ul style="list-style-type: none"> • Level 1: 15 • Level 2: 13 • Level 4: 23
 EBFM	26	R74,3 million	R159 million	2,1	303	<ul style="list-style-type: none"> • 1 Documentary • 6 Mini/TV series • 19 Feature films 	<ul style="list-style-type: none"> • Level 1: 19 • Level 2: 5 • Level 4: 2
TOTAL	99	R724,7 million	R2,9 billion	4	9 423		

Approvals per Province

				 QSAPE					 QSAPE					 QSAPE
Gauteng	4 (R58,6m)	470	R257 million		Gauteng	33 (R123,7m)	5 995	R384,6 million		Gauteng	16 (R47,1m)	213	R100 million	
					Western Cape	10 (R31,6m)	196	R101,2 million		Western Cape	4 (R12,3m)	43	R29,2 million	
					Free State	2 (R2,8m)	17	R7,6 million		Free State	1 (R2,7m)	4	R4,9 million	
Western Cape	18 (R409,8m)	2 316	R1,9 billion		KwaZulu-Natal	5 (R21m)	114	R64,5 million		KwaZulu-Natal	3 (R9,7m)	39	R20,1 million	
					Eastern Cape	1 (R2,7m)	12	R7,8 million		North West	2 (R2,5m)	4	R4,6 million	

It is no surprise that the Western Cape has the highest investment and multiplier, given the locations and facilities. Gauteng shows good investments, returns and job creation. While the incentive performance in the other four provinces are not extraordinary, it is encouraging that forays are being made into the Free State and North West.

The advantage of foreign films being produced in South Africa is the foreign exchange revenue generated, followed by the local jobs created and the exposure to international talent and technology.

South African productions fared well in Gauteng and the Western Cape with 33 and 10 approvals each. Projected investment in the same provinces were also high at R384 million and R96 million.

The majority of productions by emerging black film and television producers were in Gauteng, with four other provinces trailing behind. All the approvals show promising returns to investment.

Some outstanding results are evolving from locally supported filmmakers.

Fearless

The killing of a baby rhino's mother by poachers sets four friends on an ill-advised, funny and deeply moving journey through the wild African bush to an equally wild African city!



R7,5 million
Grant



R27,6 million
QSAPE

Everything Must Fall

The story of a group of characters centrally involved in conflict taking place at the University of Witwatersrand around free education and decolonisation.



R2,3 million
Grant



R4,1 million
QSAPE

Story of a Small Town

A documentary following the experiences of a cross-section of characters in six rural and semi-rural small towns. It documents each of the characters' experiences of social transformation and how social changes impact on them on an individual level as well as on a community level.



R2,4 million
Grant



R4,4 million
QSAPE

Love Rejects

A film that says that you come to love, not by finding the perfect person, but by seeing the imperfect person perfectly.



R3,3 million
Grant










R6,4 million
QSAPE

Disbursements

As the table below shows, there was a healthy flow of claims through the year and this occurred across types and locations of films.

Claims in Provinces and Across Film Types


				 Full time equivalent
 Foreign Film	R330million	Gauteng: R20 million Western Cape: R310 million	Feature film: R158 million Mini TV series: R144,3 million Telemovie: R28 million	3 660
 SA Film	R89 million	Eastern Cape: R859 732 Gauteng: R42 million KwaZulu-Natal: R931 138 Western Cape: R45 million	Feature film: R55 million Mini TV series: R29 million Documentary: R5 million	634
 EBFM	R43 million	Gauteng: R33 million KwaZulu-Natal: R4,3 million Western Cape: R5,9 million	Documentary: R5,6 million Feature film: R28 million Mini TV series: R9,5 million	88

Across all three sub-programmes, the majority of claims paid were to feature films, with South African feature films receiving the highest amount of R55 million.

Job creation is a strong advantage of the film industry, as shown by the table.

As most jobs in the film industry are short-term in nature, **the dti** has created a formula to convert these to full-time equivalent jobs, as seen in the tables. The full-time equivalent of jobs created show healthy levels of job creation. Jobs in the film industry are also highly skilled, suggesting relatively decent wages compared to sectors that require more unskilled jobs. The strongest advantage is that foreign films are the biggest job creator with wages being paid from foreign currency brought into the country.

Actual jobs

	Actual temporary jobs			 Full time equivalent
	Black	White	TOTAL	
Foreign Film	571	56	648	88
SA Film	17 967	10 065	29 194	3 660
EBFM	2 643	2 321	5 105	634
TOTAL	21 182	12 442	34 947	4 382

Five Fingers for Marseille

Twenty years ago, the young “Five Fingers” fought for the rural town of Marseilles, against brutal police oppression. Now, after fleeing in disgrace, freedom-fighter-turned-‘outlaw’ Tau returns to Marseilles, seeking only a peaceful pastoral life. When he finds the town under a new threat, he must reluctantly fight to free it. Will the Five Fingers ride again?

Five Fingers for Marseilles fuses western influences, from classic Ford-era through Spaghetti and revisionist eras, into a contemporary South African crime drama played in local tongue. The great westerns have always contained socio-political threads and Five Fingers’ loose allegory on current South African politics is deep, dark, edge-of-the-seat and starkly human.

Nine years in the making, this film was extensively researched before production began. The production team visited former settler towns with European names like “Marseille”, “Barcelona” and “Roma”. These towns feature thematically in the film. Five Finger for Marseilles was filmed in Lady Grey, a tiny town in the Eastern Cape with a population of about 7 000 people (Census 2011). Casting for minor roles and extras was done here and the town’s hospitality industry benefitted from the production team’s prolonged stay. Over 400 people were employed for the duration of production.



Director
Michael Matthews

Writer
Sean Drummond

Producers
Asger Hussain
Yaron Schwartzman
Sean Drummond
Michael Matthews

“We started the company very young and most of the learning has been through doing. For the first few years we worked with other established producers to learn from them.”

Mr Sean Drummond, Director at Be Phat Motel



Acclaim

Official Selection: Toronto International Film Festival (2017)

Official Selection: BFI London Film Festival (2017)

Official selection: Fantastic Fest (2017)

Official selection: Busan International Film Festival (2017)

Quick Stats



2007



Be Phat Motel
Film Company



Film & TV



Five Fingers for
Marseilles



Cape Town,
Western Cape



Total film budget
R16 million

Quick Stats



1996



Triggerfish
Animation
Studios



Film & TV



Revolting
Rhymes



Cape Town,
Western Cape



R5,2 million

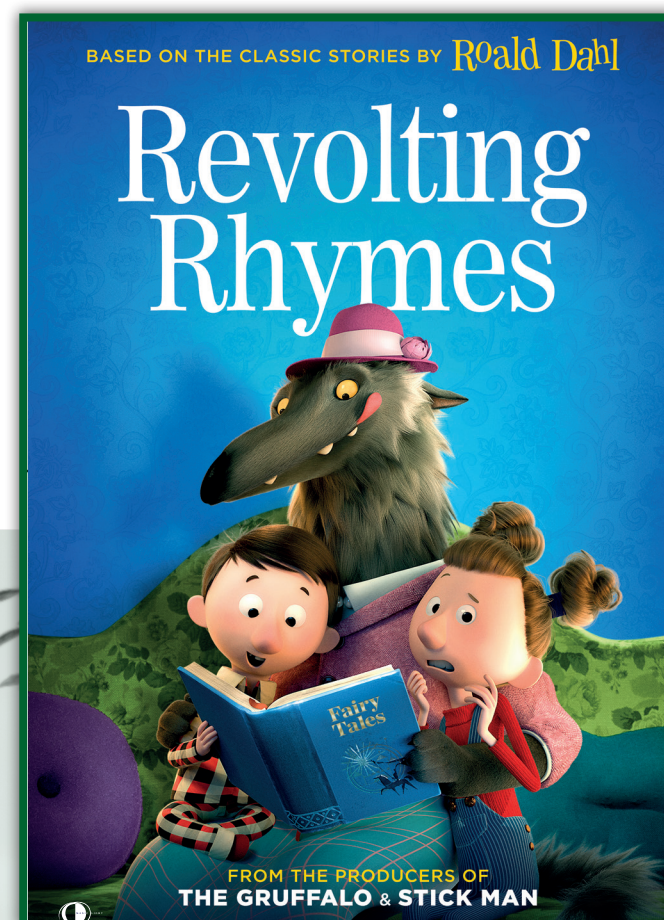
BBC's Revolting Rhymes

This animated film is based on a book of poems penned by famous author Roald Dahl and illustrated by Quentin Blake in the 1980s. The book contains Dahl's reinterpretations of six well-known European folk tales, told in verse, and distorted in parody style. This two-part film, featuring a retelling and intertwining of five of Dahl's rhymes, was released in 2016 and has received prominent awards since then.

South African animation studio, Triggerfish, was one of two studios involved in creating the BBC's Revolting Rhymes. The company was established in 1996 and has since grown to be the largest animation studio on the African continent. It employs over 100 people. The studio has been contracted by the BBC for the animation of other films, including Stick Man (2015) and Highway Rat (2017), proving that it's quality and service competes with the best in the world.

