****

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**PARLIAMENTARY QUESTION: 540**

**DATE OF PUBLICATION: 10 March 2017**

**Dr M J Cardo (DA) to ask the Minister of Economic Development:**

(a) When will the National Empowerment Fund be incorporated into the Industrial Development Corporation (IDC) as a wholly owned subsidiary and (b) what financial obligations will the transaction place on the IDC? NW597E

**REPLY**

It is Government’s public goal to consolidate the number of public entities in order to avoid duplications of mandates and reduce overhead costs.

Both the IDC and the NEF have responsibility for the promotion of black economic empowerment. In addition, the NEF has funding challenges for new loan approvals.

To give effect to the goal of agency consolidation and to enable the NEF to benefit from the IDC balance-sheet and experience, it was agreed in principle between the Ministers of Trade & Industry and Economic Development as well as the IDC and NEF to incorporate the NEF as a wholly-owned subsidiary of the IDC.

The technical work to enable this decision to be implemented will now be undertaken and the timeframes for conclusion thereof is not yet available. In order to enable the NEF to continue to provide industrial funding for black industrialists, the two organisations are considering transitional measures pending conclusion of the merger arrangements.

These will be announced when they are finalised.

**-END-**