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TRADE LINKS AND INFRASTRUCTURE KEY TO REGIONAL GROWTH

GEOFFREY QHENA, IDC CEO

"In an effort to accelerate inclusive growth, our emphasis will be on assisting black industrialists, women and youth-owned businesses."

The KwaZulu-Natal provincial economy is a vital contributor to South Africa's GDP second to the Gauteng province, with highly advanced manufacturing and diversified agricultural sectors. Over half of the country's timber is processed in the province and accounts for a large share of South Africa's wood export. The province is also home to the largest port in Africa with the highest export propensity, including advanced levels of industrialization.

It is on the back of this inherent potential that the Industrial Development Corporation (IDC) continues to play a critical role in supporting existing and potential industries in the local economy.

This is evident in our funding support of approximately R4 billion since 2009 to 142 companies in KwaZulu-Natal, nearly R1 billion of which was approved in the past financial year. Just over 10 887 new jobs and around 1 528 jobs were saved in the province within this period.

The province has also seen a steady increase in investment in infrastructure to promote export growth. This is

demonstrated in initiatives such as the proclamation of Special Economic Zones (SEZs), the Dube Trade Port and Richards Bay Industrial Development Zones to stimulate outward-facing growth.

In support of government's identified priorities, the IDC will continue to play a critical role in the funding of key industries in the region. We are committed to supporting businesses that contribute towards the development of key sectorial value chains in the economy for enhanced competitiveness and growth.

In an effort to accelerate inclusive growth, our emphasis will be on assisting black industrialists, women and youth-owned businesses.

On the back of the proposed Industrial Hubs that will be created within some of the district municipalities across the province, we see further opportunity for increased industrial activity that has the potential to create funding opportunities for the IDC to support entrepreneurs, particularly black industrialists, within the automotive,

clothing and textiles; perishables and agro-processing, as well as techno and electronics sectors.

We have committed R23 billion, as a base, to support black industrialists over the next five years.

We believe there is more than sufficient industrial expertise in KwaZulu-Natal to enable emerging industrialists to take advantage of the many opportunities available to them.

This vision is further supported by the province's creation of a Small Business Development Agency that aims to support SMMEs. We are not only suitably placed to lend financial and technical support to this business incubation initiative, but this is also aligned with the mandate of our subsidiary sefa, which is tasked with funding smaller businesses.

An important consideration in supporting such small businesses is their ability to participate in the larger value chains as suppliers of value-added goods and services. The rationale for this approach is already evident in the

automotive component sector where smaller companies are able to supply parts used by large manufacturers in pursuit of increasing local content.

Other regional initiatives that give us confidence in KwaZulu-Natal as a growing industrial hub include the ongoing development of the Dube Trade Port and plans to establish an aerotropolis as a value-adding logistics platform around the trade port and airport. Similarly, the development of the keystone light industrial and logistics park, on the N2 corridor between eThekweni and Msunduzi, should provide ample opportunities to grow industrial capacity.

This is in addition to the important role that other sectors such as agriculture and tourism play in the province's economy.

These sectors have always been an important component of the inland economy, and plans by the provincial government to revitalise the agricultural value chain will find ready support from the IDC for agro-processing activities. The proposed Amajuba Agri-Park promises to give further impetus to these plans.

We are confident that the combined impact from these various activities and initiatives that span the manufacturing,

agriculture and logistics sectors have the potential to grow KwaZulu-Natal's economy and its contribution to national GDP.

With our eye firmly focused on helping to grow the industrial base and economic output from regional economies, KwaZulu-Natal remains key to this vision. With its long history as a prime export zone, we have little doubt that this position can be enhanced through the combination of our funding efforts and entrepreneurial enterprise.



Pat Moodley
IDC Regional Manager

Manoj Seonath
IDC Head: Regions

THE KWAZULU-NATAL IDC OFFICE: EMBRACING THE VISION OF PROSPERITY

SBO MSANE

"We have in excess of 144 active clients with our portfolio sitting at just over R5 billion and still growing."

The Industrial Development Corporation (IDC) in KwaZulu-Natal can play a huge role in poverty alleviation, the facilitation of job creation and economic growth through identifying and funding economically viable projects. This is according to Pat Moodley, IDC's KwaZulu-Natal Regional Manager.

The IDC, a state-owned enterprise, is one of the largest development finance institutions in the country mandated with contributing to the creation of balanced, sustainable economic growth in South Africa and on the rest of the continent. Its key focus areas are youth and women empowerment, as well as, developing black industrialists.