One tenet of **the dti's** Film and TV Incentive Scheme aims to attract foreign film companies to produce their films in South Africa. To this end, **the dti** has contributed to each of these BBC films. For Stick Man and Highway Rat this constituted a rough total of R6,7 million to date. Apart from attracting international business, the grants essentially also supported the recognition of Triggerfish in the international arena.

Fittingly named after the colourful fish that dwell in the Indo-Pacific Ocean, Triggerfish Animation Studios also produces feature films. With **the dti's** support, amongst others, the studio produced animated films with South African content, which have received acclaim in their own rights. In 2012, Adventures in Zambezia was released in South Africa, followed by Khumba (2013). These two films received a combined total of R18,8 million in grant funding from **the dti** and delighted children and adults alike with its take on the animal kingdom's antics.



Acclaim

Nominated: Oscar, Best Short Animation, 2018

Nominated: Best Animation, International Emmy Kids Awards, 2018

Winner: Best Animation, BAFTA kids, 2017

Winner: Best TV Animation, Annecy, 2017

Winner: Best Storytelling, Shanghai Film & TV festival, 2017

Winner: Best Animation, Banff World Media, 2017

Winner: Best Animated Short Film (Jury), TIFF kids, 2017

Manufacturing Competitiveness Enhancement Programme

MCEP was designed as an incentive to support enterprises in the production sectors of the economy soon after the onset of the global economic recession. The incentive aimed to support enterprises to weather adverse market conditions, secure higher levels of investment, raise competitiveness and retain employment with the acquisition of capital equipment and reengineering of business processes to improve their competitiveness. Over R5 billion was originally set aside for this programme which was fully committed by October 2015 and consequently resulted in its suspension. This was necessitated by the very large number of applications across the manufacturing sector which exceeded funds set aside for the programme.



The department has continued to honour all applications that were approved prior to MCEP's suspension, with the remaining claims disbursed during 2017/18 and the last few payments to be processed during the 2018/19 financial year.

MCEP has supported the retention of jobs in the manufacturing sector during difficult economic conditions.

2016/17	Aggregate Performance	2017/18
377	Claims paid	19
70 704	Baseline jobs retained	4 904
R989,2m	Disbursements	R62m

The bulk of the MCEP disbursements were to beneficiaries in the Western Cape and Gauteng. In both provinces, there were very positive investment multiplier effects exceeding three.

Disbursements per Province

			 Actual	
 Eastern Cape	1	R454 755	R818 945	95
Gauteng	5	R22,7 million	R77,5 million	1 373
KwaZulu-Natal	3	R5,9 million	R36,7 million	201
Western Cape	10	R32,9 million	R110,6 million	3 235
TOTAL	19	R62 million	R225,8 million	4 904

Highlights



MCEP supports sectors in which South Africa lacked competitive advantage in the past, such as Machinery and Equipment, Clothing and Textiles and Chemical Products






High investments of R156 million in Machinery and Equipment and R148,5 million in Chemicals are indicative of competitive growth in these manufacturing sub-sectors



Collectively, MCEP has disbursed a total of R567 million (the dti R62 million and IDC R505 million) during 2017/18

the dti has been mandated to manage the grant component of MCEP, while the Industrial Development Corporation (IDC) administers the loan component in the form of working capital and plant and equipment loans. Based on the commitment to balancing the racial composition of ownership and control in the country, the IDC has supported 23 approvals during 2017/18 of which 21 are for black industrialists and 22 are certified as B-BBEE level four and below.

Industrial Development Corporation Approvals

		
Black industrialist	21	R288,1 million
Non-black industrialist	2	R55 million
TOTAL	23	R343,1 million







B-BBEE Compliance Level

Level 1 11 Approvals	Level 2 7 Approvals	Level 3 1 Approvals
Level 4 3 Approvals	Level 5 1 Approvals	Total 23 Approvals

The dominance of IDC loans to black industrialists reflects the dti's investments in building inclusion and promoting transformation.







The IDCs investments through loans demonstrates strategic focal areas as evident in the sectors supported, such as Agro-processing, Chemicals and Automotives. The highest numbers of baseline jobs to be retained and projected new jobs are in sectors in which South Africa lacked competitive advantage in the past; that is, in Machinery and Equipment, Clothing and Textiles and Chemical Products. These trends suggest that the MCEP loans are influencing transformation where it is needed.

MCEP Loan Approvals per Sector

					
Agro-processing and Agriculture	1	R2,2 million	R5 million	0	12
Automotive and Transport Equipment	1	R3,4 million	R6,9 million	15	24
Basic Metals and Mining	2	R7,2 million	R64 million	175	94
Chemicals	10	R148,5 million	R491,4 million	327	338
Clothing and Textiles	1	R25 million	R80 million	430	230
Machinery and Equipment	8	R156,8 million	R843,1 million	2 316	1 916
TOTAL	23	R343,1 million	R1,5 billion	3 263	2 614

The IDCs loans to provinces show some advantageous entrances - R73,7 million in the Eastern Cape and R55 million in the North West are progressive additions to underdeveloped provinces. The most encouraging statistic is the projected creation of 205 new jobs in the Eastern Cape and the 1 892 jobs in Gauteng.

MCEP Loan Approvals per Province

					
Eastern Cape	5	R73,7 million	R195 million	153	205
Free State	1	R10 million	R42 million	76	10
Gauteng	10	R140,4 million	R635,2 million	2 183	1 892
Western Cape	3	R38 million	R370,3 million	91	32
North West	2	R55 million	R110 million	0	95
KwaZulu-Natal	2	R26 million	R138,4 million	760	380

Select-A-Salad CC

In the mass catering industry the washing, peeling and chopping of fruits and vegetables is a time-consuming activity that few can afford. To this end, most companies purchase processed foods in order to spend the bulk of their time on preparing meals. This is the core business of Select-A-Salad; they supply salads, dry goods, as well as whole and processed fruits and vegetables. Their client base includes hospitals, restaurants, airlines, catering companies, convenience stores, hotels, prisons and fruit juice producers. Currently, they are the largest supplier of peeled potatoes in Gauteng. They stock the full McCain's frozen vegetables range and can make specific vegetable cuts and mixes on request.

In 2015 Select-A-Salad started the process of acquiring new premises. The facility that had been in use since 1999 had become too small. The grant supplied by the dti was specifically applied to the purchase of new machinery for this facility. As a result, the company's agro-processing is more efficient and of improved quality, with minimum wastage.

The spill-on effects of improvements to an agro-processing company is the support to local fruit and vegetable producers. Select-A-Salad purchases



53,45% of its produce from Egoly Market, a 100% black-owned wholesaler based in Johannesburg.

In a global climate where quality and hygiene in the food industry is increasingly important, proper machinery is essential. Select-A-Salad adheres to Hazard Analysis and Critical Control Point (HACCP) principles, the South African National Halaal Authority's suitability standards and the City of Johannesburg Health Department's regulations. The new equipment has placed them in a prime position to continue to excel.



Quick Stats



1999



Male/female co-ownership



Agro-processing



Processed fruits and vegetables



80



Johannesburg, Gauteng



R2,1 million

Highlights



Increase in approvals for female-owned SMMEs



Of the 403 approvals, 82% are compliant at B-BBEE level four or less



Export sales of R140 million generated by assisted companies

Export Marketing and Investment Assistance

The Export Marketing and Investment Assistance (EMIA) Scheme develops export markets for South African products and services and supports the process of soliciting new foreign direct investment into the country by:

- ▶ providing marketing assistance to develop new export markets and grow existing export markets;
- ▶ assisting with the identification of new export markets through market research;
- ▶ assisting companies to increase their competitiveness by supporting patent registrations, quality marks and product marks;
- ▶ assisting with facilitation to grow FDI through missions and FDI research; and
- ▶ increasing the contribution of black-owned businesses and SMMEs to South Africa's economy.

The support modalities provided include:

- ▶ **Individual Exhibition Participation (IEP)**
- ▶ **Primary Market Research and Foreign Direct Investment (PMR and FDI):**
Exporters will be compensated for costs incurred for recruiting in new FDI into South Africa through personal contact by visiting potential investors in foreign countries.
- ▶ **Individual Inward Missions (IIM):**
Assistance is provided to South African entities organising an inward buying investor, to make contact with them to conclude an exporters order or to attract foreign direct investment.

Approvals








These approvals were the aggregate for all the incentives, that is, IEP, PMR, FDI and IIM. As the table below shows, the bulk of approvals (96%) were for participation as individual exhibitors.

2016/17	Aggregate Performance	2017/18
408	Projects approved	403
R32,1m	Grant approved	R31,1m
71	Female-owned SMMEs	126
244	Male-owned SMMEs	223
93	Large enterprises	54
R22,3m	Disbursed	R17,1m

	No. of approvals	Value of approvals
Individual exhibitions	388	R30,6 million
Primary market research	14	R368 567
Foreign direct investment	1	R29 629
TOTAL	403	R31,1 million

The sectoral distribution of enterprises which exhibited was broad, which is good for diversification of the economy, especially with regard to building export markets. However, two sectors dominated, that is, Agro-processing and creative industries. These are to be expected, given local strength in agricultural production and creative talent; the latter being mainly in craft, followed by music and creative industries film. It is encouraging to see that electro-technical, chemicals, metals and aerospace feature on the list as these indicate growing South Africa competence in technology.

