

## MEDIA STATEMENT FOR ALL NEWS EDITORS

Slug: (Funding Women Entrepreneurs)

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### NEF priorities funding black women to grow the economy

The National Empowerment Fund (NEF) has made significant strides to support the economic advancement of black women with 40% of funding having been approved for the benefit of black women entrepreneurs over the past 12 years, says Ms Zama Khanyile, NEF Divisional Executive for Venture Capital & Corporate Finance

“The establishment of the Women Empowerment Fund (WEF) in 2014 set in motion the acceleration of financial and non-financial support for black women across virtually all sectors of the economy. Since operational inception in 2005 the NEF has approved a total R12.77 billion across the country with a total project value of R21.44 billion. Over R8.6 billion has been disbursed to these companies, supporting 115 481 jobs countrywide. It is because of the WEF that more than R4 billion has been repaid by investees because women have demonstrated significant diligence in managing business funds and in settling debt obligations,” says Ms Khanyile.



#### *A track-record of standing up for black women in business and communities*

Below are some of the milestones that demonstrate the NEF’s commitment to the socio-economic empowerment of black women:

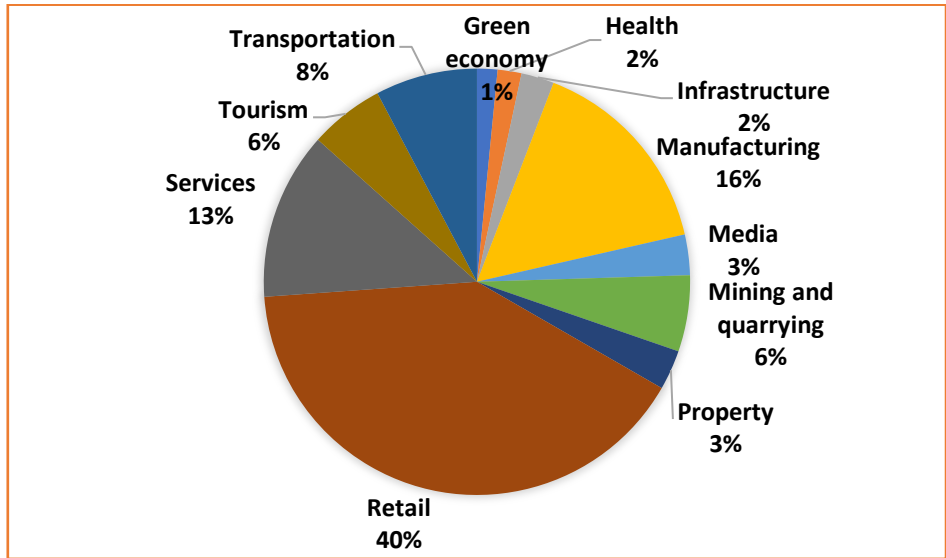
- Within the NEF’s franchise portfolio, the energy sector ranks as the most vibrant and successful both commercially and in terms of repayment trends to the NEF. The relationship with the various petroleum companies is in line with the NEF SME strategy that seeks to leverage the technical expertise provided by these companies for the benefit of black and women-owned enterprises who wish to own fuel service stations. The sector has 44% women shareholding.
- In terms of supporting the development of black industrialists, the NEF has invested approximately R900 million in 23 industrial projects, and 5 of these are operational businesses that have already created over 3600 jobs and leveraged over R4 billion in third-party funding.
- One of these, Thring Kunene, is involved in the local manufacture of dialysers for the treatment of kidney disease and is 100% owned by black women healthcare professionals.
- In the Chemical, Rubber and Plastics sector, Gemilatex, which is 65% black women-owned, plans to manufacture condoms and a variety of latex products locally;

- In July 2022 the inaugural Presidential Black Industrialist Awards recognised excellence in eight categories. Four of these awardees were NEF investees, which included Tshellaine Holdings, a 50% black woman-owned property development and student accommodation company that was established in 2012. Having begun with renting out 1 unit for University of Johannesburg (UJ) students, Tshellaine now owns and manages a 66-unit student accommodation facility that houses 264 UJ students.
- The NEF Socio Economic Development Unit was established to empower black people in existing transactions and other broad-based groups through various social development interventions such as social facilitation, entrepreneurial training, corporate governance training and market access to facilitate meaningful participation. The NEF's entrepreneurship training and incubation programme has provided business skills to 5 128 potential entrepreneurs since 2012 to date. The majority of these beneficiaries are women.
- The NEF's investor education campaign has reached well over 6 million black South Africans in villages and townships to disseminate information about how to save and invest, personal financial discipline, shares, dividends and a range of other asset classes. Over 50% of beneficiaries are women.

**Sector Spread of women-owned businesses**

Ms Khanyile says the manufacturing sector has generated growing interest among black women entrepreneurs, examples of which are Smith Capital, which manufactures aerial platforms and truck-mounted cranes, as well as businesses involved in textile and foot-ware manufacturing, among others.

In construction various businesses lead the sector through general building of houses and office parks, civil engineering, rail infrastructure and concrete mixing. The pie-chart below provides a sector breakdown of women-owned businesses funded by the NEF over the past year:



***Women empowerment central criterion for all funding***

The NEF measures and assesses its impact not only on the basis of financial return, but in accordance with the methodology we refer to as the “Empowerment Dividend”. This entails specific focus on black women empowerment, job creation, priority growth sectors, geographic spread and investment return. For the NEF, therefore, the empowerment of black women is a criterion that ranks supreme and is not a token measure to merely tick the box, explains the Divisional Executive.

***Women Funding Webinar***

As part of the ongoing commitment to grow deal-flow, the NEF will partner with a number of women organisations from 10am to 1pm on Wednesday, 17 August 2022, to host a webinar of business funding for black women entrepreneurs.

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