In the financial year ending 31 March 2015 the corporation had approved overall funding of R11.5 billion, with R5.9 billion going to businesses comprising over 25% black ownership.

IDC regional offices, such as KZN, play an important role in developing local economies by supporting local business initiatives. This is a true reflection of the corporation's alignment to the country's economic policy frameworks, aimed at stimulating the economy and as a result, creating jobs.

The KZN regional office is one of the IDC's busiest offices. "We have in excess of 144 active clients with our portfolio sitting at just over R5 billion and still growing. Our 2016/17 targets are set very challenging, but I am sure we will be able to reach these and add new clients to our client base," says Moodley.

"In the last financial year we approved over 20 transactions, comprising of new and existing clients, creating in excess of

2000 jobs. We also did a number of transactions involving women-owned businesses," he adds.

This region has two offices based in Durban and Pietermaritzburg, as well as a satellite office in Richards Bay. Key focus areas for the corporation in KZN include the clothing and textiles, basic metals and mining, chemical products and pharmaceuticals, agro-processing, light and heavy manufacturing sectors.

These sectors have the greatest potential to create job opportunities, something which is central to the IDC. For each of these sectors the IDC has strategic business units that support and improve their competitiveness in these areas.

"A catalyst for imports and exports in our province are the two sea ports in Durban and Richards Bay. Durban is one of the



CULTIVATING THE AGRICULTURAL VALUE CHAIN REVITALISATION FOR KWAZULU-NATAL

SBO MSANE

"Currently the Jake Dube Farm, during harvesting season, employs approximately 50 people from the local community as drivers, cutters and pickers."

In supporting Government's efforts to develop small-scale farmers into commercial enterprises that will revitalise the agricultural value chain in KwaZulu-Natal, established agro-processors have been identified as key role players to stimulate this growth.

Gledhow Sugar Company is one of the companies which acts as a conduit in bolstering the sugar industry's value chain. The IDC funded Agro-Processing Linkages Scheme, which assists with linking established agro-processors with resource-poor farmers, has added effort in the drive towards job creation and the development of the agricultural sector in KZN. This province accounts for 80% of sugar cane grown in the country.

This consortium of four shareholders: Ushukela Milling (Pty) Ltd, Illovo Sugar Limited, The Gledhow Grower's Share Trust and Sappi was established in 2009. The company's milling operations and offices are situated in KwaDukuza, also known as Stanger, a largely rural town in northern KZN. Agriculture is the dominant economic sector in KwaDukuza, contributing 23% of the total gross domestic product, according to its municipal Integrated Development Plan.

"We farm on an area of about 35 000 hectares of land, delivering on average 15 million tons of cane annually, to manufacture between 160 000 to 170 000 tons of high quality refined sugar," said Paul de Robillard, vice-chairman of the Gledhow Sugar Company.

Sugar production of this magnitude requires a healthy and constant supply from local farmers. Herein lies an

opportunity for the small-scale farmers to develop into commercial agricultural businesses.

Dev Singh, Gledhow Sugar Company's cane supply manager, explained: "The first tranche of funding that came in 2012 was of tremendous benefit to the growers and the mill. An improvement in the cane supply from growers increases the cane supply at our mill. We estimated that the first tranche translated to 100 000 tons of cane being added to Gledhow's crush," said Singh.

Graig Galloway, Small-Scale Growers' accountant at Gledhow Sugar Company, explained the funding model of these projects: "A farmer will come to us to borrow money to plant new areas or existing areas that are no longer under cane. He submits a proposal and tells us the hectares he requires. The current rate is R17 000 per hectare that we are advancing to them. Through the land reform department, we send an extension officer to survey the land, who they then tells us how big the requested land is. On that basis we lend the farmer the money which we in turn claim from the IDC," said Galloway.

Evidence of the prioritisation of localisation and the development of small-scale farmer's is there: "The small-scale growers and the new land reform growers will be delivering cane to our mill for the next 10 years – that will go on until 2019," said de Robillard.

KZN has been hard-hit by the recent droughts which saw cane supplies fall significantly, forcing some mills to close their operations.

"A large portion of the loan we took from the IDC has propelled us from 1 million tons of cane production to 1.4 million tons. Through the drought, this has benefited farmers because at times, you find that there are new roots in the ground that haven't suffered as much as the old roots during the drought period," said Galloway.

This increase in yields has helped to save jobs and to create employment for cane workers.