Approvals per Sector

		
 Agro-processing	127	R9,9 million
 Creative industries	103	R8,6 million
 Textiles	60	R4,7 million
 Electro-technical	40	R2,7 million
 Chemicals	38	R2,7 million
 Metals	22	R1,5 million
 Aerospace	8	R732 374
 Automotive	4	R179 655
 Services	1	R23 900
TOTAL	403	R31,1 million

Approvals per Group and Province




The group receiving the highest spend in a province was on black females in Gauteng. The lowest spend was on large enterprises. While the Western cape and Gauteng lead in terms of provincial allocations, KwaZulu Natal looks very promising.

 	Black male-owned SMMEs	White male-owned SMMEs	Black female-owned SMMEs	White female-owned SMMEs		TOTAL
Eastern Cape	R0	R359 250	R0	R76 704	R214 000	R649 954
Free State	R0	R0	R0	R69 400	R0	R69 400
Gauteng	R1,7 million	R2,3 million	R4,6 million	R1,3 million	R946 582	R10,9 million
KwaZulu-Natal	R516 415	R1,4 million	R50 690	R62 165	R808 000	R2,8 million
Limpopo	R910 431	R29 342	R0	R56 661	R0	R996 434
Mpumalanga	R191 063	R77 566	R0	R0	R0	R268 629
North West	R0	R0	R214 492	R0	R114 000	R328 492
Western Cape	R311 761	R9,8 million	R651 800	R3,4 million	R896 829	R15 million
TOTAL	R3,7 million	R14 million	R5,5 million	R5 million	R3 million	R31 million


Claims Paid per Sector per Population Group and Gender


The bulk of the claims were paid out to large enterprises, white females and black males. The largest claims were paid to large enterprises in agro-processing, R3,1 million, followed by R1,6 million paid to black males in creative industries with R1,3 million going to large enterprises in the electro-technical sector.

The patterns of job creation follow the sectors that participated in exhibitions, i.e. agro-processing created the most jobs followed by creative industries and textiles. The Western Cape was the largest job creator (318 permanent and temporary jobs) with Gauteng creating less than half the number at 80.

	Black male-owned SMMEs	White male-owned SMMEs	Black female-owned SMMEs	White female-owned SMMEs			TOTAL
Aerospace	R0	R128 482	R0	R0	R428 460	7	R556 942
Agro-processing	R247 996	R0	R600 621	R587 415	R3,1 million	72	R4,6 million
Automotive	R0	R0	R79 685	R0	R171 530	3	R251 215
Chemicals	R120 389	R0	R209 884	R954 216	R732 381	35	R2 million
Creative Industries	R1,6 million	R978 212	R303 703	R416 315	R1,2 million	66	R4,5 million
Electro-technical	R0	R84 817	R62 116	R0	R1,3 million	22	R1,5 million
Metals	R0	R30 053	R152 529	R158 315	R485 265	16	R826 162
Textiles	R945 582	R0	R83 200	R861 673	R991 878	39	R2,9 million
TOTAL	R2,9 million	R1,2 million	R1,5 million	R2,9 million	R8,5 million	260	R17 million


Permanent and Temporary Jobs


	Permanent	Temporary
Eastern Cape	39	92
Western Cape	108	210
Limpopo	23	57
KwaZulu-Natal	21	36
Gauteng	49	31

	Permanent	Temporary
Aerospace	10	4
Agro-processing	84	152
Chemicals	17	9
Creative industries	65	153
Electro-technical	14	4
Metals	1	6
Textiles	49	98
TOTAL	240	426

The levels of export sales far outweigh the investment in participating in exhibitions.

Export sales

	Total sales
Textiles	R8 million
Metals	R3,6 million
Electro-technical	R3,5 million
Creative industries	R19,5 million
Chemicals	R16,3 million
Agro-processing	R64 million
Aerospace	R26 million
TOTAL	R140.9 million

	Total sales
Eastern Cape	R8,2 million
Free State	R0,21 million
Gauteng	R23,4 million
KwaZulu-Natal	R27,5 million
Limpopo	R3,6 million
Western Cape	R78 million
TOTAL	R140,9 million

Approved Companies

Sukuma Media CC

Sukuma Media specialises in the production of TV/theatrical commercials, corporate videos, photography, events, audio visuals, radio spot advertisements and award-winning feature films.



Gauteng



Creative industries



Black male

Export sales six months at and after the event:

R125 000

Event attended:

Cannes Film Market 2017

Date: **17-28 May 2017**

Country: **France**

Approved amount: **R48 798**

E Gillis

E Gillis designs exquisite wedding gowns with a focus on creating once-off couture wedding gowns.



Western Cape



Creative industries



White female

Export sales six months at and after the event:

R636 000

Event attended:

White Gallery London 2017

Date: **14-16 May 2017**

Country: **United Kingdom**

Approved amount: **R95 619**

Vinifera Grape Seed Oil Pty Ltd

Vinifera Grape Seed Oil (Pty) Ltd is a South African producer of extra virgin cold-pressed grape seed oil for both the local and export markets.



Western Cape



Agro-processing



White female

Export sales six months at and after the event:

R2 million

Event attended:

Vitafoods Europe Trade Fair 2017

Date: **9-11 May 2017**

Country: **Switzerland**

Approved amount: **R76 698**

Quick Stats



1998



**100%
Indian**



Educational Publishing



Cape Town, Western Cape



R6,4 Million

Navona Trade (Pty) Ltd - t/a Educat Publishers

Educat was established twenty years ago. It specialises in educational books, activity books, posters and stationary for children up to age 10. Its approach to learning is to integrate as much fun as possible. It particularly specialises in early learning posters; from learning colours to the countries of the world. Currently, Educat exports to Namibia, Zimbabwe, Kenya, Nigeria, the United Kingdom, North America, Australia and Asia. Correspondingly, their work is translated into several languages.

The relationship between Educat Publishers and **the dti** spans twenty years. The firm has benefitted from the EMIA grant roughly four times a year since its establishment. The funds are exclusively utilised for attending international book fairs. This presents them with an opportunity to showcase South African talent to the world. Typically, Educat attends annual fairs in London, Frankfurt, America and Bologna which can attract over 200 000 visitors.

In accordance with the terms of the EMIA grant **the dti** supplied funds towards an air ticket for one representative from Educat, as well as 80% of the stand cost for each book fair. The funds can clearly be linked to the firm's export growth and quality standards. All of its products are approved by the European Community for Quality and Safety.

Finding individuals with adequate publishing experience in the small South African market is difficult. Nevertheless, the team of 10 at Educator Publishers have found their niche and feel like family.



The publishing industry is not like your normal corporate environment. In addition to the business skills necessary to help the firm flourish, you need an artistic flair. That combination of skills is hard to find.

- Ms Kally Benito, Sales Director at Educat

Sector-Specific Assistance Scheme

The Sector Specific Assistance Scheme (SSAS) is designed to encourage industrial co-operation towards expanding markets, creating jobs and broadening participation of black-owned SMMEs in the economy. It is a reimbursable cost-sharing incentive scheme which grants financial support to organisations promoting the development of industrial sectors and those contributing to the growth of South African exports. Organisations supported under SSAS include export councils, joint action groups, industry associations and those involved in the development of emerging exporters. SSAS comprises of three components:

- Generic Funding (administered by Trade and Investment South Africa)
- Project Funding (administered by IDAD) and Project Funding for Emerging Exporters (administered by IDAD)

This report focuses on the analysis of the latter component.

Approvals

During 2017/18, project coordinators from various organisations such as export councils, joint action groups and industry associations were approved for 61 projects, in order to assist 806 emerging exports across the nine provinces. This was to showcase their products at international market exhibitions. Assistance was provided in the form of purchased air tickets to the events, transport of samples to showcase at the events, car rental and accommodation at the events, registration and exhibition costs for stands, payment for marketing material and advice on how to showcase the products, such as advice on packaging. Though the grant amounts were slightly lower in 2017/18, the dti's commitment towards promoting female-

owned SMMEs and SMMEs in general is evident through the increase in approvals for these two categories.

2016/17	Aggregate Performance	2017/18
52	Projects approved	61
R74,3m	Grants approved	R68,5m
332	Female-owned SMMEs	401
432	Male-owned SMMEs	406
764	SMMEs	806
R51,2m	Disbursed	R54,1m

The higher number of approvals observed for black-owned enterprises relative to white-owned enterprises in high-technology sectors such as electro-technical and pharmaceuticals signals to changes in the ownership and control structure of the South African economy. The significant approvals in the agro-processing sector is encouraging, considering that this sector is traditionally labour intensive.

SSAS prepares future exporters and provides market exposure for SMMEs.

Highlights



Continued support for SMMEs, particularly evident through an increased number of female-owned SMMEs approved;

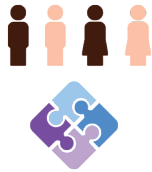













Significant approvals in the labour intensive sector of agro-processing;




Changes in ownership and control structures shown through increased black-owned enterprises supported in high-technology sectors.

