PRIVATE SECTOR PARTNERSHIP IN SMALL TOWNS REGENERATION
PASSION AND EXCELLENCEx
INTRODUCTION

- Merit was established in 1999 – by the first generation of rated black investment professionals in South Africa.

- We committed to the economic and social development of South Africa and Africa.

- Merit through its group of companies has collective experience of more than 40 years in investment markets and over R50bn worth of transactions and evaluations spanning from Africa, Middle East, Asia and Eastern Europe.

- Merit is a value-adding, trendsetter in the origination, deal making and transactional advisory space that contributes to changing the destiny of emerging economies and its people.

- Merit acts a bridge between Public and Private sector on economic growth and development through facilitation of capital and investment flow.
HAWA BIBI KHAN
FOUNDER

• Hawa is a chartered accountant and registered investment manager.
• She has 20 years of financial services and private equity experience.
• She is an internationally recognised and rated originator and deal maker in South Africa.
• Hawa is a founder of the Merit Group of Companies and has been critically involved in some of the largest infrastructure and property transactions in South Africa.
• Hawa has extensive involvement, insight and experience in Public and Private sector, stakeholders, capital and investments management.
• Before founding Merit, Hawa was a private equity fund manager at Brait (the largest private equity firm in South Africa).
• She was part of a team that managed a R1 billion private equity fund on behalf of De Beers Pension Fund, Transnet Pension Fund and PIC.
• Hawa was involved in the entire investment process – from sourcing, evaluation, due diligence, legal agreements, financial structuring and aftercare investments.
• Prior to Brait, Hawa qualified as a Chartered Accountant from KPMG.
• She specialised in re-engineering of businesses, management and strategy consulting, entrepreneurship, access to finance for Black businesses, procurement of contracts for Black businesses and infrastructure development.
DRIVERS FOR SMALL TOWN REGENERATION

- Successful implementation of IDP
- Successful PPP – local, regional and international partners
- Enabling environment for private sector investment
- Seamless regulatory administration and cooperation
- Integrated approach to Infrastructure development
Small Towns regeneration requires key focus on the following:

- WATER & SANITATION
- TRANSPORT
  - ROADS
  - RAIL
- AGRICULTURE
- SOUTH AFRICA & AFRICA
- MINING & ENERGY
  - Renewable Energy
- INDUSTRIAL HUBS
INFRASTRUCTURE SECTORS LINK

- AGRICULTURE
  - Water
  - Energy
  - Rail
  - Agro-processing
  - Agri Hub

- MINING & ENERGY
  - Water
  - Mining
  - Beneficiation
  - Renewable

- WATER & SANITATION
  - Energy
  - Municipalities
  - Cities

- INDUSTRIAL HUBS
  - ICT Platform
  - Manufacturing
  - Innovation
  - Assembly Hub

- TRANSPORT (ROAD; AIR; RAIL)

- ENERGY

- LOCAL MARKETS

- PORTS

- EXPORTS
### Track Record

#### Infrastructure Development
- Prisons – Kensani
- Hospitals
- N3 Toll Road
- Primary healthcare clinics
- Dube Trade Port
- Water privatisation projects
- Capital Guaranteed Development Fund
- Municipal Treasury Funding using securitisation
- Provide strategic input to Under Serviced Area Licensees (USALS) on funding
- Financial Structuring Advisor to R170m Film Studio project
- Exploring alternate Coal line

#### Agriculture and Land
- Advisor to Ndabeni Trust on land restitution
- Paprika farm/Pamodzi
- Magma Tea Estate
- Reviewed the Ithala Agricultural loan book

#### Industrial Development
- Consultant on the Saldanha Steel project – whilst at KPMG
- Invested in mining transaction
- Worked with IDC on investigating, tourism, mining, and textile projects together
- Wrote report for SA Textile Workers Union on the Buy Local Campaign – and role of asset managers in investing in Proudly South African companies
- Investigated granite mining, tin mining
**DEVELOPMENT**

- Studied and analysed International Financial Institutions and Agencies when developed the SRI Private Equity Fund (which was a R300m fund managed on behalf of trade union)
- Conceptualised and raised Funds (R200m) for First Development Fund in South Africa
- Research on role of targeted investments in developing countries like Germany, Singapore, Canada, etc
- Advisor to the SA Post Office on improving the disbursements of social grants to the beneficiaries

