

# NEF funds women to own filling stations for growth

Musa Ndlangamandla

The Parliamentary Oversight Committees on Trade and International Relations and that of on Economic and Business Development recently conducted a joint visit to projects funded by the National Empowerment Fund (NEF) in Emalahleni, Mpumalanga.

The Chairperson of the Committee on Trade and International Relations Mr Eddie Makue said the purpose of the visits was to exercise oversight and ensure that taxpayer's money was indeed utilised for



NEF CEO: Ms Philisiwe Mthethwa

what it was intended.

Speaking during the visit to a black women owned ENGEN Filling station, Mr Makue said it was important



Members of the Parliamentary Committees on Trade and International Relations and of Economic and Business Development

that Government became accountable for the use of taxpayers' money.

The owner of the ENGEN filling station in Kwa-Quqa,

Mrs Portia Malabela, said: "This is a business that requires one to be operationally involved so that you can ensure efficiency, accountability

and customer service, among a range of other priorities. The competition is too high and the challenges too numerous for one to be engaged on a

daily basis. We are carrying 56 families here and we have to drive growth".

NEF CEO Ms Philisiwe Mthethwa says since incep-

tion the NEF has invested R354 million countrywide for the purchase of 69 petrol-

um service stations that are owned and managed by black

entrepreneurs, and these support 1 091 jobs. She says 35 of the 69 petroleum franchises are owned and managed by black women entrepreneurs.

"Our mandate is meaningful transformation across the economic spectrum, and therefore the centrality of women in the economy is a matter that requires no more talk, but positive and decisive action," asserts Ms Mthethwa

The NEF has funded a total 124 franchises valued at R668 million out of a total 839 transactions valued at R8.6 billion.

Franchising is a key driver of entrepreneurship, economic growth and job creation, and contributes 10% to the country's GDP.

## NEF fulfills dreams: Farm workers get 45% stake in wine estate gem

THE NEF understands the importance of ensuring that the structure of the South African economy is transformed to reflect the country's demographics if the ideals of the National Development Plan to eliminate poverty and reduce inequality by 2030, are to be realised.

One of the most powerful levers for radical economic transformation, the NEF insists, is to promote interventions that benefit the most disadvantaged South Africans through the creation of new assets, capabilities and opportunities to build livelihoods.

To that end, the NEF has successfully facilitated a revolutionary deal which resulted in a substantial part of a 325-year-old Cape wine estate, known as Solms Delta Wine Estate situated in Franschhoek, Western Cape being given to farmworkers for ownership. The agreement is part of a wider plan by the NEF to secure permanent tenure for farm workers, and for them to have economic interests in the land they live on.

This ground-breaking empowerment deal was launched by Minister of Rural Development and Land Reform (DRDLR) Gugile Nkwinti in December 2016. The department bought an equity stake in the business and the land for farm workers as part of the "Strengthening the Relative Rights of People Working the Land" 50/50 policy in the



province.

The farm workers as well as the farm dwellers through the formation of the Wijn de Caab Trust, share equal ownership together with established wine farmers Mark Solms (Zandvliet-Delta Farming (Pty) Ltd) and Richard Astor (Lubeck-Delta Ltd).

With the farm workers now owning a bigger share of the farm (from 30% to 45%), there is a feel-good atmosphere about the Solms-Delta Wine Estate.

One of the beneficiaries identified as O'Ryan believes that Solms-Delta is a working example of what can be

done to address the tragic past of farm workers and provide them with what will be a bright future. "In the past decade life was tough. I used to work as a security guard outside the farm and poverty abounded," says O'Ryan.

Neuroscientist Professor Mark Solms bought the farm and partnered with neighbouring farm owner, Richard Astor. Together they put both their farms as collateral for a loan to buy a neighbouring farm the workers - this creating Solms-Delta - and establishing a trust for them. "We get a third of everything and it is all man-

aged by the trust. We decide what we want done. Houses were built for us, we get medical aid, schooling for our children, a crèche, DSTV and we still earn a salary," says O'Ryan.

Professor Solms said the project tries to overcome the historical imbalances of the apartheid legacy and improve the people's quality of life. He says the fact that the farm workers have a stake in the business had positive results in terms of work relations, motivation and empowerment. "Our wine does better because it is made by people who care," he said.

## NEF R4,2m lifeline to business expansion deal

THE NEF has invested considerable resources in ventures towards the promotion of efficient systems to help SMMEs reach optimum levels of production, ensure successful expansion programmes and create sustainable jobs.