Sappi and Gledhow Sugar Company are the biggest employer in KwaDukuza, with the latter employing 373 people.

Agriculture is a key employment driver in KZN and relationships between communities, commercial farmers, land-claim trusts and institutions of traditional leadership are key in creating an environment conducive to the creation of employment. The Jake Dube Farm is one such project, which is linked to the supply of cane to the Gledhow Sugar Company's mill.

The farm currently employs approximately 50 people from the local community as drivers, cutters and pickers during the harvesting season. An average of 3 500 tons of cane is cut per month, depending on the weather.

The project is managed by Sitkoe Agricultural Management over a five year lease, where the management company will provide technical support and training to local small-scale growers. After five years, the plan is to have a large number of the community's farmers commercialised and cultivating enough cane to supply the Gledhow Sugar Company.



BREAK BREAD
WITH THE COMMUNITY

SBO MSANE

“The bakeries supply bread to the surrounding areas of Umsinga, the 350 women that farm in the area, as well as to the local schools which are part of the Schools Nutrition Programme.”

It is 4am and there is barely a soul in sight in the sleepy community of Sijozini, situated in the bosoms of rural KwaZulu-Natal in Umsinga, save for only one place that is already full of life. At the local bakery, the only one in an approximate 5km radius, ovens are being heated and the dough ready to be baked into the bread that must reach the breakfast tables of the locals.

The community of Sijozini can now enjoy freshly baked bread every morning, all thanks to a woman-lead initiative called Gogo Go Green, which houses several subsistence farmers’ co-operatives. Before this initiative, residents had to settle for often stale bread which was delivered to them twice a week from Pietermaritzburg bakeries.

Gogo Go Green bakery is the brainchild of the community’s woman farmers, born out of a vision to diversify and undertake an initiative that will generate more income for them, as subsistence farming alone was just not enough. “We put our heads together and came up with the idea of the bakery and approached the Industrial Development Corporation (IDC) with our idea back in 2013,” said Gogo Go Green project manager, Zandile Masuku.

Masuku says that because the IDC wanted to ensure the sustainability of the Gogo Go Green business case, the corporation provided them with an expert to assist with the feasibility study of their business proposal.

“IDC visited the area, going to the sites we had identified, until funding for two bakeries was approved. We had initially requested funding for five bakeries, but the IDC said that they would fund two bakeries first, with the others to follow, based on our performance,” said Masuku.

The bakeries supply bread to the surrounding areas of Umsinga, the 350 women that farm in the area, as well as to the local schools which are part of the Schools Nutrition Programme.

Masuku says that baking is labour-intensive which bodes well for job creation. The bakery currently employs 14 women and six young men.

Bakery manager Busisiwe Zulu said, “I have three hectares of land that I farm, but I started working here in December last year. The introduction of this bakery to our community has brought a significant change because before, our bread supplier was very far away from where we live. But now,

children are able to have bread for breakfast before they leave for school, as we have it freshly baked right here in our community.”

Zulu says that their bread prices beat their competitors’ by far as spaza shops, which in any case are far away from Sijozini, sell bread at R 11 a loaf. Gogo Go Green not only provides fresh bread to the community, but sells it at an affordable price, charging only R7 for a loaf of white bread and R5 for a brown loaf.

Nkanyiso Khumalo is a 26 year old that has benefited from this bakery initiative and has worked there since it first started operating back in 2013.

“There are a lot of skills that I have acquired through this bakery project. When the project began we were taught how to assemble the structures that house this bakery and I have also learnt a lot regarding the baking of bread as I had never baked bread before,” said Khumalo.

Masuku says her passion for this project comes from its ability to alleviate poverty and create jobs for women and youth, and her vision is for it to expand across Umsinga and other rural and impoverished areas within KZN.

Kevin Kistan
Owner and Chief Executive Officer

BLACK INDUSTRIALIST WITH A PASSION FOR EMPOWERING OTHERS

NOKUTHULA NTULI

"I would not have been able to buy this company without the help of the IDC. I approached numerous commercial banks for funding, but they all wanted a stake in the company, so I went to the IDC and it worked out perfectly."

Come day or night, the Sacks Packaging factory floor is always bustling with activity as machinists, operators and other staff members work tirelessly to make the different types of paper bags the company is famous for.

Situated in Mobeni, south of Durban, Sacks Packaging is a former division of Nampak Products Ltd, which underwent a management buy-out by its former executive director Kevin Kistan, with assistance of funding from the Industrial Development Cooperation (IDC) in 2015.