Approvals per Sector

		Black male	White male	Black female	White female	TOTAL	
	Agro-processing	38	39	38	23	138	R11,9 million
	Automotive	2	0	1	0	3	R251 172
	Chemicals	17	23	33	25	98	R8 million
	Creative industries	58	37	62	71	228	R19,6 million
	Electro-technical	43	29	25	3	100	R6,7 million
	Film	5	6	20	18	49	R4,3 million
	Metals	12	9	14	5	40	R2,8 million
	Mining	16	0	5	0	21	R559 739
	Pharmaceuticals	5	5	3	0	13	R809 203
	Services	13	18	3	2	36	R3,4 million
	Textiles	15	16	22	27	80	R10 million
TOTAL		224	182	226	174	806	R68,5 million

Approvals from Gauteng, KwaZulu-Natal and Western Cape remain high, however, an increase in emerging exporters from 2016/17 to 2017/18 from the other six provinces is noted. In particular, a rise in SSAS approvals has been recorded for the Eastern Cape (from 22 to 50), Free State (from one to 14) and Limpopo (from nine to 18).













Approvals per Province

		Black male	White male	Black female	White female	TOTAL
Eastern Cape		25	2	15	8	50
Free State		5	3	3	3	14
Gauteng		105	44	108	52	309
KwaZulu-Natal		38	25	34	23	120
Limpopo		1	3	2	3	9
Mpumalanga		6	0	7	1	14
North West		16	1	8	0	25
Northern Cape		1	0	5	1	7
Western Cape		27	104	44	83	258
TOTAL		224	182	226	174	806

Disbursements

Trends noted in the approvals were similar to those observed for the 2017/18 disbursements.

Disbursements per Sector

						
		Black male	White male	Black female	White female	
 Agro-processing		47	46	50	31	R11 million
 Chemical		13	23	25	31	R7,2 million
 Creative industries		68	44	70	94	R15,6 million
 Electro-technical		25	24	14	1	R3 million
 Film		9	8	26	25	R5,3 million
 Metals		5	2	9	0	R191 243
 Mining		16	0	5	0	R542 529
 Pharmaceuticals		5	5	3	0	R585 899
 Services		14	28	4	4	R3,4 million
 Textiles		9	13	18	19	R7,2 million
TOTAL						R54,2 million

Sample of events attended by SSAS supported SMMEs

Beauty Kenya

3-5 March 2018



Gauteng



Chemicals



Kenya

14

Emerging exporters



R1,1 million

Food and Hotel in China, Shanghai

14-16 November 2017



Free State



Agro-processing



China

10

Emerging exporters



R906 046

Outward Trade mission

5-9 March 2018



Eastern Cape



Electro-technical



United Kingdom

15

Emerging exporters



R537 822

Annecy International Animation Film Festival

12-17 June 2017



Gauteng



Film



France

10

Emerging exporters



R943 935

Leather Middle East

27 February - 1 March 2018



KwaZulu-Natal



Textiles



United Arab Emirates

12

Emerging exporters



R1,4 million

Capital Projects Feasibility Programme

The Capital Projects Feasibility Programme (CPFP) supports the funding of feasibility studies for potential projects within and outside of Africa. It is expected that if the projects are feasible, the implementation will promote the exports of South African capital goods and professional services. The incentive which was launched in 2007 is a cost-sharing grant that is capped at R8 million.

Approvals

During 2017/18 there were three approvals to conduct feasibility studies for potential projects that will be based in countries such as Zambia, Zimbabwe and Ghana. Of the three approvals, two (R16 million) projects approved were from Gauteng and one (R7,3 million) from the Northern Cape. It is envisaged that if these feasibility studies are deemed bankable, the implemented projects will create at least 700 direct jobs, 120 professional jobs and more than 1 000 indirect jobs.

2016/17	Aggregate Performance	2017/18
5	Projects approved	3
R34m	Grants approved	R23,3m
R20,3m	Disbursed	R6,5m

Disbursements

Of the claims disbursed, four were from Gauteng with the total disbursement of R5,7 million and one was from the Western Cape. Disbursements were made for feasibility studies for the following proposed projects.

Disbursements per Province



Gauteng

Fuel Storage Facility Project - **R3 million**

Medical Park Project - **R2,2 million**

Coal and Power Project - **R355 300**

Technology Hub Project - **R143 000**

Western Cape

Potato Farming Project - **R790 254**

Special Economic Zones

Special Economic Zones (SEZs) are geographically designated areas of a country set aside for specifically targeted economic activities, supported through special arrangements (that may include laws) and systems that are often different from those that apply in the rest of the country. They are growth engines towards government's strategic objectives of industrialisation, regional development and employment creation.

SEZs may be sector-specific or multi-product and the following categories of SEZs have been defined as per the SEZ Act No. 16 of 2014:

- ▶ "Industrial Development Zone": a purpose-built industrial estate that leverages domestic and foreign fixed direct investment in value-added and export-oriented manufacturing industries and services;
- ▶ "Free Port": a duty-free area adjacent to a port of entry where imported goods may be unloaded for value-adding activities within the Special Economic Zone for storage, repackaging or processing, subject to customs import procedures;
- ▶ "Free Trade Zone": a duty-free area offering storage and distribution facilities for value-adding activities within the Special Economic Zone for subsequent export;
- ▶ "Sector Development Zone": a zone focused on the development of a specific sector or industry through the facilitation of general or specific industrial infrastructure, incentives, technical and business services primarily for the export market.

In general, SEZs intend to attract foreign and domestic direct investment with an export orientation from a wide variety of economic sectors and are all strategically located to service both global and African markets. Apart from attracting investment, the

economic zones also encourage improved competitiveness, skills development, technology transfer and job creation. Since 2001, eight Industrial Development Zones (IDZs) have been designated to accelerate industrialisation. These are listed below:

COEGA IDZ

Located in the Nelson Mandela Bay Metropolitan Municipality in the Eastern Cape

RICHARDS BAY IDZ

Located in Richards Bay in KwaZulu-Natal

EAST LONDON IDZ

Located in East London in the Eastern Cape

SALDANHA BAY IDZ

Located in Saldanha Bay in the Western Cape

DUBE TRADE PORT

Located outside Durban in KwaZulu-Natal

OR TAMBO SEZ

In Kempton Park in Gauteng

MALUTI-A-PHOFUNG SEZ

In Harrismith in the Free State

MUSINA/MAKHADO SEZ

Situated in two sites in the Limpopo province

Highlights



Impressive R50 billion projected investment by Musina SEZ in Limpopo that is envisaged to boost regional development and employment creation in the province



A group of 83 new investors have located in the SEZs and invested R10,3 billion



As at 31 March 2018, 12 747 new jobs have been created

The main objective of the SEZ fund, which became effective in July 2013 and provides multi-year funding for SEZ infrastructure and related operator performance improvement initiatives, is to provide capital for the development of bulk and related infrastructure that will leverage foreign and local direct investment from the private sector.





Approvals

Though the number of approvals slightly dropped, there has been a significant increase of R40,6 billion in projected investment between the two financial years.

2016/17	Aggregate Performance	2017/18
16	Projects approved	14
R1,6bn	Grants approved	R1,3bn
R11,6bn	Projected investment	R52,2bn
2 081	Projected new jobs	1 796

Distribution of SEZ Projects




The establishment of IDZs in the Free State and Limpopo are noteworthy, as these provinces have not had high levels of industrial development. The Musina SEZ in Limpopo shows great promise with its exceptional projected investment of R50 billion that is envisaged to boost regional development and employment creation in the province. The most recently launched Maluti-A-Phofung SEZ in the Free State is expected to create 609 jobs over the next two to three years during the construction of bulk infrastructure in the zone.

			
Eastern Cape	R730,7 million	R1,3 billion	881
Free State	R192 million	R268 million	609
Gauteng	R140,6 million	R225,5 million	291
KwaZulu-Natal	R183,7 million	R540,7 million	15
Limpopo	R9,9 million	R50 billion	0

Disbursements

Across provinces, the bulk of claims disbursed in 2017/18 were to projects in the Eastern Cape, of which the R742 million were payments made to the East London IDZ. This was mainly for funding the construction of top structures as required by the respective investors. From 2013 to 31 March 2018, SEZs received a total disbursement of approximately R3 billion and generated R10,3 billion in investment, an impressive multiplier of 3,4.

Disbursements per Province

		
Eastern Cape	23	R1,1 billion
Free State	2	R48 million
Gauteng	5	R209,6 million
KwaZulu-Natal	9	R246,4 million
TOTAL	39	R1,6 billion

Critical Infrastructure Programme

The Critical Infrastructure Programme (CIP) aims to leverage investment in infrastructure that is both essential and likely to lower the cost of doing business. The infrastructure has to stimulate investment designed to support achievement of the targets of the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan (IPAP).