The development financier has extended a R4,2 million loan to a 100% black owned manufacturer of domestic and industrial cleaning chemicals for retail and wholesale, to invest in automated machinery and equipment to expand the business.

Entrepreneur Edward Moshole approached the NEF for assistance in ensuring that his company, Ebinter, overcome isolation and limiting machinery and was able to reach new collective competitive advantages in South Africa's retail landscape. Moshole, who graduated from being a cleaner on a factory floor, started the business in 1999. Through hard work and the assistance from NEF the company now supplies the largest retail shopping chains, municipalities, government departments and parastatals.

"Before NEF assisted us we were using manual machinery which had an up-time production capacity of 655 200 litres. Due to the high level of manual intervention required with the old machinery, we achieved an annual production capacity of 112 050 litres of chemical products which amounted to only 17% cap-



acity of the machinery. This resulted in lost orders and increased operating costs and operating inefficiencies," he said. Moshole said as a result of the low output the business, at the time, lost two big clients, Dischem and Spar. And there were challenges to plans by Pick n Pay which wanted to extend Ebinter's product reach by distributing their products in other provinces, outside Gauteng.

Through NEF assistance to acquire new additional automated machinery, the business was able to introduce an additional manufacturing line, which freed up capacity on the manual machinery, leading to higher volumes,

better quality and profits. "The funding by the NEF increased production efficiency and thus overall production capacity," Moshole said.

Ebinter's current product range includes Dish wash liquid, all-purpose cleaner, petroleum jelly, pine jelly, bleach and bath foam. The products are marketed and sold as Chem-fresh and Lemo-lux brands, which are Ebinter's registered trademarks. The enterprise is listed with Pick n Pay as Foundation Supplier for enterprises with turnover less than R3 million through the Pick n Pay Incubator programme.

"The entrepreneur approached the NEF for funding to the amount of R4,2million

to fund additional automated machinery and equipment and as well as working capital requirements associated with the expansion" confirms Nhlanhla Nyembe, head of the NEF's iMBewu fund. He added that the NEF was always looking to support enterprises in high impact manufacturing industries. The entrepreneur had signed a supply contract with Pick n Pay and enjoyed preferential small supplier terms, which included cash payment within 7 days from delivery date. Ebinter has been a supplier to Pick n Pay for over three years, which proves the product success as Pick n Pay delists a supplier within three months if their products do not sell.

## NEF raises black players in fast moving consumer goods sector

THE NEF is pulling all stops to ensure that black entrepreneurs and black-owned enterprises have a strong integrated and cross functional presence in South Africa's lucrative fast moving consumer goods (FMCG) industry.

The NEF has positioned itself as the leading agency in ensuring inclusivity in this high volume business sector

which has real potential to be the "game changer" in South Africa's quest to ignite growth and create jobs.

FMCG or consumer packaged goods are products that are sold quickly and relatively at low cost. They contrast with durable goods such as kitchen appliances which are generally replaced over a period of several years.

The NEF has invested

R14 million to assist a 100% black owned investment company known as Subrofusion Pty Ltd to acquire Golden Dice Foods which started out as a small concern in Ekurhuleni for packaging dry farm products and has over the years grown in range to owning storage silos used for raw materials.

Golden Dice Foods was founded by the Wehmeyer

brothers Johan and James 30 years ago and specialises in the milling and manufacturing of maize and mabele (sorghum) products, as well as the packaging and distribution of dry agricultural products such as sugar.

Subrofusion Pty Ltd, which has created 58 permanent jobs 60% of which are held by women, wants to build a reputable quality brand and

products in the fast moving consumer goods sector.

The new NEF funded owners have a wealth of operational and leadership experience accumulated in various positions, including, in Standard Bank, SAB, PepsiCo Phillip Marris International, Colgate and Palmolive. Their vision is to build success by harnessing their joint extensive experience and skill towards building an

excellent black owned business in the FMCG sector.

The company boasts a diverse list of clients that include Massmart, OK Foods and Metro. "As the NEF, we saw an opportunity to invest in a 100% black owned entity that would create employment and develop a black owned enterprise in the FMCG sector. It keeps up to date with technological advancements and innovation

for quality," says Setlakame Molepo Divisional Executive for SME and Rural Development at the NEF.

GDF aims to sustain current and also cultivate new consumers and grow market. "We aim to sustain and maintain our competitive position in the market, as we grow our product offering into other provinces nationally," a company spokesperson said.



