

NEF Empowerment EXPO in the Free State a shining success



Entrepreneurs listening attentively to the various presentations

Another chapter of the National Empowerment Fund (NEF) provincial Empowerment EXPO got off to a successful start when 267 black entrepreneurs gathered at the President Hotel in Mangaung, capital of the Free State, for information on business funding as well as preferential procurement and enterprise development opportunities.

In his address the Chief Director of the Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTE) Dr Thabo Mokoena, reassured the entrepreneurs that the Free State is ready to grow black economic participation in the Province. He cited game farming as one of the least transformed sectors that present opportunities for black entrepreneurs. Dr Mokoena emphasised the importance to continue working with all government development-finance agencies such as NEF



Dr. Thabo Mokwena
Chief Director DESTE

to strengthen non-financial and financial support to businesses within the province.

Mr Nhlanhla Nyembe the NEF's Head of iMbewu Fund, which specializes on SME funding Mr Nhlanhla Nyembe, informed the entrepreneurs gathered at the President Hotel that since operational inception in 2005 the development financier had "approved 874 transactions worth more than R8.8 billion for black-empowered businesses across different sectors countrywide. "We are here because the NEF wishes to grow the number of entrepreneurs we have funded

in the Free State. We'd like you to benefit from the products and services on offer from the NEF," he said.

He stated that the NEF was looking for sustainable business plans from black-owned enterprises in any of the key sectors of the economy, supported by financial projections and where relevant, by viable contracts or pre-approved franchise licenses from leading brands.

Mr Nyembe added that to qualify for NEF funding of between R250 000 and R75 million, the entrepreneurs would need to meet criteria inclusive of black ownership, management and operational involvement; risk sharing by entrepreneurs, black women empowerment, community involvement where relevant, compliance with relevant NEF product criteria, job creation, and the geographic location of the business.

In terms of the Broad Based Black Economic Empowerment Act, Black People are defined as "African, Coloured and Indian natural persons who are citizens of the Republic of South Africa by birth or by descent as well as natural persons who acquired citizenship by naturalisation prior to 27 April 1994".

Also presenting at the NEF Empowerment EXPO were leading State-Owned

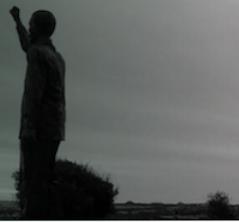


Mr Nhlanhla Nyembe
Head: iMbewu Fund at the Free State NEF Expo

Enterprises such as Eskom, the National Home Builders Registration Council, Landbank, Department of Agriculture, Department of Energy, Small Enterprise Development Agency, National Youth Development Agency, Motheo TVET, Industrial Development Cooperation's and the Free State Youth Chamber.

A testimonial from an NEF investee was provided by Mr Malefetsane Mahao of Matzovision, a manufacturer of steel doors and window frames based in Mangaung. The company currently supplies Cashbuilt and local housing developers. The NEF approved funding to the tune of R3,3 million with DESTE providing 40% of the approved funding as a grant.

Mr Nyembe advised the attendees that Franchising is one of the most effective means



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for enabling black economic participation because it reduces investment risk due to the training, marketing, operational systems and general entrepreneurial support typically provided by franchisors. Over the past few years the NEF has entered into agreements with top oil companies that service the national fuel retail market. “The purpose of these agreements has been to facilitate the purchase of more service-station outlets by black entrepreneurs. We want to see more of these and other types of businesses, contributing to the Free State Economic Growth and Development Path.”

He added that “the NEF has invested a total R353 million countrywide for the purchase of 69 petroleum service stations that are owned and managed by black entrepreneurs countrywide, and these support 1 091 jobs.



Mr Malefetsane Mahao gives his testimonial at the NEF Empowerment Expo

A total 38 of these, or 55%, are owned and managed by black women. Within the NEF’s franchise portfolio, service stations rank as the most vibrant and successful”.

Mr Matee Mokhehi from the Free State Development Corporation (FDC) said “the current state and shape of the Free State’s economy clearly presents huge opportunities for investors in the manufacturing sector. The FDC is actively searching for investors, and giving them a helping hand”.

Ms Mapula Kemeng, Free State Provincial Manager said, “the Land Bank is working to transform the agricultural sector in South Africa by providing sustainable financing to emerging farmers as well as facilitating partnerships”.

In her closing remarks, the NEF’s Regional Manager in the province, Ms Mmeme Mhlahlo, said “I am confident that the Empowerment EXPO will be remembered as a success that stands to grow the NEF’s invested portfolio in the Free State”.

The Free State is South Africa’s most centrally located province. It has borders with most other provinces and has Lesotho as its eastern neighbour. Important road and rail links traverse the province, including two of the busiest national highways, the N1 between Cape Town and Johannesburg as well as the N3 between Durban and Johannesburg offering a range of opportunities for entrepreneurs.

Plans are in place to leverage this advantage through the creation of development corridors between Gauteng, Free State and KwaZulu-Natal. There are also plans to bolster train services, freight and passenger services while promoting warehousing and storage opportunities. The Harrismith Logistics Hub (HLH) on the N3 is at the centre of these plans, and some successes have already been achieved in persuading companies to locate their businesses there.



Deputy Director General, Department of Agriculture Mr M Tsoametsi

Stakeholder gallery



The President Hotel is a black owned four star accommodation and conference facility located on Naval Hill, one of Bloemfontein’s landmarks. The new owners have brought back the personalised touch of a privately owned hotel, but with all the facilities of a large corporate hotel. The President Hotel is a warm and friendly hotel 2 km from Bloemfontein city centre, featuring air-conditioned double rooms and suites with TV, a steakhouse, breakfast room, cocktail bar, swimming pool and conference facilities for up to 400 delegates.

For more information: www.hotelpresident.co.za