The CIP is a cost-sharing incentive that is available to initiators of infrastructure projects that will serve industrial development. Usually, successful projects are paid their share on completion of milestones. Typically, projects that would qualify for support would include infrastructure:

- ▶ to test machinery and equipment that enables the investor to undertake a defined fixed investment, or to expand, sustain or refurbish the existing fixed investment;
- ▶ that enables the establishment of new or upgrading (revamping/ resuscitating) infrastructure and fencing of state-owned industrial parks;
- ▶ for renewable energy projects that are not under the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP);
- ▶ for investment that alleviates water and/or electricity dependency on the national grids, that is, investment that makes them less dependent on national supplies; and
- ▶ development costs to distressed municipalities, state-owned Aerospace and Defence National Strategic Testing Facilities and state-owned industrial parks.

Approvals

The CIP showed marked increases in most aggregate performance areas from the 2016/17 financial year to the year under review. The number

of projects increased from 13 to 18, the projected investment leapt from R3 billion to R11,6 billion. The number of projected new jobs also increased substantially from 2 681 to 4 877, i.e. by 82%.

2016/17	Aggregate Performance	2017/18
13	Projects approved	18
R310,9m	Grants approved	R263m
R3bn	Projected investment	R11,7bn
2 681	Projected new direct jobs	4 877
R164m	Disbursed	R179m

The highest approval was in industrial parks (R105,5 million) followed by mining (R80,7 million) and R31,1 million in agro-processing. The investment in agro-processing is encouraging as it is a key sector in industrial policy and is often a job-creating business in a rural area or small town. Another positive feature is the R19,6 million in renewable energy as this is an area where diversification is needed.

Approved amounts in the Gauteng, KwaZulu-Natal, Limpopo and North West provinces are set to multiply significantly in the form of projected investment of R1,7 billion and more per province. The highest approval of R118,5 million was in the Eastern Cape with a relatively sound job creation of 697 and 121 short-term jobs in construction. Four projects were approved in this province of which two were industrial parks. Approved projects for industrial parks are not required to report projections for investment and jobs; however, performance data is requested when new investors set up location in these hubs, hence the modest R27 million projected investment.

Highlights








increase of more than 80% in projected investment and job creation from the previous financial year








Investment in sectors such as agro-processing and renewable energy is encouraging, as the former is a key job creator in rural areas, while diversification is necessary in the latter

Approvals per Province

		 Direct	 Construction	
Eastern Cape	R118,5 million	697	121	R27 million
Gauteng	R67,4 million	1 732	1 747	R3,5 billion
KwaZulu-Natal	R28,3 million	970	3 440	R3,1 billion
Limpopo	R13,2 million	230	1 687	R2,8 billion
Mpumalanga	R2,3 million	64	39	R143,4 million
North West	R21,9 million	700	295	R1,7 billion
Western Cape	R11,5 million	484	201	R219 million
TOTAL	R263 million	4 877	7 530	R11,7 billion




Approvals per Sector

		 Direct	 Construction	
Agriculture	R6,2 million	79	51	R25,7 million
Agro-processing	R31,1 million	998	392	R669 million
Mining	R80,7 million	1 694	2 188	R6,4 billion
Property development	R2,9 million	677	1 488	R408 million
Renewable energy	R19,6 million	229	101	R0
Retail	R11,3 million	850	3 050	R1,2 billion
Service	R5,6 million	20	80	R1,3 billion
Industrial park	R105,5 million	330	180	R1,5 billion
TOTAL	R263 million	4 877	7 530	R11,7 billion

Disbursements

Projects in Gauteng are clearly way ahead of the other provinces with claims of R39 million and R21 billion in investment reported in the current year. The number of jobs in Gauteng are also positive.

Disbursements per Province







		Free State	Gauteng	Limpopo	Mpumalanga	North West	TOTAL
		1	9	1	1	2	14
		R33 million	R39 million	R23 million	R34 million	R50 million	R179 million

Performance Data Excluding Industrial Parks

Gauteng	9 Claims disbursed	R39 million	R21 billion Investment	849 Permanent jobs	1 829 Construction jobs	2 678 Total jobs
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The revitalisation of industrial parks was initiated in 2016 following instructions from the President. The 11 selected industrial parks are all located in former homelands, owned by provincial governments and managed by their agencies. It is envisaged that once these parks are revitalised, it will attract investment in these impoverished regions, create the much-needed job opportunities and address inequality. As indicated in the table below, phase one out of the four phases have been completed in six of the eleven industrial parks, with three having reached over 75% of implementation and two accomplishing 41% and 55% of implementation. Phase one involves the upgrading of infrastructure security, fencing to deter the high level of crimes in the industrial parks as well as illegal occupation, street lighting and critical electricity requirements.

2016/17 to 2017/18 Performance Data for Industrial Parks

		 Male	 Female		 Total employed	
Babelegi	North West	54	56	104	158	100%
Botshabelo	Free State	18	4	4	92	100%
Ekaandustria	Mpumalanga	50	16	16	81	80%
Garankuwa	North West	11	2	17	62	99%
Isithebe	KwaZulu-Natal	143	18	18	162	100%
Mogwase	North West	33	11	20	77	75%
Nkowankowa	Limpopo	41	7	16	83	41%
Phuthaditjhaba	Free State	42	7	15	85	100%
Queendustria	Eastern Cape	35	5	6	59	100%
Seshego	Limpopo	10	2	5	28	55%
Vulindlela	Eastern Cape	36	0	1	51	100%
TOTAL		473	128	222	938	

As at 31 March 2018, 938 short-term construction jobs were created during phase one of the refurbishments of the eleven parks. Of these jobs, 64% were for youth and 24% were for females. The substantial number of jobs achieved so far is evidence of the potential of industrial parks as drivers of economic activities in rural communities and townships.

More details on two industrial parks launched in 2017/18 are provided below.

Industrial Parks launched in 2017/18

The Babelegi Industrial Park in Hammanskraal, North West, was approved for R47 million. The North West Development Corporation, the operator of the park, is 100% owned by the North West Provincial Government. Once the park has been fully refurbished, it is expected to fast-track economic development in the impoverished area which has an unemployment rate of 34%. Phase one has currently been completed with phase two, which includes engineering designs, the construction of roads, bulk water supply and sewage treatment, is set to commence in the near future. Phase three will require upgrading of the electricity infrastructure and building new top structures for expansion projects while phase four comprises the development of sustainable industrial clusters within the industrial parks.

Reported results emanating from the conclusion of phase one include five new investors located in the park that have generated investment of R15,6 million. In addition to these five investors, 13 potential investors are in the pipeline, with an anticipated total investment amount of R37,9 million which will create 306 job opportunities.



The Vulindlela Heights Industrial Park is located in Mthatha, the largest town of the King Dalindyebo Local Municipality of the OR Tambo District Municipality in the Eastern Cape. The applicant, King Dalindyebo Local Municipality, was approved for a grant of R20 million to revitalise the park which was identified for refurbishment, due to the general decline in service delivery in the region as well as the decaying and constrained economic development in the area. Once the park is fully developed, it is expected to attract new industries and retain the current manufacturing industries, as well as stimulate job creation in an area where the unemployment rate is as high as 49%. Phase one of the park has been completed and phase two is envisaged to commence soon.



New GX Enviro (Pty) Ltd - t/a Nonomate



Quick Stats



2011



100%
black



Waste
Management



30



Atteridgeville,
Gauteng



R6,1 million

Waste disposal is a dirty business. No one particularly likes to do it, but as anyone will tell you, it is absolutely necessary for a decent standard of living. Currently, the majority of South Africa's domestic trash ends up on landfill sites. These sites are speedily reaching their capacity. Many have even had to close over the past decade, particularly in densely populated areas like Gauteng. The country is simply running out of space to put its trash. The only solution is to join the overwhelmingly compelling global shift towards recycling, reusing and reducing waste.

With this shift comes many entrepreneurial opportunities. High school friends and business partners, Mr Masopha Moshoeshe and Mr Khudusela Pitje (founders of New GX Enviro), entered the waste sector as a development contractor to the City of Tshwane in 2011. In 2013 the city was forced to close three of its eight landfill sites within only two months and determined that another site will have to be closed later in 2018. This was simply due to space running out.

The reality at the time was that the city did not have the capacity to address its landfill crisis. The New GX Enviro team stepped up to the plate by entering into an agreement with the city that would enable it to construct and manage a recycling eco park in Atteridgeville, Gauteng. After 15 years of operation, this facility will be handed over to the city.

The eco park has been in operation since late 2016 and is the first of its kind in the country. **the dti's** grant contributed to the park's machinery acquisition, green job creation and investment of approximately R250 million into the local township of Atteridgeville. Once trash has been separated at the park, recyclables are sold. Non-recyclables are wrapped in plastic and systematically stored in designated areas until South Africa has the technology to dispose of it properly through so-called 'thermal treatment'. This technology would pave the way for "zero waste to landfill" in South Africa, which is the idea that all products are reused so that no waste gets sent to landfills; an ideal we should all strive towards.

"If nothing else, we're leaving the world slightly better for our children than we found it."