## NEF invests R100 million to support SA tourism

THE NEF has made major strides in supporting South Africa's tourism sector evidenced by the development financier's allocation of close to R100 million worth of investments in state-of-the-art accommodation facilities in the booming industry, since its inception in 2005.

This is also based on the shared national vision which places tourism as a key sector with an excellent potential to bring about sustainable economic growth and employment creation.

NEF CEO Philisiwe Mthethwa says the tourism sector also has the added advantage of being one of the areas expected to continually contribute to the development of rural areas and the culture industries, among other benefits.

"A recently released World Economic Forum (WEF) Tourism Competitive Index ranks South Africa as number one tourist destination in the continent ahead of traditional powerhouses like Kenya, Tanzania and Cape Verde. Globally



South Africa came at 48 out of 141 countries," says Mthethwa.

Meanwhile, the National Department of Tourism says government aims to increase tourism's contribution, both direct and indirect to the economy from the 2009 baseline of R189,4 billion which was 7.9% of GDP to R499 billion by 2020. It is estimated that Tourism supports one in every 12 jobs in South Africa.

Following are some of the iconic NEF funded hotels in the tourism sector:

**TALA PRIVATE GAME RESERVE:**

NEF has invested R14.1 million on behalf of the Nkumbuleni Community Trust in the resort located in Camperdowns near Durban. The Trust has a 100% shareholding in Gradoscope (Pty) Ltd, the operating entity.

Tala is home to more than 380 bird species, as well as big game like Rhino, Kudu, Hippo, Giraffe and the rare Sable antelope. Plant species found in this area include the Fieri

Aloe, the imposing Euphorbia and fragrant Wild Sage.

**RHINO RIDGE SAFARI LODGE:**

NEF has invested R20,5 million towards the project on behalf of the Mpembeni Community Trust. The NEF, the private promoter and the Mpembeni Community Trust each have an equal shareholding of 33.3% in Rhino Ridge Safari Lodge.

Rhino Ridge Safari Lodge was established to protect the previously endangered white

rhino now numbering over 1000 in the 96 000 hectares of indigenous land. Located in Hluhluwe and Umfolozi in KZN this is a triumph of conservation efforts and boasts the Big Five.

**JOZINI TIGER LODGE & SPA:**

NEF invested R28 million towards the Jozini community, who are 16,67% shareholders in this business through a company called Ntsinde Royal Jozini Holdings.



Situated in the heart of the Zulu Kingdom with its rich heritage and untamed natural beauty, Jozini Tiger Lodge and Spa is the perfect luxury getaway in the heart of nature.

Incredibly positioned along the banks of the picturesque Lake Jozini and backed by the splendour of the Lubombo Mountain range, the Lodge boasts superb facilities.

**ROYAL THONGA SAFARI LODGE:**

NEF invested R9,8 million in the business supporting 20 new permanent jobs for the local community of Masiswane - 70% of which are held by women.

Royal Thonga Safari Lodge, is the culmination of a dream for the local community, private investors and the Royal Tembe Development Founda-



tion to create a natural paradise for visitors to this unique reserve. The lodge is architecturally designed to emulate the local Tonga building style, and each of the fourteen chalets are uniquely positioned to offer guests total privacy and luxurious comfort within a sand forest in Tembe Elephant Park.

Natural materials and timber give a warm organic ambience and invite the outdoors in - all rooms are appointed with quality furnishings and bathrooms come complete with an indoor and private outdoor shower for those whom enjoy immersing themselves in their surroundings in rare solitude and perfect tranquility.

**PARK INN POLOKWANE IN Polokwane, Limpopo** a new hotel that has received

a R45 million business loan from the NEF will be opened this year. The Park Inn by Radisson Polokwane is set to usher in a new era of business and leisure tourism in the province. The hotel's overall funding requirement is more than R150 million.

"There has been a long standing demand for quality accommodation in Polokwane and we saw a need to fill this gap as far back as 2008 in the build up to the FIFA World Cup in 2010" says Mofasi Lekota, executive chairman of Park Inn Polokwane.

Meanwhile, Setlakame Molepo of NEF says South Africa's spectacular scenery and excellent infrastructure position the country as among the most desired destinations globally.

"The sector received a massive boost from the successful hosting of the World Cup in 2010, when the country received a record-breaking 8.1 million foreign visitors. Tourism is a thriving sector of the African economy that is powering job creation and economic growth," he says.