



 **NATIONAL
EMPOWERMENT
FUND**
Growing Black Economic Participation



A Report on the Furniture Fund

December 2024



Empowered by Design: Unlocking Growth in South Africa's Furniture Sector

1. Introduction

The Furniture Fund, a R50-million initiative approved by the Department of Trade, Industry and Competition (*dtic*), was entrusted to the National Empowerment Fund (NEF) to stimulate growth in South Africa's furniture sector. Recognized as a labour-intensive industry with significant potential to create jobs and reduce reliance on imports, the furniture sector plays a vital role in the country's economy.

Aligned with the Government's Furniture Industry Master Plan, this fund seeks to empower local manufacturers to seize opportunities, particularly in the production of office and school furniture—designated products under preferential procurement policies. To advance this goal, the NEF is providing business loans of up to R5 million per transaction, supporting the sector's expansion and contribution to sustainable economic development.



2. Fund progress made since inception to date

2.1. Approvals

The NEF began implementing the FIF under *the dtic* programme in April 2024. The programme was therefore in existence for a period of just over 20 months. A total of 10 transactions were approved under the programme for a total value of R40 003 000. A breakdown of the allocation of funds for these approvals follows below:

Name	Region	Black Ownership	Women ownership	Furniture Fund Portion (R'000)	NEF Portion (R'000)	Total approval (R'000)	Disbursement (R'000)	Jobs created
*Landa Homeware	Gauteng	100%	65%	5 000	900	5 900	4 453	18
Pascal Interior and Design	Gauteng	100%	0%	5 000	9 844	14 844	5 000	19
G and S City Boards (Pty) Ltd	Western Cape	100%	0%	5 000	5 855	10 855		90
Iziphiwo Group (Pty) Ltd	Gauteng	100%	100%	2 795	0	2 795	1 780	11
Cabinet Connexion (Pty) Ltd	Gauteng	100%	51%	2 700	0	2 700		13
Your Advantage (Pty) Ltd	KwaZulu Natal	100%	0%	5 000	0	5 000		450
Mungalees Furniture Makers	Mpumalanga	100%	0%	2 500	0	2 500	1 878	15
Jail Pal Engineering CC	Western Cape	100%	0%	3 007.5	6 842.5	9 850		26
Moremi Kitchens	Gauteng	100%	0%	5 000	2 000	7 000		27
Akshdeep Traders CC	KwaZulu Natal	100%	0%	4 000	10 000	14 000		14
Total				R40 003	R35 442	R75 444	R13 111	683

One of the key strengths of the fund is its positive impact across four provinces, where it has created and sustained jobs. In doing so, it directly addresses the pressing challenges of unemployment, poverty, and inequality—persistent issues that continue to affect South African society.

The balance of the funds remaining under the Furniture Fund following this approval is R9.997-million. This is a significant achievement for the NEF, the NEF has been able to make strides despite the sector challenges.

2.2. Initiatives to Generate Pipeline

The NEF has made significant progress with the Furniture Fund and recognizes the meaningful impact it has had, and continues to have, on the furniture industry, particularly for SMEs. To ensure the fund reaches as many small and medium enterprises as possible, the NEF remains committed to the following activities:

2.2.1. Road Shows

The NEF has hosted several roadshows and leveraged speaking opportunities across various platforms, including webinars organized in partnership with the Western Cape South African Furniture Initiative (SFAI) and the dtic. These efforts aim to raise awareness and generate a pipeline of fundable applications within the sector.

2.2.2. Participation in Sector Initiatives

The NEF actively participates in discussions and forums related to the Furniture Industry Master Plan. These engagements provide a platform to address challenges and share solutions among industry stakeholders, including the dtic and IDC. By engaging with producers, buyers, and other participants, the NEF enhances its approach to sourcing and processing new applications.

Collaboration with large furniture producers and distributors, such as the JD Group, allows the NEF to better understand the sector's challenges and seek support for resolving them. One current application under review involves a business with signed supplier agreements with the JD Group, demonstrating the effectiveness of these partnerships.

Additionally, the NEF, IDC, and the dtic share funding opportunities to maximize support for the sector and ensure the Furniture Fund achieves its objectives of fostering growth and sustainability in the industry.

Challenges

Since receiving the Furniture Fund and engaging actively with the sector, the NEF has identified the following challenges:

- **Small-Scale and Non-Bankable Applications**

Many furniture applications received are small-scale and lack the necessary elements to be bankable. Some producers focus solely on household and special orders, while others outsource manufacturing to third parties due to limited internal capacity. These producers often operate informally, live hand-to-mouth, and are unprepared to enter the formal sector where most furniture trade occurs.

- **Limited Market Access**

Due to the informal nature of their operations, many producers lack access to broader markets. They are not equipped to handle commercial orders or establish relationships with bulk customers such as major furniture retailers or export markets. To work with large retailers, producers must meet specific criteria, including technical capabilities to produce at required quality levels and volumes, as well as industry certifications that they typically lack.