- Mr Masopha Moshoeshe, CEO at New GX Enviro



The Cluster Development Programme

The Cluster Development Programme (CDP) was launched as a pilot in April 2016 to promote competitiveness through improved production, productivity and marketing by supporting enterprises within a cluster or industrial park. In particular, the incentive aimed to enhance export readiness and competitive intelligence, facilitate capacity and institutional partnership for the management of clusters, build strategic partnerships through the triple helix model, create an inclusive platform within the clusters for emerging industrialists and create collaborative platforms for facilitating development needs of industrial sectors. Support was offered as a cost-sharing grant for infrastructure, business development services and for the organisational management of clusters.

The pilot incentive was rolled out up until 31 March 2018 and was thereafter suspended. Work has already been commissioned by the dti to understand the impact of the pilot programme, with recommendations from the study expected during the course of the 2018/19 financial year. Processing and disbursements of claims continues for all approvals prior to 31 March 2018.


Approvals

Approvals declined over the two-year period, though the impact appears to be stronger in that more jobs are to be retained, that is, 1 132 in 2016/17 compared to 2 851 in 2017/2018. In the latter year, three clusters were approved in Gauteng, KwaZulu-Natal and Mpumalanga and are operating in the Mining, Agriculture and Metal Fabrication sectors, respectively. The department expects considerable learning to emanate from the evaluation of the pilot.

2016/17	Aggregate Performance	2017/18
7	Projects approved	3
R65,9m	Grants approved	R24,4m
R18,6m	Projected investment	R13,4m
1 132	Projected new direct jobs	2 851

Disbursements

During 2017/18, the Eastern Cape and Gauteng received the highest claims paid to the value of R4,3 million and R4,2 million, respectively. No cluster has fully claimed its grant as yet.

	Amount
Eastern Cape	R4,4 million - Manufacturing
Gauteng	R2,3 million - Automotive R2 million - Mining
Mpumalanga	R1,9 million - Metal fabrication
North West	R867 000 - Pharmaceutical R1,6 million - Manufacturing
Western Cape	R1,9 million - Culture and Arts
TOTAL	R14,7 million

List of Beneficiaries

5 Walls (Pty) Ltd
A H Amra And Son (Pty) Ltd
A J Charnaud And Company (Pty) Ltd
Aaa Entertainment (Pty) Ltd
Aam Geomatics (Pty) Ltd
Acoustex (Pty) Ltd
Actom (Pty) Ltd
Ad. Libitum Animal Feed (Pty) Ltd
Adapt Marketing (Pty) Ltd
Adcock Ingram Healthcare (Pty) Ltd
Adient Pasdec (Pty) Ltd
Adient SA (Pty) Ltd - Invest & Comp
Adventure Power (Pty) Ltd
AECI Ltd - Modderfontein Expansion
Aerosud Aviation (Pty) Ltd
AFGRl Animal Feeds Western Cape
Afri Piping Systems (Pty) Ltd
Africa Blaze Apparel (Pty) Ltd
Africa Ignite (Rf) Npc Incorporated under Section 21
Africa Media Online (Pty) Ltd
Afro-Zonke ProjectsInvestments (Pty) Ltd t/a Superdelight
Airmotive Technology (Pty) Ltd
Akacia Medical (Pty) Ltd
Alfred Teves Brake Systems (Pty) Ltd
AllCash Technologies (Pty) Ltd
Altron Tmt (Pty) Ltd
Alu Style Sa CC
Alugas (Pty) Ltd
Amandlethu Art And Craft (Pty) Ltd
Amanziflow Water Control Projects (Pty) Ltd
AMIRA International Mineral Industrial Research NPC
Amka Products (Pty) Ltd
Animation South Africa
Animation South Africa NPC
Anipharm (Pty) Ltd
Anna Georgina CC
Antrum Biotech (Pty) Ltd
Anura Vineyards (Pty) Ltd
Aquaking SA (Pty) Ltd
Arclight Distributors Pty Ltd
Arcrite Engineering (Pty) Ltd
Arendsig Handcrafted Wines CC
Arthur's Choice CC
Artisans Research Unit (Pty) Ltd
Association of South African Manufacturing of Luggage,Hand-
bags and General Goods
Auto Industrial Group (Pty) Ltd
AutoX (Pty) Ltd
Avalon Vineyards (Pty) Ltd
Avhatakali Productions (Pty) Ltd
AVI Products (Pty) Ltd - Project Cato Ridge
AVMY Steel Science (Pty) Ltd
Azania Management (Pty) Ltd
B A Henderson (Sole Proprietor)
Babirwa Breeding (Pty) Ltd
Balancell (Pty) Ltd
Bayede Marketing (Pty) Ltd
Be Safe Paramedical CC
Belgaz (Pty) Ltd
Belief in Motion (Pty) Ltd
Benteler South Africa (Pty) Ltd
Bergsig Estate (Pty) Ltd
Best Value Foods (Pty) Ltd
BI Power Consortium (Pty) Ltd
Bigwill Enterprises 10 (Pty) Ltd
Biogas Plant Fin (Pty) Ltd
Bird Machines (Pty) Ltd
Black Candy Films (Pty) Ltd
Black Dot Design CC
Blue Ocean Mussels (Pty) Ltd
Bokab (Pty) Ltd

Bokone Gas (Pty) Ltd
Bolton Footwear (Pty) Ltd
Borbet SA (Pty) Ltd
Bosbok Ses Films (Pty) Ltd
Botalana Fisheries and Projects (Pty) Ltd
Botanica Natural Products (Pty) Ltd
Bouyant Upholstery (Pty) Ltd
Briza Publikasies CC
Brooklyn Metal Spray CC
Bufallow Arts And Crafts CC
Buffeljags Abalone Farm (Pty) Ltd
Built Environment Professions Export Council
Buttercup Trading 47 CC
Canvas And Tent Manufacturing (Pty) Ltd
Capaia Wines (Pty) Ltd
Cape Alpaca Products (Pty) Ltd
Cape Bio Pharms (Pty) Ltd
Cape Cookies CC
Cape Foods (Pty)Ltd (Pty) Ltd
Cape Innovation Technology Initiative (CITI)
Cape Linseed (Pty) Ltd
Cape Marine Distributors (Pty) Ltd t/a CMD Industries
Cape Wine Company (Pty) Ltd
Cappery Estates CC
Capturevate Productions CC
Casa Mia Foods (Pty) Ltd
Castle Ultra Trading 43 (Pty) Ltd
Caterpillar South Africa (Pty) Ltd
Cathexis Africa (Pty) Ltd
CDT Boedery (Pty) Ltd
Centwise 66 CC
Ceres Fruit Processors (Pty) Ltd
Chaloner (Sa) CC
Chapman's Aquaculture Company (Pty) Ltd
Chikunyana Enterprises (Pty) Ltd
Chumani Water Solutions (Pty) Ltd
Citrus Research International (Pty) Ltd
Club Fes Designs CC
Coca Chemicals and Consulting (Pty)0 Ltd
Coega IDZ
Coffee Capsules Direct (Pty) Ltd
Collateral Trading 68 CC
ComIT Technologies (Pty) Ltd
Continental Tyre SA (Pty) Ltd
Control Chemicals (Pty) Ltd
Corobrik (Pty) Ltd
Cosmetics Export Council of South Africa (CECOSA)
Creation Wines (Pty) Ltd
CRH Africa Automotive (Pty) Ltd
Croft Sales & Rentals CC
Cronje Kompanjie (Pty) Ltd
Cruiser Cats (Pty) Ltd
Cubicle Manufacturing Solutions CC
Current Affairs Films CC
D & M Enginnering CC
D Saks (Sole Proprietor)
Dalisu Holdings (Pty) Ltd
David And Nadia (Pty) Ltd
De Goree Farming (Pty) Ltd
Deepend Post Production (Pty) Ltd
Delicious Trading 5 (Pty) Ltd
Delta Steam Systems (Pty) Ltd
Diemersdal (Pty) Ltd
Diemersfontein Wines (Pty) Ltd
Digital Connections CC
Diprente Films Pty Ltd
Ditsobotla Local Municipality
Do Productions (Pty) Ltd
Documentary Filmmakers' Association (DFA)
Doolhof Wine Estates (Pty) Ltd
Dsithavhani Agricultural Holdings (Pty) Ltd

