

LEADING development financier, the National Empowerment Fund (NEF) received resounding endorsement when President Jacob Zuma hailed it as an apex institution whose recapitalisation challenges would soon be a thing of the past.

Speaking at the Black Business Council (BBC) Baobab Awards Gala Dinner in Sandton last week, the President said:

"One of the biggest challenges facing black businesses and the implementation of our empowerment policies is access to finance.

"To address this challenge we established the National Empowerment Fund (NEF) to be used as an instrument to financially support empowerment initiatives.

"Since its inception, the number of approvals by the NEF have totalled R7.6 billion, supporting 770 black businesses.

"For the 2015/16 financial year, the NEF has approved 120 deals worth R1.3 billion. The NEF needs to be supported in order for the institution to do more to ensure access to finance by black entrepreneurs.

President hails NEF as an apex institution

Written by
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"Government is currently exploring various means to recapitalise the NEF, as an apex institution to facilitate BEE finance."

Speaking during the same occasion, NEF CEO Philisiwe Mthethwa called for a review of the country's value system, and urged the public and private sectors to treat people with respect and to entrench an honest work ethic, service, integrity and servant leadership.

"It is my plea," she said, "that as patriots we will chart the path for the historic X-ray of our DNA so that we too may be counted among the leading nations of the world, in time to come. In the month when we celebrate Heritage Month, indeed let us resolve to make excellence our



Mr. Mohale Ralebitso (BBC-CEO), Mr Sizwe Mkhwanazi (who received an award posthumously on behalf of his father, Dr Don Mkhwanazi), Ms Philisiwe Mthethwa (NEF; CEO), Minister Nathi Mthethwa (Department of Arts & Culture), Ms. Zukiswa Ntlangula BBC (VP) Professionals, Mr. Jimmy Manyi (BBC Head of Policy), Minister Lindiwe Zulu (Department of Small Business Development), Ms Nokululeko Gobodo (Awardee) Minister Malusi Gigaba (Department of Home Affairs), Seated: Mr. Sello Rasethaba BBC (Chairman), Mr. George Sebulela BBC Secretary General, President Hon. Jacob Zuma, Dr. Danisa Baloyi BBC (President); Mr Ndaba Ntsele (Former President BBC); Ms. Daphney Mashile - Nkosi (Awardee).

heritage".
To date the NEF has supported in excess of 86 000 jobs, which has made a difference for well over 850 000 beneficiaries countrywide.

Moreover, the entity has ensured rural development deals that have empowered 30 communities and over 1.8 million individuals.
Mthethwa says together with local and inter-

national investors the NEF has developed 24 strategic and industrial projects worth R27 billion, with the potential to support over 80 000 jobs.
These projects have the potential to result in

the growth of black industrialists.
"For 11 years the NEF has maintained a track record of successive clean external audit opinions, attesting to international best practice and good corporate governance," she adds.

In a separate interview, Gauteng Province MEC for Economic Development, Environment, Agriculture and Rural Development Lebogang Maile said what sets the NEF apart from other like organisations is that the entity continues to take bold and decisive steps in its mandate to provide capital for black economic empowerment transactions.

"Not only does NEF seek to ensure meaningful transformation of our country and participation of previously disadvantaged communities in the mainstream economy, the organisation also promotes a culture of savings and investment among black people.

"That is commendable and goes a long way in levelling the ground for inclusive development of all our people," MEC Maile said.

Moses Ndlela an entrepreneur from Orange Farm in Johannesburg said the NEF was well on course in fulfilling Government's goal of strengthening industrial capacity with inputs driven by black entrepreneurs and to uplift previously disadvantaged communities.

"By providing financial and non-financial support to entrepreneurs, the NEF is achieving great results for our country and setting the standard in terms of bridging the gap between advantaged and disadvantaged citizens.

"What is unique is that the NEF is not fulfilling this mandate by taking from the haves, but by empowering the have-nots to reach a stage where they can have the resources and capacity to make a difference in society and improve their own lives," Ndlela concluded.

Leading the way with Biofuels



BIOFUELS are increasingly emerging as economically viable and environmentally friendly substitutes to fossil fuels.

The NEF is moving full steam ahead in supporting initiatives that seek to improve the country's energy security and promote green development.

Such interventions have the potential to uplift agricultural sectors and to unlock substantial economic benefits for the country, whilst entrenching South Africa's role in efforts to overcome the trade distorting effects that the developing countries have faced overtime because of subsidised agricultural production in developed countries.

One of these interventions by the NEF is the investment of R7 million towards a pilot plant for the production of biofuels.

The company is known as Salamax and has developed a second-generation biofuel process that uses grass and leaves to produce ethanol and electricity.

"The pilot project will initially create 6 new permanent jobs at the pilot plant, and maintain an estimated 150 indirect jobs at the university where it is located,

as well as suppliers of feedstock and engineering services to the plant," says Seja Kekana, Strategic Projects Fund Manager at the NEF.

Bioethanol is a common fuel component that is blended in the petrol pools of many countries.

"The use of biofuels such as bioethanol and biodiesel as a renewable energy source presents the potential for numerous environmental, energy security and efficiency benefits to the South African economy.

"The biofuels industry also has potential as a key source of employment. In light of this potential, the NEF has sought, over the past few years, to support this robust national biofuels industry."

Kekana says Salamax will contribute positively towards the exports, as 100% of its bioethanol production will be taken up by Afric Oil (Pty) Ltd who will export the bioethanol for blending in Zimbabwe.