- **Prototyping and Pre-Order Requirements**

Producers must demonstrate their ability to manufacture by developing and presenting prototypes to retailers. Only once these prototypes are approved do they receive orders. This process requires upfront funding for prototype development, which is often unavailable to these businesses.

- **Informal Operations and Lack of Records**

Many producers operate informally, with no financial records or tax registration. This creates significant challenges when attempting to generate historical data to support their funding applications.

- **Limited Administrative Skills**

A lack of essential administrative skills, such as invoicing, collections, and bookkeeping, further hampers the ability of these producers to manage their operations effectively and grow their businesses.





3. Deal pipeline

Below is the existing deal pipeline comprising of transactions that potentially qualify for the Furniture Fund:

Furniture industry fund pipeline					
Company Name	Province	Women Ownership	<i>dtic</i> Portion Amount	NEF Portion Amount	Application Amount
Anthony's Board and Timbers (Pty) Ltd	Gauteng	40%	R 4 300 000	R -	R 4 300 000
Home Boulevard	Gauteng	0%	R 2 200 000	R -	R 2 200 000
Mash T Design	Gauteng	100%	R 5 000 000	R 7 000 000	R 12 000 000
Kumsuka (Pty)Ltd -230722443 Furniture manufacturing	Gauteng	0%	R 1 500 000	R -	R 1 500 000
Move with times interior design	Gauteng	100%	R 5 000 000	R 25 000 000	R 30 000 000
Alice Boards and Projects	Gauteng		R 5 000 000	R 2 000 000	R 7 000 000
Pumla Furnishers	Gauteng	50%	R 5 000 000		R 5 000 000
TNT Manufacturing (Pty) Ltd	Gauteng	0%	R 5 000 000	R 10 000 000	R 15 000 000
CASERA MEUBELS SA (PTY) LTD	Kwa-Zulu Natal		R 5 000 000	R 5 000 000	R 10 000 000
Woodtech Concepts	Gauteng	70%	R 2 500 000	R -	R 2 500 000
The Cane Group (Home Décor)	Free State	0%	R 5 000 000		R 5 000 000
Killowatts Kitchen & Furniture	Limpopo	60%	R 5 000 000		R 5 000 000
Amet Furnishings	Gauteng	100%	R 5 000 000		R 5 000 000
Art Furniture	Gauteng	0%	R 5 000 000	R -	R 5 000 000
Manenzhe Family Foundatiom	Gauteng	0%	R 5 000 000	R -	R 5 000 000
Westering Services (Pty) Ltd	Gauteng	0%	R 5 000 000	R -	R 5 000 000
Dlozi Projects (Pty) Ltd	Kwa-Zulu Natal	0%	R 2 800 000	R -	R 2 800 000
Jagfurn (Pty) Ltd	Gauteng	50%	R 3 000 000	R 3 000 000	R 6 000 000
Teak & Tuft Furniture Manufacturng	Gauteng	0%	R 5 000 000	R -	R 5 000 000
South Ireland Trade and Projects	Gauteng	0%	R 5 000 000	R -	R 5 000 000
Analytic Furniture Manufacturing	Gauteng	0%	R 5 000 000	R -	R 5 000 000
Mitirho Works (Pty) Ltd	Gauteng	0%	R 5 000 000	R 5 000 000	R 10 000 000
Comfortzone Bed and Mattresses	Gauteng	0%	R 5 000 000	R -	R 5 000 000
	23		R 101 300 000	R 57 000 000	R 158 300 000

4. Conclusion

The NEF continues to engage with various producers, sector stakeholders and retailers to find solutions to the challenges mentioned above, to generate a pipeline of fundable projects and to disburse the funds available.

The allocation of the FIF by *the dtic* has been significant and meaningful, having unlocked valuable opportunities for the entrepreneurial advancement of furniture industry sector players and associated value chains.

The NEF therefore hereby requests *the dtic* to allocate an additional amount of R100 million to the NEF to extend support to more entrepreneurs, countrywide. The funding will be utilised in line with the existing agreement and criteria.



Furniture Fund Investees



Cabinet Connexion (Pty) Ltd t/a Denic Cabinets

Cabinet Connexion (Pty) Ltd t/a, known in the market as Denic Cabinets and founded by Ms Dipuo Phakathi, is 100% black owned and 51% black women-owned and managed business operating in bespoke furniture manufacturing. Denic Cabinets has established itself as a leader in the bespoke furniture industry and has seen steady growth since its acquisition in 2019. Under the leadership of Ms Phakathi, Denic Cabinets has transformed into a Level 1 B-BBEE contributor, creating sustainable employment opportunities and contributing to the country's economy. Ms Phakathi, a qualified engineer, was motivated to enter the carpentry business after seeing a gap in the market for custom-built furniture that could meet the specific needs of diverse clients. Her journey from a small-scale operation to a thriving business that services both high-end residential clients and corporate sector, reflects her passion for quality craftsmanship and an enterprising spirit.

The NEF's R2.7 million investment in Denic Cabinets will provide the necessary funding for the acquisition of modern machinery that will enhance production capabilities, speed up delivery times and increase the company's ability to take on larger contracts. With new equipment in place, Denic will increase its production from 4 kitchen units per month to 7, while improving overall quality and efficiency.