"I would not have been able to buy this company without the help of the IDC. I approached numerous commercial banks for funding, but they all wanted a stake in the company, so I went to the IDC and it worked out perfectly," said Kevin Kistan who is both owner and Chief Executive Officer of Sacks.

He said the IDC's terms suited him because he did not want any partners as he believed they would have stifled his entrepreneurship style.

The company still employs the majority of its employees from its days under Nampak, which boasts decades of experience in the manufacturing of multilayer paper sacks and bags.

Their multilayer sacks and bags, which can be made using both imported and locally manufactured paper, depending on the client's preference, are currently used in the cement, mineral, chemicals, agricultural, sugar and grain milling industries. Some of their biggest customers include Tiger Brands and Premier Foods. They are now working on taking their locally manufactured sacks and bags into the international market, with Australia and America in their sights.

The new ownership has improved Sacks' Black Economic Empowerment status to level one from its previous level four status. "We are the only company in this industry that is 100% black-owned and that has given us a lot of advantage in terms of attracting big customers. We know that could change any day though, so we are working hard to improve the quality of our products and introducing them to new clients, while also working on introducing new products to existing clients," added Kistan.

The company's workforce is 95% black and 79% of its management is also black, with finance controller Thokozani Shabalala being the youngest member of the top brass. The 25-year old is also the youngest chartered management accountant in South Africa. He met Kistan, who mentored him for most of his career, while he was still a student.

"For us, having black people in management is not just about making up numbers. We take on qualified individuals because we want them to work and contribute towards growing the company," said Kistan.

New machines, which will improve the company's efficiency, are currently being fitted. One of the company's six-colour printer operators Mpume Mthethwa, said they were excited about the new additions to the production line because they were equipped with new technology which would make their jobs easier and faster.

"I started out as an apprentice in 2007, so I'm familiar with how the company operates. But I must say that we've seen some improvement on the side of employee relations and employee wellness since the company become independent last year," she said.

One of the things Kistan has done is to refurbish the dilapidated canteen and the facilities at the on-site clinic. They have also engaged the services of a physician and psychologist who come in weekly to follow-up on the in-house nursing sister's patients.

Mthethwa said staff were scared when they heard about Nampak's decision to sell the business because they thought there might be retrenchments. Kistan has not only hired an additional 50 people since he took over, bringing the employee number to just over 300, but has also assured employees of job safety.

Sacks Packaging prioritises skills development and continually upgrades employees skills. They currently have 22 apprentices as part of their staff contingent.

Growing up in a disadvantaged home, Kistan learned the value of working hard at a young age and was able to hold down

three jobs while going to school when he was only in grade 10. Today he holds seven degrees and now uses his knowledge and experience to open doors for other entrepreneurs.

"Enterprise development is part of our overall strategy and the CEO (Kistan) mandated that we identify and develop suppliers. We are very careful to engage the services of companies that are truly black-owned and as such, we have identified a few strategic suppliers, the recent one being South African Adhesives, which is a 100% black and woman-owned manufacturer to be one of our raw products and adhesive glue supplier," said supply-chain manager Sealan Naidoo.

Sacks Packaging applies the method of supporting and encouraging entrepreneurs by assisting to register their small businesses, supply them with laptops, then assist them to get the technical skills required to manage the business and make the products. Other suppliers who have benefited from this exceptional initiative include Orleans Transport, Quattro Cleaning, TES Warehouse Solutions and Designer Vision.

"It is important for us to ensure that suppliers have the necessary tools and skills to produce a quality product, so that we in turn, can provide a good quality end product to our clients. We cannot afford to compromise our product," Naidoo explained.

The company's social responsibility programmes extend across the borders of the country, with a sponsorship towards the building of water wells in India and the construction of a clinic in Mozambique.

They are also involved with the Bluff Hope Soup Kitchen and recently donated much needed IT equipment to Umlazi Secondary School, south of Durban.

"I didn't get where I am without someone giving me an opportunity and I've made it a personal and professional commitment to pay it forward, by giving others opportunities. Hopefully, they do the same for others in the future," said Kistan.



Eresh Bhoora
Mahlongwa Clothing Industries, CEO

IDC SEWING A SILVER LINING ON A CHALLENGED TEXTILE INDUSTRY

SBO MSANE

"Before the IDC funding we had about 130 staff members. We now employ around 180 people and hopefully, as we start growing, we will increase this number."

