

## FOREWORD BY THE HON. MINISTER OF TRADE AND INDUSTRY

### NEF INTEGRATED REPORT

A key development during the 2015/16 financial year was the adoption and launch of the Black Industrialist Policy.

The B-BBEE framework has been revamped to allow productive forms of empowerment as opposed to passive partnerships. The South African economy faced serious headwinds in the form of depressed commodity prices and volatile global markets, during the period under review.

The current economic circumstances require that we double our efforts to transform our economy. We can no longer afford to be a country that relies on the production and export of primary commodities. We need to work harder towards structural changes at two inter-related levels.

Firstly, we need to place our productive sectors firmly at the heart of a new growth path that will move us up the value chain. Secondly, we must significantly broaden the base of economic participation, which is where the NEF is most relevant.

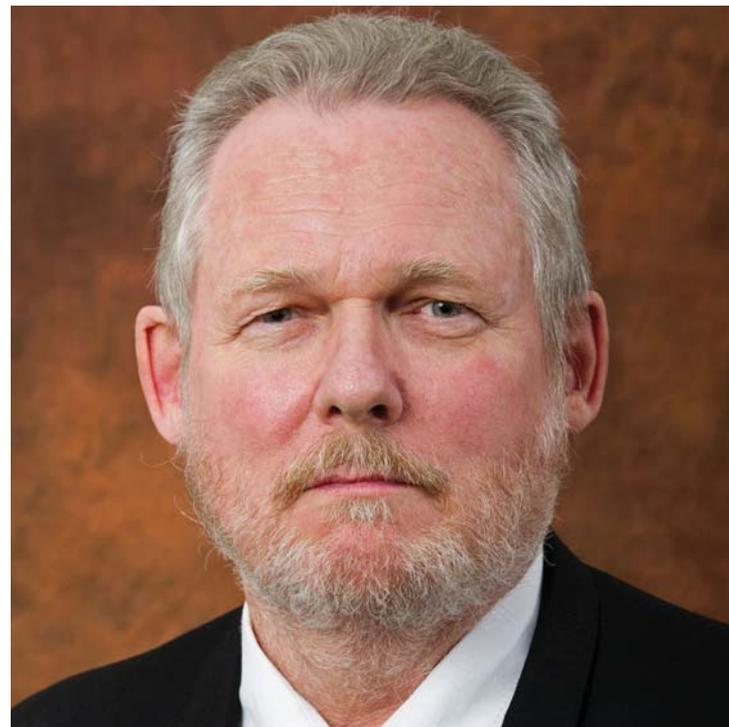
The NEF has always been positioned to champion the ambition carried in the Black Industrialist Policy. The NEF is geared to play a pivotal role in the making of Black Industrialists as it has in place already tried and tested successful models of funding black participation in industrial development projects.

This industrial path came through the NEF Strategic Projects Fund (SPF). This unit has been supporting black entrepreneurs to participate in early stage industrial development projects, a space traditionally associated with Venture Capital investors.

It is indisputable that South Africa has a limited Venture Capital type investment appetite. This means that many brilliant early stage projects are starved of financial support and cannot progress, potentially preventing growth of industrial innovation and job creating opportunities.

The NEF's activity in the early stage industrial development projects through the SPF is a special initiative. The positive impact can be seen in a number of projects, which were supported from conception stage through to feasibility, bankability, fund raising and project implementation.

Examples include Kenako Medical, an impressive transaction that will lead to the establishment of a plant for the manufacture of hypodermic disposable syringes and needles. The project will fill a critical gap in the sub-Saharan African region as currently there is no facility manufacturing these products in the whole region.



**The Hon. Dr Rob Davies, MP**  
Minister of Trade and Industry

The Government has developed various policy instruments with the objective of achieving an inclusive economy. All of these instruments have been aggregated within the strategic framework of Black Economic Empowerment, which the NEF is one catalyst. These interventions have been directed towards transforming the structure of the South African economy in a manner that promotes integration, high levels of decent employment and demographic transformation of our industrial assets.

However, it is important to note that the goal of a dynamic and sustainable growth need not be achieved at the expense of economic inclusion, as the two are not mutually exclusive but rather intertwined as reflected by both the National Development Plan and the Industrial Policy Action Plan.

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