G and S City Boards cc

G and S City Boards is a proudly South African, 100% black-owned and managed business. Founded and operated by Mr. G. Benny, the enterprise has been a trusted name in the boards and furniture manufacturing industry since 1996. With over 20 years of experience, the company supplies high-quality products to kitchen manufacturers, shopfitters, furniture manufacturers, and DIY enthusiasts.

The NEF has approved funding of R10.85 million to support the business's growth through the acquisition of production equipment, the purchase of the currently leased property, and the installation of an alternative energy solution to mitigate the effects of load-shedding. This expansion will not only enhance manufacturing capacity and efficiency but also secure 57 existing jobs and create 10 new positions at its factory in Mitchells Plain, Western Cape.



Akshdeep Traders CC

Akshdeep Traders CC is a 100% black-owned furniture manufacturing and supply business based in Chatsworth, KwaZulu-Natal, owned by Mr. Harpal Singh. The business specializes in manufacturing beds, with 70% of sales coming through a sister company, Life Inn Trading CC, which operates eight retail stores in townships across the province.

The NEF has facilitated funding of R14 million for the purchase of equipment and raw materials. The investment, structured as R10 million from MCEP and R4 million from the Furniture Fund, will support the creation of 14 new jobs, adding to the current 14 permanent positions.



CYLU Industries Ltd t/a Landa Homeware

CYLU Industries, trading as Landa Homeware, is a 100% black-owned entity, with 65% ownership held by women and youth. Established in 2020, the company manufactures a wide range of household and office furniture, including coffee tables, TV stands, couches, and shop fittings.

The NEF has approved R5.9 million in funding to enable the business to expand to a larger operating site and increase stock capacity. This investment will retain 8 existing jobs and create 10 new positions.

Jai-Pal Engineering CC

Jai-Pal Engineering is a 51% black woman-controlled business based in Wetton, Western Cape. The NEF approved R9.85 million in funding for the purchase of a leased factory and the recapitalization of manufacturing equipment.

A long-standing player in the furniture manufacturing industry, Jai-Pal Engineering supplies quality furniture to over 80 established businesses annually. This funding will help the company enhance its competitiveness and secure 29 existing jobs while creating five new positions.



Moremi Kitchens (Pty) Ltd t/a Moremi

Moremi Kitchens, led by Mr. Eric Tau, is a 100% black-owned bespoke furniture manufacturing and installation business. With a BSc in Computer Science from the University of Pretoria, Mr. Tau ventured into entrepreneurship in 2017 and has since grown Moremi Kitchens into a thriving business generating over R20 million in revenue annually.

Located in Sunderland Ridge, Centurion, the business is strategically placed for efficient logistics and accessibility. Moremi Kitchens seeks NEF funding to purchase equipment to expand capacity and vehicles to enhance deliveries and marketing efforts.



Mungalees Furniture Makers CC t/a Mungalees

Mungalees Furniture Makers is a 100% black-owned business operated by Mr. Ahmed Mungalee. Based in KwaZulu-Natal, the company manufactures and assembles a wide range of furniture for residential and commercial clients.

The NEF has approved R2 million in funding to support business expansion. This funding will secure 7 existing jobs, create 8 new permanent positions, and continue to support 5 contract workers hired on a project basis.



Pascal Interior Designs and Carpentry Services (Pty) Ltd

Pascal Interior Designs, established in 2018, is a 100% black-owned and youth-led business based in the Midrand/Pretoria area. Specializing in high-end kitchen and cabinetry products, the company is a member of the Kitchen Specialists Association (KSA) and the Proudly SA initiative.

The NEF has approved R14.8 million in funding to support the second phase of its expansion, including in-house stone manufacturing and the opening of a second showroom. This investment will retain 44 existing jobs and create 15 new positions focused on empowering young South Africans.

Your Advantage (Pty) Ltd

Your Advantage is a 100% black-owned furniture manufacturer based in Isithebe Industrial Park, KwaZulu-Natal. Established in 2018 by Mr. K. Jagjivan, the company specializes in lounge suites, producing over 200 sets daily for major retailers such as Shoprite Holdings and JD Group.

The NEF has approved R10 million in funding to purchase production equipment, raw materials, and support operational costs. This investment will maintain 440 existing jobs and create 50 new permanent positions.



Ziphiwo Group (Pty) Ltd

Ziphiwo Group, a 100% black-owned, women-led business founded by Ms. Sibitwiwe Pereira in 2014, is based in Krugersdorp. The company produces office, school, and home furniture and plans to diversify into coffin manufacturing.

The NEF has approved R2.79 million in funding to purchase manufacturing equipment and finance working capital needs. This funding will retain 7 jobs and create 4 new positions, supporting the company's growth in the furniture manufacturing sector.



Application Process

Applicants can submit their applications to the following email address: furniturefund@nefcorp.co.za
For more information please call:
0861 843 633 (0861 THE NEF).

The NEF is a member
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