**HOUSING**

- National Housing Finance Corporation
- Gateway Home Loan
- Fannie Mae/Ginnae
- Built Environment Support Group (BESG)
- Cator Manor Housing Development
- Housing pilot project for Saccawu Workers
- Durban City Council – engaged them on land for housing development
- Housing project (Angola)

**INTERVENTION**

- Mandated by the City Of Johannesburg to conceptualise and execute the creation of a Youth Property Development Strategy to facilitate the empowerment, development and participation of the youth in the property, construction and infrastructure industry
<table>
<thead>
<tr>
<th>TRACK RECORD</th>
</tr>
</thead>
</table>
| **FARM WORKERS** | • Conceptualised and executed the creation of Break-Thru Financial Services Company, a financial services company  
• This was a partnership between Sanlam and the Food and Allied Workers Union (FAWU) and was underpinned by R6bn of provident funds |

| **TRANSACTIONAL ADVISORY** | • Transaction Advisors to one of the largest insurance companies in South Africa. Conceptualised and executed the Alternative Distribution Strategy via M&A activities in different markets  
• Lead Advisor to the only South African Workers Bank  
• Conceptualised and initiated the process for the sale of V&A Waterfront transaction (R75bn)  
• Instrumental in negotiating a cross-border oil transaction involving a national oil company  
• Initiated the participation of the financial services industry in the S77- Buy Local Campaign – advised SACTWU on the strategy |

| **STRATEGIC PARTNERS** | • Developed a strategy for Liberty Life for accessing growth market (emerging market). This resulted in Liberty acquiring Capital Alliance |
## TRACK RECORD

### CAPITAL RAISING

- **R20bn Capital raising mandate from the Johannesburg Property Company, part of the largest municipality in South Africa.** Capital is being raised on 12 prime property developments, which include retail, commercial, residential, hotel, business zones and industrial parks. The locality of the developments range from Sandton, Randburg, Bruma, Fairlands, Northern Farm, Doornkop, Rietvlei and Soweto.

- Involve extensively in empowerment financing – e.g. HCI, Mineworkers Investment Company, SA Clothing & Textile Investment Company, WipHold, SARHWU Investments, Worldwide Investment Holdings.

### PROPERTY INVESTMENT AND FINANCE

- **Structured and consummated the largest property deal in 2001 – R1.3 bn (40%) between Eskom Pension Fund and PIC (Portfolio includes Sandton City, Sandton Square, Cresta Shopping Centre, South Gate Mall, Tygervalley Centre and Pavilion in Durban).** The transaction involved structuring a debt acquisition and the 40% is today valued at close to R4bn (based on total portfolio valuation of R10bn).

- Managed to successfully convince the largest fund in the country, Public Investment Corporation, in 2001 to classify/treat property as a fixed income instrument rather than an asset class. This was based on studied yield convergence in property and sovereign bonds in the 1990s in Europe. The net effect of the engagement is that the PIC allocated up to 8% of funds under management to property which today amounts close to R75bn.

- Co-bidder together with Safika Investments on the acquisition of Canal Walk for R965m in 2004 (Canal Walk is one of the country’s largest regional shopping centres and today it’s valued at close to R3.7bn).
## TRACK RECORD

| BLACK ECONOMIC EMPOWERMENT | • Invested in first, second and third generation empowerment transaction  
|                           | • MIDI-TV (etv)  
|                           | • HCI  
|                           | • Bidvest/Wiphold  
|                           | • Worldwide Africa  
|                           | • Nozala/Kensani  
|                           | • King Finance  
|                           | • Airports Company |

| SMME DEVELOPMENT | • Consultant to SMMEs and Black companies whilst at KPMG  
|                 | • Procurement  
|                 | • Investment committee member – Khula Equity Fund  
|                 | • Investment committee member – Northern Cape Equity Fund  
|                 | • Developed and managed SME Development Fund |
SUMMARY CLIENT PROFILE

Eskom
Asset allocation solution

Sanlam
Creation of diversified financial services company

Joburg Property Company
R20bn Capital Raising mandate

Metropolitan Holdings Limited
Creation of an Alternative Bancassurance Channel

SagePay
Advised on housing stock and creation of a securitisation financing model

Advised on the creation of a Banking/IT platform for the disbursement of social grants
SUMMARY CLIENT PROFILE

- **Break-Thru Financial Services**
  - Conceptualise and created an Alternative financial services company focused on innovation, addressing needs of Lsm 1-6.