The country's textile industry has faced a significant decline since the early 2000s, as a result of increasing global competition. Government, in collaboration with the Industrial Development Corporation (IDC), has endeavoured to resuscitate this jobs-rich industry. This has brought new found hope of survival and growth for businesses like Mahlongwa Clothing Industries (MCI).

Situated in Umkomaas, a rural area on the South Coast of KwaZulu-Natal, MCI is a family owned business which was established in 1986. The firm is a supplier of a full range of products including workwear, corporate wear and personal protective wear to government departments and parastatals.

MCI approached the IDC for funding at a time when the business decided to move from a cut, make and trim (CMT) operation to a fully-fledged factory. Previously, the company operated on a basis where they only charged customers for labour with, the CMT based operation, and they would source their own orders and purchase raw materials and trims.

In 2014, MCI, through the IDC, was granted funding under the Production Incentive Programme. This programme funds textile businesses to invest in new technologies and equipment to achieve higher efficiencies.

"A few years ago we were awarded the SAPS tender and coming from a CMT background then, we did not have the

finances to back this up. Having to procure our own fabric and other raw material proved challenging, so I applied to the IDC and after a while we managed to get funding. This has been our stepping stone. We are now able to go out on our own and procure and manage our production," said Eresh Bhoora, owner of MCI.

He says that this much-needed financial injection has opened up more business opportunities for MCI, and they have been able to use the funds for the procurement of more raw materials, trimmings, employment of new staff and the maintenance of a good cash flow.

Kwazulu-Natal is one of three provinces that account for the lion's share of activity in South Africa's textile industry. The KwaZulu-Natal Clothing and Textiles Cluster estimates that the industry accounts for between 60 000 and 80 000 jobs. MCI is the third biggest employer in the Umkomaas area and its surrounds

Bhoora said, "Before the IDC funding we had about 130 staff members. We now employ around 180 people and hopefully, as we start growing, we will increase this number."

Generally, the textile industry employs proportionally a greater number of women than men, hence the large number of women staff that work at MCI. Bhoora says that his company has also seen a number of young people walk through its doors, leaving empowered in terms of work experience, skills and financial independence to pursue their dreams.

Fayaaz Khan, operations manager at MCI, said, "We have a work-skills plan that focuses on scarce skills in our industry, especially at operational level. There is no formal school where workers can go to qualify to become sewing machinists. That is where the Clothing, Textiles, Footwear and Leather SETA comes in. We work collaboratively with this SETA to train in-house and provide the skill to new employees."

Mpume Gumede, 33, is a floor supervisor at MCI and has worked at the company for 13 years. She started off as a service-hand where she supplied work to the machinists and tallied production on an hourly basis.

"Working here has empowered me a lot because I have just finished renovating my mother's house and I am now building my own home. A lot of youth and women from this community are employed here. Most women have taken the skill they have acquired and bought their own machines and work for themselves at home," said Gumede.

MCI is also doing its fair share in terms of local economic development and corporate social responsibility.

"We are in tune with local initiatives to procure locally. We are governed by prescribed measures within the tender forum in that our material has to be locally sourced. We don't support imports," added Khan.



EMDOORS: ESHOWE'S MILL OF SUCCESS

SBO MSANE

"We have a good mix of staff in our company - out of the 65 permanent staff, 38 are women and 20 are under the age of 30. Our employees are local residents of this community."

Emdoors CC is not just a timber products manufacturer, but a source of livelihood for many in rural Eshowe in northern KwaZulu-Natal. The once economically beleaguered manufacturer is now a production hub boasting a healthy order book, thanks to the Industrial Development Corporation (IDC).

The humble beginnings of Emdoors, a family-owned business and the largest private employer in the area, dates back 30 years when the company only manufactured doors. Currently, the business is owned and managed by husband and wife team Daniel de Waal, who is the production manager, and Rennette de Waal, who serves as chief executive officer. Their daughter, Corli Viljoen, fulfils the role of human resources manager. The family bought the business in 1992 and today it employs 65 permanent workers, as well as additional temporary staff.

"We mainly do pine moulding, that is used by the construction industry, and laminated shelving. We source the bulk of our raw materials from Mpumalanga and some from the saw mills in York. A few years ago, we were sourcing timber from overseas until we reached a point where it was becoming economically challenging to do so as a result of the weakening of the rand. That is when we approached the IDC," says Rennette de Waal.

