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Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

**BLACK INDUSTRIALIST  
PROGRAMME**

# Background

- Within the larger Manufacturing and related services focus of **the dti's** current incentive offering, the Black Industrialist Programme would be specifically dedicated to the growth and global competitiveness of Black- owned businesses
- The intention of the programme is to contribute toward shifting the demographic composition of our industrial sector to allow the country to take advantage of its strongest assets - to leverage the power of our diversity as a nation.
- Understanding that if we intend to remain competitive, we must fully engage the underutilized source of jobs, revenue and innovation – the Black industrialists
- In order to be able to compete it is critical that Black industrialists have
  - access to capital,
  - contracts and
  - markets



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# Purpose of the Black industrialist programme

- It provides coordinated and explicit guidelines for the promotion and long-term development of Black manufacturing entities
- Provides platform to supervise the direction of Black enterprise development
- Emphasizes Black Industrialist significance for economic growth and sustainability



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# Key Thrusts of the Programme

- Main areas of responsibility of the programme are:
  - Formulating a Black Industrialist promotion master plan and promotional policies.
  - Preparing an action plan for the promotion of sectoral Black owned manufacturing enterprises
  - Serves as the country's Black Industrialist information center and the central organization
  - Conducting research and studies on Black Industrialist related issues
  - Developing information systems and networks to support the operation of Black industrialists
  - Administering incentives to support Black industrialists



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# Access to Capital: Current state

- Feedback received suggests that black owned manufacturing entities
  - have substantially less equity investment and loans at start up and for their growth than others
- In addition these enterprises are likely to
  - Pay higher interest rates on loans than their peers
  - Be denied loans by funding institutions
  - Not apply for loans for the fear of rejection
- This accounts in part for disparities in growth, development and survival of black business.



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# Financial support in collaboration with DFI

- Working capital support
  - Concessional loans, ease working capital pressure
- Investment Grants
  - Cost sharing grant of up to 80% on capital equipment for entities with black ownership between 51% and 100% capped at R50 million per entity
- Joint venture support
  - Support package of investment grant and equity loan to assist joint ventures where Black industrialist have both equity and management control in strategic sectors
- Export support
  - Concessional export insurance funding
  - Market access support



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# Financial support in collaboration with DFI

- Work is currently underway with all key DFI to finalise a support package
- A Key principle for that package will be
  - “once approved always approved”
- The deliberations and outcomes of the planned commissions will assist us in finalising the design of this package



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Thank you



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