Daniel Mogano of Salamax lauded NEF for its forward thinking approach of embracing renewable energy sources for sustainable development.

NEF Fuels local co-ops, growth



NEF has made bold strides to ensure inclusive growth by supporting community-based cooperatives in delivering world-class animal feed production services.

The successes of these enterprises also confirms the potential of the feed industry to contribute to SMME development, job creation, support the manufacturing sector and the growth of the secondary materials economy in the country.

To that end, NEF has presided over a R32 million 'shot in the arm' towards Super Grand Agric., a company based in Bronkhorstpruit, Gauteng, which specialises in the production of feed mill for chicken as well as pig feed. It received R15 million from the NEF and R 17, 5 million from the Department of Rural Development and Land Reform.

"This 100% black owned company has 20% shareholding warehoused for workers, has vast experience in operating a smaller processing mill for the past five years.

"The revenue is secured through a signed agreement with Kroon Gourmet Chicken," says Eric Zwane, manager Rural and Community Development Fund.

The NEF investment has supported

40 permanent jobs and the processing plant is designed to handle 6000 tons per month.

Super Grand CEO Sibusiso Mabuza hailed NEF for the bold and decisive move to uplift local communities and instil a sense of indigenous business growth.

"As the human population continues to grow so too, does the demand for affordable nutrition. This places an ever-increasing demand on agricultural land to produce crops, reducing the availability of natural grazing areas.

"These and other factors have led to an increase in the production of white meat protein derived from poultry" says Zwane.

Since compound animal feed forms an integral part of this food chain, the demand has shown a steady increase over the past 15 years and is predicted to continue to grow.

Mabuza says the company is regarded as a grass roots development in an area where large multi-national corporations such as AFGRI Feeds, Alzu Feeds, Kanhyim Feeds and Meadow Feeds do not have feed mills in close proximity and only Agents can order feed from them and sell it to the projects in the region.

R40m in Sky-Rink TV studio



A new day is dawning for South Africa's vibrant, and internationally acclaimed film industry, as the NEF has extended a loan of R40 million towards a local company that will establish Sky Rink Studios, an entity that will provide studio and post-production facilities at the Carlton Centre in Johannesburg.

The Gauteng film industry generates R3.5 billion a year and accounts for 8 500 jobs. The film industry is a game-changer for the South African economy as it has stood its own in global competence - it is up to 40% cheaper to make a movie in SA than in Europe or the US and up to 20% cheaper than in Australia.

As a measure to support participation of black entrepreneurs in this sector, the NEF has invested R40 million towards the R220 million capital required to construct, equip and operate Sky Rink Studios. Sky Rink Studios will provide production facilities specialising in audio for film, TV and radio, digital media, editing suites and live broadcasting.

"The benefits of a burgeoning film industry are clear, especially when it comes to bringing in foreign direct in-

vestment through co-productions with international companies which result in millions of Rands flowing into the economy", says Zama Khanyile Fund Manager of the NEF's uMnotho Fund which funded the transaction.

The brains behind Sky Rink Studios, Frank Mohapi, Miles Britton and Marvin Mathibe who are owners of Diallo Works CC and BBDM BROS respectively, have commended NEF for the support, adding that there already is overwhelming interest from local and international industry players who want to use the facilities.

"This will further enhance the value of South Africa's highly talented and skilled film crews and technicians, whilst telling the undiluted South African story to the world," says Mohapi.

The scarcity of facilities has resulted in limitations for South African productions and as a result, the entry of a new facility provider is keenly anticipated, to the extent that Sky Rink Studios has received letters of interest for both "long-run" and "short-run" productions from six production houses to produce content using the Sky Rink Studio facilities.

Powering young entrepreneurs in forestry

THE National Empowerment Fund (NEF), trendsetter in development finance, is committed to the full participation of black South Africans in the lucrative commercial forestry sector.

The sector is one of South Africa's largest employers operating in many communities, providing 166 000 jobs across its value chain and maintaining livelihood support to 652 000 people of the country's rural population, according to the Department of Agriculture, Forestry and Fisheries.

In terms of land use, the afforested area is about 1,27 million hectares or about 1% of the total South African land area of 122,3 million hectares.

In keeping with its goal to maintain leadership status in the transformation area, NEF has extended a R9,9 million loan to Emmanuel Mashile (29).

The support helped him establish Dikwata



Harvesting, a timber harvesting and loading company with two five years contracts with Sappi. Dikwata employs 24 people and is looking at prospects to expand its operations to

other pulp companies.
"Entrepreneurs and their businesses are a critical piece of social and economic development and forestry is an important strategic

growth sector for South Africa.
"We were attracted to Dikwata not only by the entrepreneur's drive and industry knowledge but also by its immense growth potential

within Sappi and the industry in general.

"The company also has a positive impact on environmental protection," says Nhlamhla Nyembe, Manager iMbewu Fund, one of NEF's finance vehicles.

"South Africa needs more entrepreneurs of Mashile's age and skills profile in order to lay the foundation of creating the next generation of industrialists."

Mashile, a former forestry manager at Sappi, notes the wide variety of uses of timber within the construction, textile, food and pharmaceutical industries.

"Dikwata is an old idea made possible by the NEF's support to me following the opportunity from Sappi.

"We used the funding to buy trucks and specialised equipment," says Mashile who grew up in the timber growing area of Graskop and Sabie and studied at Saasveld Forestry College in the Western Cape.