- **Public Investment Corporation**
  - Purchasing of a R1.4bn Retail Property Portfolio conceptualised and executed by Merit.

- **C.A.W.U.**
  - Creation of a worker based financial services company.

- **Liberty Life**
  - Developed a strategy for Liberty Life for accessing growth markets (emerging market).

- **Cape Town Film Studios**
  - Financial Structuring Advisor to R170m film studio project.

- **TEBA Bank**
  - Transaction advisors and corporate strategy formulation.
Public–Private Partnership (PPP) describes a venture which is funded and operated through a partnership of government and one or more private sector companies.

Types of Partnership:

- **IMPLEMENTATION PARTNERSHIPS**
  - FINANCING AND MANAGING ACTION

- **INNOVATION AND DIALOGUE PARTNERSHIPS**
  - ADVISORY ACTION
PUBLIC PRIVATE PARTNERSHIP: BENEFITS

MAKE BETTER USE OF ASSETS
- Private sector partners are motivated to use facilities fully
- Maximize returns on their investments

IMPROVE SERVICE DELIVERY
- Government’s core business is to set policy and serve the public.
- Private sector takes responsibility for non-core functions such as operations
- Allows both sectors to focus on key responsibilities

IMPROVE COST-EFFECTIVENESS
- Private sector innovation, experience and flexibility
- PPP’s can often deliver services more cost-effectively than traditional approaches

INCREASE INVESTMENT IN PUBLIC INFRASTRUCTURE
- Investments in provincial assets have added to levels of overall debt of Government
- PPP’s can reduce government’s capital costs, helping to bridge the gap between the need for infrastructure and the Province’s financial capacity

REduce PUBLIC SECTOR RISK
- Risks can be better managed by the private partner
MARKET BASED APPROACH

The N6 Corridor
- Local municipality: Amahlathi
- Main towns: Stutterheim, Cathcart
- Population: About 139,043
- Corridor features: Timber and forestry; farming; rail-based and other tourism
- Aspire focus areas: Stutterheim renewal; blueberry farming; petro-park; Woodhouse (timber down-streaming); tourism; Keiskamma Hoek revitalisation; Cathcart renewal

The R63 Corridor
- Local municipalities: Nxuba, Nkonkobe
- Main towns: Alice, Fort Beaufort, Adelaide, Bedford
- Population: About 153,000
- Corridor features: Farming; manufacturing; agro-processing; adventure and heritage tourism
- Aspire focus areas: Alice renewal; essential oils; tourism; Bedford renewal

The N2 Corridor
- Local municipalities: Great Kei, Mnguma and Mbhase
- Main towns: Dutywa, Butterworth, Qumra
- Population: About 586,000
- Corridor features: Vast rural areas; spectacular coastline; significant development challenges; agriculture, tourism and mining potential; livestock
- Aspire focus areas: Wild Coast tourism; agriculture value-chain development; dimension stone sector development; and small-town regeneration (Butterworth and Dutywa)

The R72 Corridor
- Local municipality: Ngqushwa
- Main towns: Hamburg, Peddie
- Population: About 84,000
- Corridor features: Tourism; arts, crafts and beading tradition; link between major urban centres of the Eastern Cape; farming
- Aspire focus areas: Hamburg Artists’ Residency; Hamburg renewal, cultural and eco-tourism

The R2 Corridor
- Local municipality: Amahlathi
- Main towns: Stutterheim, Cathcart
- Population: About 139,043
- Corridor features: Timber and forestry; farming; rail-based and other tourism
- Aspire focus areas: Stutterheim renewal; blueberry farming; petro-park; Woodhouse (timber down-streaming); tourism; Keiskamma Hoek revitalisation; Cathcart renewal
COMPARATIVE ADVANTAGES

- Efficient Harbour
- Cargo Airport
- Existing Tourism Sector
- Key Road and Rail Linkages
- Diverse Manufacturing Sector
- Surplus Water Resources
PRIVATE PARTNERSHIP: STRATEGIC APPROACH

As deal originators and deal makers, Merit has established a reputation for originating business ideas and converting them into innovative opportunities which grow and strengthen balance sheets.