Dube TradePort Corporation
Dynafoam Convertors (Pty) Ltd
E Gillis (Sole Proprietor)
Eagle Projects And Solutions CC
East London IDZ SOC Ltd
Eastern Cape Development Corporation (ECDC)
Eastern Produce Cape (Pty) Ltd
Eastern Trading Co (Pty) Ltd
Eberspacher SA (Pty) Ltd
Dimbaza Eco-Industrial Park
Ecoproducts CC
Els And Co Fine Leather Craftsman (Pty) Ltd
EMV Nanomaterial (Pty) Ltd
Energio Power Solution (Pty) Ltd
Energy Supplement CC
Enigma Pictures (Pty) Ltd
Envirofin Aquaculture CC
Enzelberg Tilapia (Pty) Ltd
Epitome Consulting CC
Etien Le Riche Wines (Pty) Ltd
Evolution Projects (Pty) Ltd
Expert Plastics (Pty) Ltd
Exxaro Coal (Pty) Ltd
Faurecia Emission Control Technologies CPT (Pty)Ltd
Faurecia Exhaust Systems SA (Pty) Ltd
Faurecia Interior Systems SA (Pty) Ltd
Faurecia Interior Systems Pretoria (Pty) Ltd
FCTG Corporate (Pty) Ltd
Feat Sock Company (Pty) Ltd
Feltex Fehrer (Pty) Ltd
Fibertex South Africa (Pty) Ltd
Film Afrika World Wide (Pty) Ltd
Fireworx Media (Pty) Ltd
First 3D (Pty) Ltd
Flexipump Rsa (Pty) Ltd
Floppy Sprinkler (Pty) Ltd
Footwear Industry Training (Pty) Ltd
Ford Motor Company SA (Pty) Ltd
Forestry SA Development NPC
Formex Tubing (Pty) Ltd
Forrester Vineyards (Pty) Ltd
Free Fall Trading 1071 CC
Free State Development Corporation (FSDC)
Maluti A Phofung SEZ
Fuze Films(Pty) Ltd
Fuzebox Productions Pty Ltd
Gaap Point Of Sale (Pty) Ltd
Gallery Momo Cape Town (Pty) Ltd
Gambit Films CC
Gatorsa (Pty) Ltd
Gauteng Growth and Development Agency
Gauteng IDZ
Gawie Crocs (Pty) Ltd
Geosun Africa (Pty) Ltd
Geppetto's World Of Developments CC
Glen Carlou Vineyards (Pty) Ltd
Globelink Solutions (Pty) Ltd
GLS Consulting (Pty) Ltd
Goedgedacht Trading (Pty) Ltd
Good Try (Pty) Ltd
GPS Food Group Bellville (Pty) Ltd
Grand Foods Bakery (Pty) Ltd
Grey Jade Trade and Invest 134 (Pty) Ltd
Growthpoint Properties Limited
Grupo Antolin SA (Pty) Ltd
Grupo Antolin South Africa (Pty) Ltd
Haisdee Nel (Sole Proprietor)
Handheld Films Pty Ltd
Hartenberg Farm (Pty) Ltd
Haskell Vineyards (Pty) Ltd
Hazleton Pumps International (Pty) Ltd

Healthcent (Pty) Ltd
Helena Spring Films (Pty) Ltd
Herbs-Aplenty (Pty) Ltd
HIK Abalone (Pty) Ltd
Hinterveld (Pty) Ltd
Homegrown Properties (Pty) Ltd
Hoogland Farm and Dice (Pty) Ltd
Hoopenburg Wines (Pty) Ltd
Hoto Trading and Projects (Pty) Ltd
Hybrid Composite (Pty) Ltd
Hydraform Sa (Pty) Ltd
Hygizone Sa CC
Icembe Medical (Pty) Ltd
Ikemeng Architects CC
Ikhezezi Agro Holding (Pty) Ltd
Illovo Sugar (SA) Limited
Impala Platinum LTD
Impi Film and Media Kzn (Pty) Ltd
Imvelo Air Products (Pty) Ltd
Incense Productions (Pty) Ltd
Indabingi Sithole (Pty) Ltd
Indabuko Institute (Pty) Ltd
Independent Music Exporters South Africa (IMEXSA)
Indi Pots (Pty) Ltd
Indigi Designs (Pty) Ltd
Infinity Care (Pty) Ltd
Inhoud Huis Media Pty Ltd
Inkoleko Trading 405 CC
Innovative Mining Products (Pty) Ltd
Insimbi TLS Engineering (Pty) Ltd
Interactive Entertainment South Africa
Intergrated Aquaculture (Pty) Ltd
Interstellar Plastics (Pty) Ltd
Ivacbio (Pty) Ltd
J A Le Roux (Sole Proprietor)
Jacques Germanier (Pty) Ltd
Jewellery Council of South Africa
Jonker Sailplanes (Pty) Ltd
Julie-Ken Ceramic Art And Designs CC
Jurgens C I (Pty) Ltd
Just Once Pty Ltd
K2015055473 (South Africa) (Pty) Ltd
Kagiso Media (Pty) Ltd
Kani Smart Works (Pty) Ltd
KAP Automotive (Pty) Ltd
Khayelitsha Cookies (Pty)Ltd
Khepri Innovations (Pty) Ltd
Khora Africa Projects Co- Operatives Limited
Kimberly-Clark of South Africa (Pty) Ltd
KLAZ Robotics (Pty) Ltd
Klein Karoo International Ltd
KMP Productions (Pty) Ltd
KMX Distribution (Pty) Ltd t/a Kamex Africa (Kemex)
Knights Baby Training CC
Koelenhof Wynkelder (Pty) Ltd
Komani Industrial Park
Korteks Textiles (Pty) Ltd
Krisan Produksies (Pty) Ltd
Kromberg & Schubert Brits (Pty) Ltd
Kromberg & Schubert EC (Pty) Ltd
Kumaran Naidoo
Kumuran Naidu
Kwacha Media
KwaDukuza Local Municipality (KZN 292)
KwaZulu-Natal Fashion Council (KZNFC)
L Heavens (Sole Proprietor)
La Consulting Engineers (Pty) Ltd
Lady Bug Films Pty Ltd
Latex Industries SA (Pty) Ltd
Leap Innovate Green Energies (Pty) Ltd
Lear Sewing (Pty) Ltd

Lejoy Holdings (Pty) Ltd
 Lekwa-Teemane Local Municipality
 Lemur Productions CC
 Levtrade International (Pty) Ltd
 Lifodox (Pty) Ltd
 Lindi Art World (Pty) Ltd
 Lions Head Productions (Pty) Ltd
 LMol Modelling and Casting Agency (Pty) Ltd
 Logicials SA (Pty) Ltd
 Longridge Wynlandgoed (Pty) Ltd
 Lorile Media CC
 Louisvale Wines Stellenbosch (Pty) Ltd
 Lumegen Laboratories (Pty) Ltd
 Lumotech (Pty) Ltd Invest + Comp
 Luxe Trading CC
 Lylascan (Pty) Ltd
 M Decker (Sole Proprietor)
 M. Braude - Gifts Of Africa CC
 MA Auto Tool & Die (Pty) Ltd
 MA Automotive Tool & Die (Pty) Ltd
 Magalepe Trading And Projects CC
 Mahle Behr SA (Pty) Ltd
 Mahle Behr South Africa (Pty) Ltd
 Makhmisa Foods (Pty) Ltd
 Malvilox (Pty) Ltd
 Mandela Bay Composite Cluster
 Mandela Bay Pictures CC
 Manelli Pets (Pty) Ltd
 Mannequin Films CC
 Mannequin Pictures (Pty) Ltd
 Maphanda Media House (Pty) Ltd
 Mashilo Moshomong (Pty) Ltd
 Masingita Multi Trading (Pty) Ltd
 M-BU Origin (Pty) Ltd
 MCR Mnuufacturing (Pty) Ltd
 Medical Device Manufacturer of South Africa (MDMSA)
 Megaray Ltd
 Mercedes Benz SA (Pty) Ltd
 Mercedes Benz South Africa Limited
 Merchants SA (Pty) Ltd
 Micawber 803 (Pty) Ltd t/a The Noodle Factory
 Minabiz CC
 MKT Managa (Pty) Ltd
 Moonlighting Films (Pty) Ltd
 Morgenster (1711) (Pty) Ltd
 Mouton Citrus (Pty) Ltd
 Mpac Operations (Pty) Ltd
 MSF Trailers Steel Works & Projects (Pty) Ltd
 M-Tech Industrial (Pty) Ltd
 Mthonjeni Aluminium Products (Pty) Ltd
 MTO Enterprise Development (Pty) Ltd
 Mudji Productions (Pty) Ltd
 Murendi Properties and Building Supplies CC
 Musina Makhado SOC
 N T M Art Work (Pty) Ltd
 Naeem Food Industry (Pty) Ltd t/a Koogan Plastics
 Naledi M Holdings (Pty) Ltd
 Namavox (Pty) Ltd
 National Stainless Steel Centre (Pty) Ltd
 Natural Ethical Organic Trading CC
 Naturecell Africa RF (Pty) Ltd
 NCP Alcohols (Pty) Ltd
 Needco Construction And Projects (Pty) Ltd
 Neopak (Pty) Ltd
 Nepo IT Systems (Pty) Ltd
 New Vision Film Studios (Pty) Ltd
 Newington Trading 75 CC
 Ngasolinye (Pty) Ltd
 Niloticus Holdings (Pty) Ltd
 Nitida Wine Cellars (Pty) Ltd
 Nobomate (Pty) Ltd
 Nonku Ntshona & Associates Quantity Surveyors (Pty) Ltd
 North West Fisheries (Pty) Ltd
 NuAngle Solutions (Pty) Ltd
 Ocean Peaks (Pty) Ltd
 Ochre Media (Pty) Ltd a division of Blackstar Holdings Group (Pty) Ltd
 Oh-Lief Natural Products (Pty) Ltd
 Okuhle Media (Pty) Ltd
 Oldenburg Vineyards (Pty) Ltd