De Waal says that the business had to be salvaged and, more importantly, jobs saved. "Thanks to the IDC, we have been able to service our customers well. Our client base has grown and our efficiencies and cashflow have improved," she says.

De Waal believes that the firm has had significant social impact, since each of the 65 employees have at least three dependents that they support with their salaries. She believes that even though people are faced with hardship in that area, the employment Emdoors has created has alleviated some of that burden.

One of the focal areas of the corporation's funding is projects that impact positively on women and youth. Just walking around the shop floor of the firm, one can't help but notice the considerable number of women in this heavy-duty manufacturing environment.

"We have a good mix of staff in our company - out of the 65 permanent staff, 38 are women and 20 are under the age of 30. Our employees are local residents of this community, but people as far as Gingindlovu also benefit from the jobs created by Emdoors," says Viljoen.

She adds that the benefit of employing women in a business like this is that you benefit from their dependability, which she attributes to them having a greater social responsibility towards their families. Skills development is also high on the firm's agenda.

"We have skills development training based on our company's operations and other training that is not operations specific but more general," continues Viljoen.

She says that management and staff of Emdoors work as a team towards a common goal. There is no lack of stimulation for employees, as there are draught boards and a pool table for entertainment during their work breaks.

"We are also preparing a craft room so that ladies can do their knitting and we also have a designated piece of land on the company's premises where each employee has a plot to grow their own produce."

Precious Xulu, machine operator at Emdoors said, "I started working here in October 2008 at the saws where we receive and cut timber, but now I am a laminating press machine operator."

Xulu says her job has contributed significantly to improving the quality of her life because it has provided her with on-

the-job training and with an income to help her support her children, as she was unemployed before her current job.

Another woman who shares the sentiments of being empowered through her work and has witnessed community development through Emdoors' operations in Eshowe, is Hlengiwe Mhlongo who started working at the firm in 1991.

"I began working here as a moulding machine operator and also trained other employees on that machine. I then received health and safety training through the company. Now I operate the laminating presser and I am also teaching others on how to use this machine," says Mhlongo.

One of Emdoors' youngest employees is Siboniso Gumede, who started working at the company immediately after completing his matric in 2007. "My late father worked at this company and after his passing, Mr de Waal gave me employment here as a despatch manager. Since then, I have learnt to operate various machines around the plant, including the fork lift," says Gumede.

"This job has certainly changed my life for the better. As the sole bread winner at home, I am able to provide for my family and myself. I have also seen change that has come with the funding of the IDC in that our customer base has increased. The company is now able to order better quality wood which has significantly decreased the amounts of rejects in our production," continues Gumede.

As far as future plans are concerned, those at the helm of the company are not mincing their words about going big! "We have plans to venture into the sawmill industry. We want to cut and saw our own logs. If it wasn't for the IDC we would not be able to make these big plans," says the company's CEO.



A GLIMMER OF HOPE FOR THE HAMMARSDALE TEXTILE INDUSTRY

NOKUTHULA NTULI

"Today, Upway has a workforce of almost 200 people, 80% of whom are between the ages of 21 and 35 with the majority being women. At least 40 of the young people who are now machinists, started out as apprentices."

The relocation of Upway Trading has restored hope in the Hammarsdale community, west of Durban, after witnessing the closure of dozens of textile factories in the area in the early 2000s, leaving many community members unemployed.

Previously based in New Germany, south of Durban, Upway was established in 2008 and moved to Hammarsdale in 2014, with a goal to expand its production line from producing scatter cushions and pillows to other forms of linen.

Upway Trading owners, Wassim Seedat and Elton Xu, heaped praise on the Industrial Development Corporation (IDC) for giving their business a financial boost and the administrative support it needed to grow, by granting their funding application in 2014.

The property they now occupy was previously owned by one of SA's oldest textile companies, Mediterranean Textile Mill, which closed its doors a few years ago, leaving hundreds jobless.

"We were really excited about moving to a bigger space, but we didn't have the capital to start with the new products. We approached the IDC and their funding gave us the boost we needed to buy this property and get raw material for comforters, duvets and curtains," said Seedat.

He said the financial injection took off the financial pressure, enabling them to focus all their attention on the quality of their products as well as training staff.

"When we moved here we had about 80 people and we needed at least double the number of staff to run efficiently, so we went into the Hammarsdale community to find unemployed people who were keen on working in the textile industry," said Seedat.