- **Transactional Advisory**
  - Deal Origination

- **Property Partners**
  - Property Finance
  - Property Development
  - Equity Investment

- **International Partners**

- **Capital Raising**
- Corporate Finance

---

PASSION | INNOVATION | EXCELLENCE
PRIVATE PARTNERSHIP: CORE COMPETENCIES

By anticipating potential business hurdles, Merit self-originates well-researched value propositions to create viable strategic business opportunities where none previously existed. As a change agent that leaps boldly between industry silos, Merit engineers opportunities that catapult companies to the next level.

[Image of a pie chart with the following sections: Transaction Management & Execution, Deal Origination, Aftercare, Investment Research, Project Management, Fundamental Analysis, Transaction Packaging for strategic stakeholder engagements, High Level Legal Advisory services, Strategy and Value Enhancing advisory services.]
## Regional Integration/Twinning

### Countries
- India
- France
- China
- Italy
- Finland
- Cuba
- Zimbabwe
- Mozambique

### Outcome
- International Investments
- Job Creation
- Skills Development
- SMME
- Strategic Partnership
- Economic Development
- Youth Development
- Trade
- Tourism
REGIONAL INTEGRATION/TWINNING

ITALY
- Food parks
- Education
- Youth Development

FINLAND
- Agriculture
- Tourism
- Economic Development

NAMIBIA
- Economic Development

FRANCE
- Agriculture
- Tourism
- Economic Development

INDIA
- Agriculture
- Tourism
- Roads
- Rail

ZIMBABWE
- Communicable Disease control
- Tourism Cooperation
- Trans-frontier Parks

MOZAMBIQUE
- Communicable Disease control
  & case management
- Agri Cooperation
- Trans-frontier Parks

CHINA
- Economic Investments
- Mechanisation
- Energy
- Roads
- Rail
### GROWTH POTENTIAL/ OPPORTUNITY

**AGRICULTURE**
- Processing and packaging of fruits, vegetables
- Export for meat products (beef, eggs), fruits and vegetables
- Avocado, Meat, Wood processing
- Fruit juices
- Agro processing
- Potato canning and mash
- Fresh Produce Market

**MINING**
- Mining Activities

**TOURISM**
- Local and Foreign investment in terms of:
  - Ownership
  - Management
  - Concessionary activity

**INTERVENTION**
- Attract Investments
- Logistics Hub
- Beneficiation
- Skills Development
- Job Creation
- Stakeholders Forum
### KEY PROGRAMMES: PUBLIC INFRASTRUCTURE