On Set Film Productions (Pty) Ltd
 Ooh La La Confectionery (Pty) Ltd
 Opstal Wines (Pty) Ltd
 Org De Rac Landgoed (Pty) Ltd
 Organic Aqua (Pty) Ltd
 Oribi Oils (Pty) Ltd
 Oryx Desert Salt (Pty) Ltd
 Out of Africa Entertainment (Pty) Ltd
 Out of Motions Film CC
 Outsurance Shared Services (Pty) Ltd
 Overhex Private Cellar (Pty) Ltd
 Painted Wolf Wine Company (Pty) Ltd
 Palm Footwear Manufacturers (Pty) Ltd
 Panarama Films Pty Ltd
 Peddle Industries (Pty) Ltd
 Peddle Industries CC
 Periphery Development Media CC
 Petro SA SOC Ltd
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 Plastics SA
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 Quickbus 115 CC
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 Red Meat Industry Research Associates (RMIRA) NPC
 Red Mirror Films (Pty) Ltd
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 Requa Enterprises (Pty) Ltd
 Rethuseng Live Line & Services (Pty) Ltd
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 RG Brose Automotive Components (Pty)Ltd
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 Riebeek Kelder Ltd
 Rietfontein Agri Partners (Pty) Ltd t/a Sebata Super Maize Meal
 Rippel Effect Manufacturing (Pty) Ltd
 Ritavi Industries (Pty) Ltd
 River Bioscience (Pty) Ltd
 Robert And Son Art Gallery (Pty) Ltd
 Robinson And Sinclair CC
 Robolite (Pty) Ltd
 Roos Family Vineyards (Pty) Ltd
 Roto Solutions CC
 Rural Brands (Pty) Ltd
 Rustilox (Pty) Ltd
 Sa Commercial (Pty) Ltd
 SA Great Movies Productions (Pty) Ltd
 Sabertek Precision Manufacturing (Pty) Ltd
 Sabinet Online Ltd
 Saddler Belts & Leathercraft (Pty) Ltd
 Saffritex International CC
 Samfur Furniture Manufacturers CC
 Sanctuary Films Production and Training (Pty) Ltd
 Sang Sang Entertainment (Pty) Ltd
 Sappi Southern Africa (Pty) Ltd
 Saronberg Cellar (Pty) Ltd
 Sasol Ltd
 Saucy Secrets CC
 Scatters Oils CC
 Schaeffler SA (Pty) Ltd Invest & Comp
 SCS Space (Pty) Ltd

Sea Harvest Corporation(Pty) Ltd
 Sea Monster Entertainment (Pty) Ltd
 Sealife Equipment (Pty) Ltd
 Sekhomo Investment (Pty) Ltd
 Senechal-Senekal Art Gallery CC
 Senso Solutions (Pty) Ltd
 Setshaba Milling Company (Pty) Ltd
 Sigma International (Pty) Ltd
 Sign Edition (Pty) Ltd
 Silverline Three Sixty (Pty) Ltd
 Silverton Manufacturing (Pty) Ltd
 Sirrah King Manufacturing (Pty) Ltd
 Siyahamba Engineering (Pty) Ltd
 Siyaya Bakeries CC
 Siyazenzela Art & Craft CC
 Siyazenzela Five Manufacturers Co-Operative Ltd
 Skinny Laminx Design CC
 Slent Farms (Pty) Ltd
 Small Enterprise Development Agency (SEDA)
 Smartcrutch CC
 Solarport CC
 SolGuard (Pty) Ltd
 Sollywood Films (Pty) Ltd
 Sorele Media Pty Ltd
 Soulever Wellness Salon CC
 South African Capital Equipment Export Council
 South African Electrotechnical Export Council (NPC)
 South African Footwear and Leather Export Council (SAFLEC)
 South African Leather Export Council (SAFLEC)
 South African National Halaal Authority (SANHA)
 South African Oil and Gas Alliance (SAOGA)
 South African Sugarcane Research Institue (SASRI)
 South African Women's Art Association
 Southern Atlantic Seafood Holdings (Pty) Ltd
 Southern Cross Salmon Farming (Pty) Ltd
 Southern Mills CC
 Southern Protein Pty Ltd
 Southern Right Foods (Pty) Ltd
 Southey Holdings (Pty) Ltd
 SP Automotive Profile Sealing SA (Pty) Ltd
 Spa And Salon Solutions CC
 Spaza Home Ware CC
 Spectank (Pty) Ltd (Pty) Ltd
 SpesLab (Pty) Ltd
 Spier Productions (Pty) Ltd
 Srcc Marketing (Pty) Ltd
 Stability Trading III (Pty) Ltd
 Stability Trading V (Pty) Ltd
 Stage Five Films Pty Ltd
 Stepahead Manufacturing CC
 Striving Mind Trading 83 CC
 Struffast (Pty) Ltd
 Suid-ooster Films (Pty) Ltd
 Sukuma Media CC
 Sun Things CC
 Sunola Oil Mills (Pty) Ltd
 Superb Flooring Systems (Pty) Ltd
 Surveillance Equipment And Research Technology CC
 Swartland Wynkelder (Pty) Ltd
 Sycamore Trading (Pty) Ltd
 Tagmarshal (Pty) Ltd
 Tamara Cherie (Pty) Ltd
 Tamasa Trading Wines (Pty) Ltd
 Tartan Timbers (Pty) Ltd
 Techmax Agri (Pty) Ltd
 Tegnong (Pty) Ltd
 Terresano Holdings (Pty) Ltd
 Terroir Wines of South Africa
 Thabede Menzi Pty Ltd
 Thakadu Battery Materials (Pty) Ltd
 The Avondale Trust
 The Fishwives Club (Pty) Ltd
 The Karnataka Mercenaries & Film Syndicate
 The Lash Collection (Pty) Ltd
 The Mcgregor Wine Company (Pty) Ltd
 The Road Less Cycled (Pty) Ltd
 The Strategic Answer Marketing Solutions CC
 The Wren Design (Pty) Ltd
 Thelema Mountain Vineyards (Pty) Ltd
 Thembi Works CC

Tiger Consumer Brands Ltd
 TKN Productions Pty Ltd
 Topqualitea South Africa (Pty) Ltd
 Topwell Chemicals SA (Pty) Ltd
 Toronto Group (Pty) Ltd
 Totally Wild (Pty) Ltd
 Trade and Investment Kwazulu-Natal
 Transasia 1 Pty Ltd
 Triangle Post And Animation Studios CC
 Triggerfish Production Services (Pty) Ltd
 Tropical Paradise Trading 514 (Pty) Ltd
 Trufo (Pty) Ltd
 TRW Occupant Restraints SA (Pty) Ltd
 TRW Occupant Restraints SA Inc
 Tshwane Economic Development Agency
 Two Oceans (Pty) Ltd
 Two Oceans Productions Pty Ltd
 Uhlanga Media (Pty) Ltd
 Uhuru Productions (Pty) Ltd
 Ulimo Aquaponics (Pty) Ltd
 Umushika Art And Crafts CC
 Underdog Productions (Pty) Ltd
 Unikay Curios CC
 Uniwines Production (Pty) Ltd
 Urban Brew Studios Pty Ltd
 Urucu Media (Pty) Ltd
 Vacuform 2000 (Pty) Ltd
 Valeo System South Africa (Pty) Ltd
 Valhalla Productions (Pty) Ltd
 Valuline 119 (Pty) Ltd
 Vansha Farming (Pty) Ltd
 Vektronix (Pty) Ltd
 Veld Botanicals (Pty) Ltd
 Venture Diversified Products (Pty) Ltd
 Vest-Activ Four (Pty) Ltd
 Via - Vollenhoven & Appollis Independent CC
 Vibe Africa Media Entertainment (Pty) Ltd
 Victory Street Productions (Pty) Ltd
 Vinifera Grape Seed Oil (Pty) Ltd
 Vliegmasijen (Pty) Ltd
 VM Investments (Pty) Ltd
 Vogel Homeware CC
 Volkswagen South Africa (Pty) Ltd
 Voyagernetz Enterprise (Pty) Ltd
 Vshe Promotions CC
 Vuleka Productions Pty Ltd
 Vuma Rural Development Co-Operative LTD
 Vumasono Productions (Pty) Ltd
 Vuwani Medical Solutions CC
 VWSA (Pty) Ltd
 Weba Technical Services (Pty) Ltd
 Webroy (Pty) Ltd
 Weidplas (Pty) Ltd
 Wellington Wyne Ltd
 Wensleydale Farms (Pty) Ltd
 West Five Films Pty Ltd
 Western Cape Fine Food Initiative NPC
 Western Cape Investment and Trade Promotion Agency (WESGRO)
 White River Sawmills (Pty) Ltd
 Wildlife Ranching South Africa
 Windmeul Kooperatiewe Wynkelder Co-Operative Ltd
 Wine of South Africa
 WNS Global Services SA (Pty) Ltd
 Writers' Guild of South Africa (WGSA)
 Zana Products (Pty) Ltd
 Zazen Consulting (Pty) Ltd
 Zebra Armour (Pty) Ltd
 ZF Lemforder SA (Pty) Ltd
 ZFGI Conglomerate (Pty) Ltd
 Zini Fish Farms (Pty) Ltd
 Zusi Express (Pty) Ltd
 Zazen Consulting (Pty) Ltd

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