Today, Upway has a workforce of almost 200 people, 80% of whom are between the ages of 21 and 35 with the majority being women. At least 40 of the young people who are now machinists, started out as apprentices. Seedat says that youth development is an important component of their organisation, as both owners believe that the future of the textile and manufacturing sector depends on it.

One of the new trainees is 21-year old Philisiwe Njilo, who started five months ago cleaning and folding duvet covers. She is now learning how to sew and will be appointed as a machinist once she completes her training. "I'm working hard because this job really means a lot to me. I'm able to help my mother put food on the table since we are the only ones in our family who are working and there are seven mouths to feed," she said.

She said a few of her peers who could not further their studies are also employed by Upway and they were also using the opportunity to grow their skills-set.

"Most companies don't employ you if you only have matric, but Upway was willing to take us in and train us.

For that we are really grateful, especially because for the past five years or so there hasn't been any jobs in the area."

Upway Trading is also involved with local charities that collect and donate linen to the needy during the cold winter months. Seedat said their goal is to offer a more sustainable solution by employing youth from disadvantaged homes, so that they could get their families out of poverty.

"We could sit back and enjoy the gains we have made, but that would not guarantee our employees jobs. So we have to continue generating orders and make sure that we remain a profitable business. Going forward, we want to introduce more product lines," said Seedat.

He said through the IDC's business support programme, Upway Trading has been able to improve its efficiency, with their factory breaking its own production records by producing approximately 1500 comforters daily and 250 000 pillows and scatter cushions monthly.

It comes as no surprise that Upway is one of the biggest suppliers for Mr Price, Sheet Street and the Edcon Group.

"We are the only secondary supplier for the Mr Price Group because they were impressed with the special compression technology we developed for them as it saves them a lot of money on transport and storage," he explained.



Warren Perry
Finance and Marketing Manager

Wendy Norman
J Strickland Africa, CEO

NEW MANUFACTURING OPERATIONS: A DREAM COME TRUE

SBO MSANE

"The company's manufacturing capacity promises to impact positively on local economic development and job creation since all raw materials such as chemicals and packaging will be sourced from local suppliers."

If there's one business that can attest to the common promise of hair-care products to give strength and boost confidence, it is J Strickland Africa. The ethnic hair-care product lines, which the company will now manufacture itself, have given it a confident future outlook and has made it a shining example of the economic strength manufacturing can bring to a company and other role-players in its production value chain.

The newly installed manufacturing operations at J Strickland Africa, situated in Westmead near Pinetown, came to fruition with the help of the Industrial Development Corporation (IDC). This has been a long-standing dream of the company's owner, Wendy Norman, and her staff. The genesis of J Strickland Africa traces back to 1994 as a marketer and distributor of ethnic hair-care products imported from its parent company in America, the J Strickland Group.

"I started off renting just a portion of these premises and gradually acquired more space as my business grew, until I bought the whole premises from the previous landlords. I wanted to grow and move into Africa and decided the only way to do that was to add another floor to this building so

that I could have warehousing space and manufacture in the lower level," says Norman.

With importing products into South Africa becoming increasingly difficult due to high export duties and the unfavourable rand-dollar exchange rate, importing products became unaffordable and this negatively impacted on the company's business.

"We also found it difficult to self-fund and buy the stock from America because this meant waiting for the parent company to produce stock for Africa which sometimes took three to four weeks. In addition, the shipping lead-times could be anything between 8 to 12 weeks. I had to have cash to pay for these containers upfront while waiting for them to arrive. From a cash flow point of view it just killed us and we reached a stage where it was going to be a case of us selling the factory and renting premises to set up the manufacturing," explains Norman.

After 20 years of marketing and distribution, Norman approached Trade and Investment Kwazulu-Natal which referred her to the IDC and the corporation eventually funded the setting up of a manufacturing plant.

She says that the application for funding was a learning curve, because in developing the required business plan, she and her management team had to conduct research. Quantifying the company's market is something they had never done before. Norman says both institutions were instrumental in assisting her company identify experts to help with setting up the manufacturing plant.

Anderson Engineering provided professional advice and helped improve the efficiency of the technology and formulation that J Strickland Africa had adopted from its American parent company.

Warren Perry, finance and marketing manager at J Strickland Africa said, "Learning about the manufacturing process has been an eye-opening experience. To learn it from the United States and bring it back here and duplicate what they've been doing using South African technology has been phenomenal. All these machines were locally made, nothing was imported. From the compound facility to the filling line, we feel proudly South African to say that it's a world class facility."