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>STRATEGY</th>
<th>OUR UNDERLYING EXPERTISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No budget to implement programme</td>
<td>• Accelerate sustainable socio – economic development</td>
<td>• Advised KwaZulu Natal – Department of Economic Affairs and Tourism on a special purpose vehicle (SPV) for Dube Trade Port – logistics and trading hub which entailed an establishment of an international airport</td>
</tr>
<tr>
<td>• Lack of coordination from government departments</td>
<td>• Roll out mass scale physical, social and economic infrastructure</td>
<td>• N3 Toll Road</td>
</tr>
<tr>
<td>• Scarce skills and Capacity – Technical skills</td>
<td>• Core aspects</td>
<td>• National Housing Finance Corporation</td>
</tr>
<tr>
<td>• Lack of good roads</td>
<td>− Bulk Infrastructure (Sewer, Water and Sanitation, Electricity and Communication)</td>
<td>• Gateway Home Loan</td>
</tr>
<tr>
<td></td>
<td>− Social Infrastructure (Housing, school and hospitals)</td>
<td>• Built Environment Support Group (BESG)</td>
</tr>
<tr>
<td></td>
<td>− Economic Infrastructure (Freight and Logistics)</td>
<td>• Cator Manor Housing Development</td>
</tr>
<tr>
<td>cousin</td>
<td>• Priority: Housing, Electricity, Water Utilities</td>
<td>• Housing pilot project for Saccawu Workers</td>
</tr>
<tr>
<td></td>
<td>− Due to energy and mining investments development</td>
<td>• Durban City Council – engaged them on land for housing development</td>
</tr>
<tr>
<td>cousin</td>
<td>• Meet demands for water mining, agriculture and consumption</td>
<td>• Housing projects (Angola)</td>
</tr>
<tr>
<td>cousin</td>
<td>− Construction of dams, boreholes, importing water from other dams</td>
<td></td>
</tr>
<tr>
<td>cousin</td>
<td>• Housing the poor</td>
<td></td>
</tr>
<tr>
<td>cousin</td>
<td>− Low cost housing , Electrification of houses</td>
<td></td>
</tr>
<tr>
<td>CHALLENGES</td>
<td>STRATEGY</td>
<td>OUR UNDERLYING EXPERTISE</td>
</tr>
<tr>
<td>------------</td>
<td>----------</td>
<td>--------------------------</td>
</tr>
</tbody>
</table>
| • Under utilisation of airports | • Maintenance of infrastructure  
  – Replacement of old pipes  
  – Upgrading and rehabilitation of sewerage plants  
  – Upgrade government owned buildings  
  – Dams, hospitals | • Engagements with stakeholders all the rail and water industry  
• Exploring alternate Coal line  
• Shortlisted for rehabilitation of commodities line (Namibia) |
| • Lack of rail infrastructure – limits exploitation of untapped minerals | • Construction of new public service related infrastructure  
  – Construction of sewerage plants in growth areas  
  – Laying of water pipes to non-service areas  
• Construction of roads to support economic corridors and public transport  
• Rail development plan to extend current rail network  
• Introduction of services on existing rails lines  
• Develop of new rails lines  
• Public Private Partnerships |  |
| • Poor maintenance of road and rail infrastructure |  |  |
### KEY PROGRAMMES: WATER RESOURCE DEVELOPMENT

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>STRATEGY</th>
<th>OUR UNDERLYING EXPERTISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of skills (engineers, technicians) – required to construct, repair,</td>
<td>• Upgrading of water purification</td>
<td>• Water privatisation projects</td>
</tr>
<tr>
<td>maintain infrastructure, treat water</td>
<td>networks</td>
<td>• Developing new expertise</td>
</tr>
<tr>
<td>• Lack of investment in water resources and dam management, pipe leaks and</td>
<td>• Pump and reservoirs</td>
<td>• Engagements with all stakeholders</td>
</tr>
<tr>
<td>vandalism</td>
<td></td>
<td>– Water Boards</td>
</tr>
<tr>
<td>• Maintenance of water service delivery assets have been neglected</td>
<td></td>
<td>– Associations, etc</td>
</tr>
<tr>
<td>• Settlements without any form of infrastructure for provision of water</td>
<td></td>
<td>• Capital Raising</td>
</tr>
<tr>
<td>services</td>
<td></td>
<td>– R20 billion capital raising mandate from</td>
</tr>
<tr>
<td>• Settlements were water resources, bulk distribution have been provided</td>
<td></td>
<td>Johannesburg Property Company</td>
</tr>
<tr>
<td>but people don’t have drinking water</td>
<td></td>
<td>– Extensive involvement in empowerment financing</td>
</tr>
<tr>
<td>• People living adjacent to dams have no access to portable drinking water</td>
<td></td>
<td>• Worked with municipalities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Settlements without any form of infrastructure for provision of water services**
  - Settlements were water resources, bulk distribution have been provided but people don't have drinking water
  - People living adjacent to dams have no access to portable drinking water

- **Capital Raising**
  - R20 billion capital raising mandate from Johannesburg Property Company
  - Extensive involvement in empowerment financing

- **Worked with municipalities**

- **Extensive involvement in empowerment financing**

- **Capital Raising**
  - R20 billion capital raising mandate from Johannesburg Property Company

