



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



**NATIONAL
EMPOWERMENT
FUND**

Growing Black Economic Participation



Black Business Manufacturing Fund (BBMF)



Summary Background

The Department of Trade, Industry and Competition (**the dtic**) has allocated **R150 million** to the NEF to fund and support black-owned small and medium-sized businesses in the manufacturing-oriented sub-sectors.

The Black Business Manufacturing Fund (BBMF) targets businesses who are involved in the manufacturing of goods, including:

- Processing of raw materials into inputs for finished goods,
- Conversion of raw materials into finished goods, and
- Adding value into semi-finished goods (including processing) for ultimate consumption by consumers of finished products.



Objectives of the BBMF

- To promote manufacturing among black SMEs;
- To assist black-owned SMEs to build optimum capacity that enables them to deliver quality products to their markets;
- To stimulate and grow manufacturing capacity by increasing the number of black-owned businesses in the sector, and
- Assist black-owned businesses to participate meaningfully in the manufacturing value chain and access to the markets through NEF's non-financial support programmes.

Fund Size

The Fund, which will be managed by the NEF, will be capitalised at R150 million from the initial capital allocation by **the dtic**.

Sector Focus

The main focus of the Fund will be in the value chain of the manufacturing sector, targeting black-owned SMEs.



Criteria of the Fund

To qualify for BBMF, companies must be:

- Majority owned by black people - minimum of 51% black ownership;
- Registered and recognised under the South African laws;
- Either private companies (Pty Ltd), close corporations or co-operatives;
- Registered for tax and in good standing with SARS, and have a valid tax clearance certificate;
- Involved in the manufacturing value chain (including making and processing of goods with some sort of value add to products;
- Create sustainable jobs;
- Commercially viable, demonstrating their ability to repay the loan.
- Looking for funding for the acquisition of plant, equipment and machinery; improvement and upgrading of manufacturing processes; raw materials working capital; costs associated with delivering under export contracts;
- Looking for funding for the importation of plant and equipment (provided that the business can demonstrate that such plant and equipment cannot be sourced locally), and
- Looking for funding for the importation of raw materials provided such raw materials cannot be sourced locally.

Exclusions

The Fund will not support businesses that are involved in the following areas:

- Trading of goods (buying and selling) without any value add;
- Provision or creation of services;
- Importation of finished goods, and
- Manufacturing of tobacco products.

Funding Structure

Funding will be structured as follows:

- Funding instrument: repayable commercial loans,
- Loan duration: maximum of 60 months (5 years), and
- Moratorium: will not exceed 12 month on both interest and capital. However, extension of the moratorium will be considered where the implementation and commissioning of the plant is more than 12 months.

Application Process

Application for funding can either be done online or emailed to **manufacturing@nefcorp.co.za**. The application form is available on the NEF website.



CONTACT DETAILS

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