

THE SMALL ENTERPRISE MANUFACTURING SUPPORT PROGRAMME



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA

seda



SMALL ENTERPRISE DEVELOPMENT AGENCY
an agency of the dsbd

sefa

Small Enterprise Finance Agency

**The purpose of the Small Enterprise Manufacturing Support Programme is:**

- 1.To build a manufacturing sector for an improved industrial base (productive economy) through a focused import replacement programme; and
- 2.Build the industrial base for both the domestic market and external market (in particular, the African Union market).

The programme aims to contribute to South Africa's localization strategy by supporting manufacturing enterprises to:

- 1.Increase the relative contribution of manufacturing to GDP;
- 2.Grow manufacturing employment targets;
- 3.Change the structure of manufacturing to high tech manufacturing;
- 4.Increase labour productivity' and
- 5.Drive import replacement through locally manufactured good Increase of exports in manufactured goods.

Light Consumer Goods

- 1.Food and Beverages/ agro-processing;
- 2.Clothing, leather and textiles;
- 3.Petroleum and chemical products; and
- 4.Furniture and other manufacturing.

Hi-Tech Manufacturing

- 1.Electrical machinery;
- 2.Green technology/ Digital Technology- 3D; and
- 3.printing, etc.

Revitalize Industrial Production

- 1.Basic Iron and Steel.

Scope of the programme

- 1.Furniture manufacturing - Furniture manufacturers, including coffin makers;
- 2.Basic iron, metal and steel manufacturing - Manufacturers and suppliers of iron and steel products;
- 3.Petroleum and chemical manufacturing - Manufacturers of sanitizers, disinfectants, recycling, paints, oils, hair & skin products, and related products;
- 4.Food and Beverages manufacturing - Agro-processors of primary agricultural products including beverages sourced from small-scale farmers;
- 5.Clothing, leather and textiles - The makers of shoes, linen, garments including patternmakers, designers, tannery and fabric manufacturers amongst others;
- 6.Electrical machinery manufacturing - Manufacturers of transformers, electric generators, electric motors, high voltage engineering, and power electronics; and
- 7.Green Technology/ Digital Technology - Makers of PV panels, clean coal technology, 3D printing.



Category Focus

Technical Skills

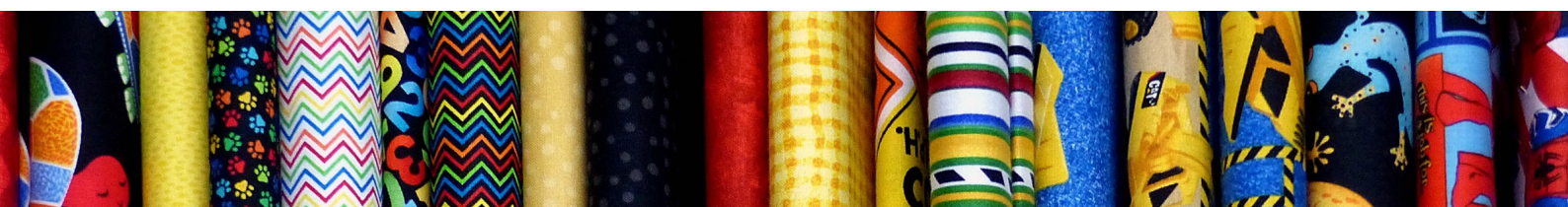
- 1.Specialised business management training;
- 2.Certification of products via SABS and other Standards bodies;
- 3.Technical skills training in collaboration with CHIETA and other relevant SETAs; and
- 4.SANAS, NRCS, SABS to provide access to Lab Testing for the accreditation and certification of chemical and related products.

Business Infrastructure support (buildings and machinery)

- 1.Factory space in industrial parks for small enterprises;
- 2.Refurbish unused government buildings and fit with machinery for small enterprises to rent;
- 3.Processing facilities for small-scale agro-processors; and
- 4.Machinery and equipment.

Route to Market

- 1.Facilitate government departments and state-owned enterprises procurement from the supported producers;
- 2.Enforce the Local Procurement Accord commitment on private sector procurement from the supported producers;
- 3.Steel/metal work enterprises to participate in government infrastructure programme;
- 4.Facilitate access to retail shelves;
- 5.Facilitate access to exports markets; and
- 6.Promote the #BuyLocalBuyMadeInSAcampaign



Financial Support

1. Funding to purchase machinery and equipment for the various manufacturing sub-sectors that will be supported;
2. Working capital for the various manufacturing sub-sectors that will be supported;
3. Funding for product accreditation, certification and testing;
4. Maximum of R15 million per small enterprise;
5. The term of the funding will be determined by the business cash flows up to a maximum of 84 months per small enterprise with a maximum moratorium of 8 months;
6. Blended finance instrument will be utilised where up to 50% of the funding required could be a grant (soft loans) and the balance could be a loan; and
7. The loan will be repayable at prime lending rate.

Qualifying Criteria

1. Be a registered legal entity in South Africa in terms of the Companies Act, 1973;
2. Be a 100% owned by South African citizens;
3. Predominately be black, women, youth or person with disability owned and managed;
4. Have been in operation for at least two years prior;
5. Be registered and compliant with the South African Revenue Service;
6. Must be registered on the National SMME Database -<https://smmesa.gov.za>;
7. **70% of small scale manufacturing enterprises must be black-owned and managed** - percentage of black ownership is at least 51% and company management composition is at least 51% black;
8. **40% of small scale manufacturing enterprises must be women-owned and managed** - percentage of women ownership is at least 51% and company management composition is at least 51% women;
9. **30% of small scale manufacturing enterprises must be youth-owned and managed** - percentage of youth ownership is at least 51% and company management composition is at least 51% youth; and
10. **6% of small scale manufacturing enterprises must be persons with disability-owned and managed** - percentage of persons with disability ownership is at least 51% and company management composition is at least 51% persons with disability.

Funding Requirements

1. Complete the simplified online application form;
2. Company statutory documents;
3. FICA documents;
4. Certified ID copies of Directors/Members;
5. Six (6) months bank statements;
6. Latest Annual Financial Statements or Management Accounts not older than three months;
7. Business Profile;
8. Project Execution Plan;
9. Twelve (12) months Cash Flow Projections;
10. Copy of Lease Agreement or Proof of Ownership;
11. Relevant Industry Certification;
12. Facility Statements of Other Funders; and
13. Quotations for applied funding.



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