- **Engagements with all stakeholders**
  - Water Boards
  - Associations, etc

- **Developing new expertise**

- **Water privatisation projects**

- **Capital Raising**
  - R20 billion capital raising mandate from Johannesburg Property Company

- **Extensive involvement in empowerment financing**

- **Worked with municipalities**
# Key Programmes: Agricultural and Rural Development

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Strategy</th>
<th>Our Underlying Expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Some catchment areas are in the state of deterioration caused by overgrazing, soil erosion, over cultivation</td>
<td>- Priority to be given to projects that fall within the areas of poverty</td>
<td>- Advisor to Ndabeni Trust on land restitution</td>
</tr>
<tr>
<td>- Farmers are not using water saving technology systems for irrigation</td>
<td>- Target:</td>
<td>- Paprika farm/Pamodzi</td>
</tr>
<tr>
<td>- Climate change</td>
<td>- Food insecure households</td>
<td>- Magma Tea Estate</td>
</tr>
<tr>
<td>- Collapse of the land reform project contributes to the reduced effect of agriculture on GDP</td>
<td>- Subsistence and emerging farmers, integrate modern and ingenuous production and storage techniques</td>
<td>- Reviewed the Ithala Agricultural loan book</td>
</tr>
<tr>
<td>- Lack of financing, limited skills, post settlement support, production inputs, working tools</td>
<td>- Profitable commercial farming and large scale farming</td>
<td>- Developing value proposition for department of Agriculture</td>
</tr>
<tr>
<td>- Gradual pace of land reform negatively impacted the agricultural sector</td>
<td>- Technical issues, logistic and productive infrastructural support</td>
<td>- The mandate by e-Thekwini municipality to develop the agriculture sector, and provide sustainable solutions to the community</td>
</tr>
<tr>
<td>- Access to national markets</td>
<td>- Promote water saving technology for irrigation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Recruit well trained black agricultural entrepreneurs to farming</td>
<td></td>
</tr>
</tbody>
</table>

33
### KEY PROGRAMMES: GREEN ECONOMY

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>STRATEGY</th>
<th>OUR UNDERLYING EXPERTISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Authoritative voice for renewable energies across the province</td>
<td>• Invest in renewable energy – this present opportunities based on energy challenges and accessibility potential</td>
<td>• Developing new expertise</td>
</tr>
<tr>
<td>• Regulatory and capacity support in facilitating the use of renewable energy</td>
<td>• Fast tracking industrial skills for the green economy</td>
<td>• Engagements with all stakeholders:</td>
</tr>
<tr>
<td>• Expertise in the use of all forms of renewable energy and integration into energy systems – technological, economical, cultural, social, etc</td>
<td>• Targeted programmes for renewable energy partnership</td>
<td>– SAWEA</td>
</tr>
<tr>
<td>• Relevant information including reliable data on the potential of renewable energy</td>
<td></td>
<td>– Eskom</td>
</tr>
<tr>
<td>• Network base with research and government institutions worldwide</td>
<td></td>
<td>– etc</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Energy efficiency in buildings (JPC)</td>
</tr>
</tbody>
</table>
KEY PROGRAMMES: INDUSTRIAL DEVELOPMENT

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>STRATEGY</th>
<th>OUR UNDERLYING EXPERTISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Current economic crisis, levels of growth and employment are inadequate to meet the province goals</td>
<td>• Develop and integrated industrial master plan that enables industries:</td>
<td>• Consultant on the Saldanha Steel project</td>
</tr>
<tr>
<td></td>
<td>− To be competitive, innovative and diversified</td>
<td>• Invested in mining transaction</td>
</tr>
<tr>
<td></td>
<td>− Generate high labour income</td>
<td>• Worked with IDC on investigating, tourism, mining, and textile projects together</td>
</tr>
<tr>
<td></td>
<td>− Raise standard of living</td>
<td>• Investigated granite mining, tin mining</td>
</tr>
<tr>
<td></td>
<td>− has extensive linkage with the rest of the world, etc</td>
<td>• Origination and advisory services in economic development projects</td>
</tr>
<tr>
<td>• Manufacturing sector suffers from long standing weakness – poor investment climate, inadequate physical infrastructure, low skills and education, etc</td>
<td>• Intensify the industrialisation process and movement towards a knowledge economy</td>
<td>- agriculture, food manufacturing, education and public service sectors</td>
</tr>
<tr>
<td>• Lack of basic infrastructure</td>
<td>• Promote labour absorbing industrial sectors</td>
<td></td>
</tr>
<tr>
<td>• Mismatch of labour demand and supply</td>
<td>• Promotion of a broader based industrialisation process that will encourage participation of historically disadvantaged people</td>
<td></td>
</tr>
<tr>
<td>• Inefficiency of supply chain</td>
<td>• Develop the Industrial sector key action plan</td>
<td></td>
</tr>
<tr>
<td>• Low levels of integration in the manufacturing process</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


