1. THE BLACK INDUSTRIALISTS POLICY

1.1. Introduction

The Black Industrialists Policy is a key part of the government’s strategy to contribute towards economic growth and transformation through the support of black-owned entities in the manufacturing sector. This policy seeks to achieve various objectives, including stimulating industrialisation, sustainable economic growth, and support for the growth and development of black-owned businesses.

1.2. Policy Purpose

The purpose of this policy is to leverage the growth potential of South Africa’s industrial sector and shift the demographic composition of the economy through deliberate, targeted support of black-owned and managed businesses. The policy aims to create a more equal distribution of wealth, revenue, taxes, and innovation, which are currently unequal.

1.3. Policy Targets

While there is a desire to support entities owned by women, youth, and people with disabilities, particular focus will be given to assisting entities owned by black South Africans, as defined by the B-BBEE Act, in their respective or envisaged industrial sectors. This policy recognizes the importance of localisation and makes a long-term commitment to the support of black-owned and managed businesses.

1.4. Black Industrialists Defined

A Black Industrialist is a juristic person that includes co-operatives, incorporated enterprises, and entities as defined in the B-BBEE Act that are owned by black South Africans, as defined by the B-BBEE Act, in terms of the Companies Act (2008) and includes co-operatives, incorporated enterprises, and instruments for Black Industrialists to develop leadership to the business. A Black Industrialist can also be a natural person.

1.5. Economic developmental impact

1.5.1. The policy seeks to achieve the following objectives:

- Promotes industrialisation:
  - Provides strategic and operational support to black-owned enterprises (BIEs).
  - Identifies opportunities and develops business plans to take advantage of these opportunities (entrepreneurial).
  - Provides strategic and operational leadership to the business.

- municipal units, discretionary funding.
  - Takes personal risk in the business.
  - Improves the business and is a medium to long-term strategic and operational leadership to the business.

- Access to markets and contracts:
  - The policy focuses on assisting national and local black-owned businesses to establish a dedicated Black Industrialist Procurement Unit (BISOUP) in the forum to allocate access to markets and contracts.

- Access to finance:
  - The policy aims to mobilise and channel resources for the development and growth of black-owned businesses, including concessional export insurance funding, concessional loans, investment grants, and syndicated funding.

- Particular focus will be given to assisting entities owned by women, youth, and people with disabilities, while ensuring that there may be a need to include other entities in the process of amending the current SOEPF MoU.

- Access to skills:
  - This process aims to provide skills training and education to support the growth of black-owned businesses.

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2.1. Support Measures

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- Black Industrialists will be encouraged to apply for the Black Industrialist Financing Forum for access to the funding source for development and growth.

- Development of BISOUP

- The Black Industrialists Financing Forum has been established to support black-owned entities in their development and growth. The Forum is expected to provide funds to black-owned businesses, enabling them to participate in economic opportunities and contribute towards economic growth and transformation.
2. THE BLACK INDUSTRIALISTS SCHEME (BIS)

2.1. What is the Black Industrialists Scheme (BIS)?

The Black Industrialists Scheme is a policy initiative by the dti designed to promote Black Industrialists to become globally competitive. The initiative will be done with a view of complementarily to the implementation of the Black Industrialists Policy which aims to promote the development of Black Industrialists in the national economy, targeted development of new and existing Black Industrialists in specific sectors, and enhance their contribution to growth, investment, and employment.

The initiative programme provides key measures aimed at supporting majority Black Industrialists, including BEE obligations, 40% black shareholding, access to domestic supermarket shelves, targeted procurement for local production, and, in working with retail and targeted procurement for local production, to negotiate off-take opportunities and targeted procurement.

2.2. The objectives of the BIS are to:

- Accelerate the quantitative and qualitative increase and participation of Black Industrialists in the national economy, selected manufacturing sectors and value chains; as reflected by their contribution to growth, investment, and employment.
- Facilitate access to contracts within the procurement.
- Create multiple and diverse pathways and instruments for Black Industrialists and Wild Cards, to achieve localisation and transformation of manufacturing value chains.

2.3. Who qualify to apply for the BIS?

Black Industrialists as defined by the policy with at least 50% Black Industrialists equity shareholding in terms of the BEE Policy, and a minimum revenue of R20 million and generate direct employment of 100 people.

2.4. What does the dti incentive offer to Black Industrialists?

The BIS programme will provide financial assistance to BIS eligible entities in the following sectors in line with the objectives of the programme:

- New operation or business start-up
- Post-investment support
- Business development services

The BIS Scheme offers a cost sharing grant ranging from 30% to maximum of R50 million. *NB: Should there be no financial closure for the BIS, the dti reserves the right to withdraw the BI grant approval.*

2.5. How do BIs apply for the dti Black Industrialists Scheme?

BIS eligible entities may submit their application forms on: www.thedti.gov.za or biapplications@thedti.gov.za

Contact details:

Office: Black Industrialists
Industry Programme (THRIP)
IPO 1000, 19胜利 Park
Blouberg, Cape Town 7441
Tel: 021 404-1063
Fax: 021 404-1058
Email: queries@thedti.gov.za
Website: www.thedti.gov.za

2.6. Turnaround time

Applications are assessed and the turnaround time will be 90 days depending on the quality and completeness of the application. For more information, please visit www.thedti.gov.za or contact the Black Industrialists Scheme.

2.7. Other dti incentives available to support the BI projects:

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<thead>
<tr>
<th>Sector</th>
<th>dti Incentives</th>
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</thead>
<tbody>
<tr>
<td>Automotive, Babcock &amp; Wilcox</td>
<td>Capital Investment Grant; Export Development Assistance (EDG)</td>
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<tr>
<td>Oil &amp; Gas</td>
<td>Capital Investment Grant; Export Development Assistance (EDG)</td>
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<tr>
<td>Aviation, Defence, Shipbuilding, and Space</td>
<td>Capital Investment Grant; Export Development Assistance (EDG)</td>
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<tr>
<td>Telecommunication and Transport</td>
<td>Capital Investment Grant; Export Development Assistance (EDG)</td>
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<tr>
<td>Food Processing</td>
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