

NEF Empowerment EXPO in Mpumalanga a great success



From left: Ms Immy Serekalala (Economic Development and Tourism), Mr Moemise Motsepe (NEF), Mr Manase Mathabathe (Eskom), MEC Kholwane, Mr Setlakalane Molepo (NEF), Ms Thuli Phakathi (Mpumalanga Credit Ombudsman) and Mr Nhlanhla Nyembe (NEF)



The Hon. MEC for Finance, Economic Development and Tourism, Mr Sikhumbuzo Kholwane (MPL)

The first chapter of the National Empowerment Fund (NEF) provincial Empowerment EXPO got off to a successful start when 250 black entrepreneurs gathered in the Mpumalanga capital of Nelspruit for information on business funding as well as preferential procurement and enterprise development opportunities.

In his keynote address the MEC for Finance, Economic Development and Tourism in the province, Mr Sikhumbuzo Kholwane, whose department co-hosted the event with the NEF, said: "We expect to disburse in excess of R1 billion over the next 5 years focusing on the provision of support to SMME's, Cooperatives, agricultural enterprises and home buyers. We will continue to work with all government development-finance agencies such as NEF to strengthen the non-financial and financial support to businesses within the province."

The NEF's Divisional Executive for Rural & SME Development, Mr Setlakalane Molepo, informed the entrepreneurs gathered at the

Casambo Exclusive Guest Lodge that since operational inception in 2005 the development financier had "approved 814 transactions worth more than R8.1 billion for black-empowered businesses across different sectors countrywide. We are here because we want more and more black entrepreneurs from Mpumalanga to take advantage of the various opportunities that the province has to offer, and indeed to grow their investments across the country".

He said 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 preapproved franchise licenses from leading brands.

Further, added Mr Molepo, 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;



Entrepreneurs listening attentively to the MEC

compliance with relevant NEF product criteria; job creation, and the geographic location of the business.

Also presenting at the Empowerment EXPO were leading State Owned Enterprises such as ESKOM, Transnet and Safcol, as well as development finance institutions such as SEDA, Sefa and MEGA.

The afternoon session was dedicated to presentations on business opportunities in the fuel sector, where entrepreneurs received information from the Fuel Retailers Association, the Department of Energy, as well as representatives from BP, Caltex, Engen, Puma, SASOL, Shell and Total.

Testimonials were provided by the following NEF investees:

- Dikwata Harvesting, a 100% black youth-owned enterprise funded to the tune of R9.9 million to operate in the forestry sector in Mpumalanga after having been awarded two contracts by Sappi. The first contract is for timber harvesting whilst the second is for timber transportation. The entity employs more than 22 people from the Piet Retief area where it operates.
- Mdokeni Transport and Tours, a 100% black youth-owned enterprises funded to the tune of R2 million to acquire mini-

NEF Empowerment EXPO in Mpumalanga a great success (continued)

buses to transport Nkomati Mine staff between home, work and back. The entity was awarded a 2-year contract by Nkomati Mine to transport staff between Waterval Boven and Badplaas. The entity employs 8 people from Waterval Boven area.

- Kwa-Guqa service station, a 100 black and 70% women-owned entity that was funded to the tune of R4.5 million to start a new Engen service station in Kwa-Guqa township in Witbank. The business is employing 54 people from Emalahleni area.
- Bethusile Construction and Projects, a 100% black woman-owned entity funded to the tune of R3 million to acquire mini-buses for staff transportation. The entity was awarded a 3-year contract by Grinaker LTA to provide staff transport between Eskom Kusile and Emalahleni areas. The business employs 17 people from Emalahleni areas.
- Graskop Gorge Lift Company, a majority black-owned enterprise that has received R33.4 million funding from the NEF for the purpose of driving tourism development in the Panorama Tourist Route in Mpumalanga. Presently under construction, the outdoor lift attraction, retail outlets, restaurants and 36-bed hotel will open in phases in the last quarter of 2017.

Mr Nhlanhla Nyembe, the head of the NEF's iMbewu Fund, an investment unit dedicated to SME funding and provides innovative finance for start-ups, procurement and franchising, said: "Franchising is one of the most effective means 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 the 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 Mpumalanga Economic Growth and Development Path that the MEC referred to today".

"To date", he added, "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. 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".

MEC Kholwane urged entrepreneurs to "innovate and continue to empower yourselves with contemporary knowledge in the business environment in order to respond to emerging challenges and to take advantage of the abundance of opportunities in the public and private sectors".

In his closing remarks, the NEF's Regional Manager in the province, Mr Bongani Qokose, expressed confidence that the Empowerment EXPO "will be remembered as a watershed success that helped grow the NEF's invested portfolio in Mpumalanga from the current 5% to even greater levels. Mpumalanga is a dynamic and growing economy that is a gateway into developing African markets. It is home to 4.3 million residents and contributes 7% to South Africa's GDP, and the NEF is determined, together with its sister DFIs, to harness the province's potential in driving inclusive growth with the view to opening up opportunities for black entrepreneurs to become part of the African story".

Meanwhile, elsewhere in the province, the NEF's ongoing Investor Education campaign attracted 351 community participants in Matsulu "for information on how to save and invest, personal financial discipline, shares, dividends, bonds, the property and money markets. Since 2012 the campaign has reached over 30 000 people in villages and townships across the country through 138 community seminars," said Ms Nokuthula Nkomo, head of the NEF's Socio-Economic Development Unit. On Monday morning the campaign reached 245 people in Thulamahashe, and later on the same day 143 community members received Investor Education information in Mkhuhlu. On Wednesday the campaign will roll into Mzinti and Naas, reaching Sidlamafa on Thursday.



Ms Nokuthula Fakude,
Head: Socio-Economic
Development Unit



Mr Bongani Qokose,
NEF Mpumalanga Regional
Manager

Stakeholder gallery



The award-winning Casambo Exclusive Guest Lodge is a 100% black-woman-owned and managed 5-star establishment with 22 rooms and multiple amenities. A jewel of the lowveld, Casambo is the ideal location from which to explore the whole area and many of the beautiful scenic attractions Mpumalanga has to offer, including the Blyde River Canyon, God's Window, Pilgrim's Rest, Three Rondawels, Pinnacle rock and many others.

For more information: www.casambo.co.za