## KEY PROGRAMMES: SMME AND COOPERATIVES DEVELOPMENT

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>STRATEGY</th>
<th>OUR UNDERLYING EXPERTISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of relevant and up to date data of the SMME sector, facilities and infrastructure</td>
<td>• Micro enterprise development initiatives to encourage the development of support groups</td>
<td>• Consultant to SMMEs and Black companies</td>
</tr>
<tr>
<td>• High degrees of segmentation and duality - white owned formal economy generates more wealth and employment than black owned though smaller in number</td>
<td>• Development agencies will host bi-lateral meetings focused on information sharing, update on new events services, opportunities</td>
<td>• Investment committee member – Khula Equity Fund</td>
</tr>
<tr>
<td>• Many SMMEs are unaware or unable to access services provided by agencies (financial or no financial)</td>
<td>• Design a Competitive supplier development programme to increase the capacity of the domestic community to deliver key inputs</td>
<td>• Investment committee member – Northern Cape Equity Fund</td>
</tr>
<tr>
<td>• The current institutional framework is hampered by fragmentation and a lack of coordination</td>
<td>• SMME growth initiatives will be established around agro processing, mining and minerals, infrastructure, coal and energy, tourism, freight and logistic</td>
<td>• Developed and managed SME Development Fund</td>
</tr>
<tr>
<td>• Provincial and national SMMEs compete with one another, high degree of duplication</td>
<td>• Creation of public awareness programmes through roadshows, SMME portal, SMME week to create awareness of support services and opportunities available</td>
<td>• Advisory on SME development and financing</td>
</tr>
<tr>
<td>• SMMEs are not part of formal organisations and are poorly represented in public – private dialogues</td>
<td>• Establish SMME Observatory to maintain a constant watch on SMME and to provide up to date and relevant information on the sector</td>
<td>• Consultant to Barloworld Siyakhula on enterprise development on various projects considered by the entity for enterprise development support.</td>
</tr>
</tbody>
</table>
## KEY PROGRAMMES: EDUCATION AND SKILLS DEVELOPMENT

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>STRATEGY</th>
<th>OUR UNDERLYING EXPERTISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Shortage of skills and high levels of unemployment</td>
<td>• Design and implement a targeted skills development strategy</td>
<td>• Mandated by the City Of Johannesburg to conceptualise and execute the creation of a Youth Property Development Strategy to facilitate the empowerment, development and participation of the youth in the property, construction and infrastructure industry.</td>
</tr>
<tr>
<td>• Lack of Mining skills in promotion of mining growth</td>
<td>• Increase the number of people who completed NQF accredited courses by 10% by 2014</td>
<td></td>
</tr>
<tr>
<td>• Artisans and technicians are not available at required levels</td>
<td>• Develop integrated talent and skills for the economy pipeline</td>
<td>• Developed PEARL Edu Vision, a S21 education development organisation.</td>
</tr>
<tr>
<td></td>
<td>• Implement educator capacity building programs with emphasis on personal growth and development</td>
<td>• Financial services education for farm workers</td>
</tr>
</tbody>
</table>
PASSION AND EXCELLENCE
Convention Tower
8th Floor
Cnr Heerengracht &
Coen Steytler Avenue
Foreshore, Cape Town,
8001

P O Box 7117
Roggebaai
Cape Town, 8012
South Africa

Tel + 27 21 421 4828
Fax +27 21 421 4921

Jacqui.Coetzee@merit.co.za