Norman said: "We are starting off very slowly with only five different products, but we have 35 different brand names that

we can expand. Each of these have about 11 to 13 products per brand, so the potential for growth is high," he adds.

"We are starting with our top selling products the Sulphur 8 Braid Spray and the three Sulphur 8 conditioning hair dressers and two of the Blue Magic products. Once we have got that up and running, we will move to a shaving powder for which we will open another plant for its manufacturing. We envisage phenomenal growth at this stage," he continues.

The company's manufacturing capacity promises to impact positively on local economic development and job creation since all raw materials such as chemicals and packaging will be sourced from local suppliers.

In terms of training, the firm was linked with Filtech Automation which trained the staff on the usage of filling machines at a practical level, over and above the manufacturing training that the staff underwent with Science Tech.

"It will be for the first time that our staff operate a manufacturing line. There's been hours of training to ensure that they are well-trained on every piece of equipment and we now feel confident that they will be able to efficiently operate the machinery to get the best out of it,"said Sadha Naidoo, operations manager at J Strickland Africa.

The company has 26 employees and additionally creates self-employment opportunities for independent agents. It employs from areas surrounding Westmead such as Pinetown, Kwa Santi, Mayville, Chatsworth and Claremont.

Most of the staff initially come in as temporary workers during busy periods where a container with imported products had to be offloaded. However, over the years, they have been absorbed as permanent workers in various departments. The staff share these optimistic sentiments about a positive future for the company.

Sibusiso Fakude is the longest serving staff member. He started working for the company in 1994 in the packaging department: "I still do packaging but now I also help with

staff training. Over the years, the company has taken care to develop me in terms of skills. The training I have received here includes Adult Based Education and Training in English communication, end-user computing, driver training and firefighting. My experience working with this company has been a great one," says Fakude.

J Strickland also has some youth within its ranks. Nkululeko Msomi, 26, started working at the company in 2008 after completing his matric.

Msomi said, "I use to work here as a labourer during busy periods off-loading containers. Wendy then noticed my willingness and abilities and tested my selling skills. I was later employed as a salesman and I am responsible for selling our hair-care products to wholesalers, stores and hair salons all over Africa. The sales experience I have acquired here has helped me a lot in terms of being self-motivated."

The company is also finalising a share scheme programme, in collaboration with the IDC, so that its employees can own a stake in the company.





LOCAL SCHOOLS BECOME CENTRES OF CHANGE

NOKUTHULA NTULI

"The IDC has really helped our school, not only increase the number of matriculants we produce, but also the quality of results, especially in the sciences, maths and English. The first thing they did for us in 2013 was to refurbish our science laboratory which had old, broken equipment."

Inadequate teacher development and lack of resources have been blamed for the frustration exhibited by some of the teachers in public schools who battle to adapt to the new curriculum.

This is not the case at Welabasha High School and its feeder, Shashweni Primary School, which have received a helping hand from the Industrial Development Corporation (IDC). Through the corporation's Adopt-A-School programme, the state-owned enterprise has injected much needed resources and human capital for these two schools.

Located in the rural village of KwaMbonambi, north of Richards Bay, Welabasha and Shwashweni are part of a group of 20 schools adopted by the IDC in 2012, following the government's call for businesses to support education.

"The intervention has really turned things around for the school because most of the things they are assisting us with are not even on the budget of the Department of Education, even though they are an important element of teaching and learning," said Shwashweni principal, Themba Simelani.

The IDC has constructed a state-of-the-art library for the school which Simelani said was the first and only one in a 50km radius. There are talks for it to be fitted with computers and wireless internet connection in the near future.

"The IDC is helping us realise our vision of having a school that is more than just a place of learning, but a centre of change where we cultivate a sense of curiosity in our children so that they become eager to learn more. The computers will also assist members of the community who want to type their CVs and apply for employment as they

currently, have to travel for more than an hour in a taxi to get those services in town," explained Simelani.

To help the school improve the quality of its education and results, the IDC has hired a private mathematics and English tutor who assists the teachers plan their lessons as well as with the presentation of difficult concepts, an intervention which Simelani says has boosted the morale of the staff members, because they are now able to present the content confidently before the pupils.

Last year Shwashweni Primary School was hit by a storm which left one of its classrooms without a roof. Simelani said the IDC did not hesitate to fit a new one when he informed their office of his plight.

Recently, teachers from both Welabasha and Shwashweni attended a strategic planning workshop organised by the IDC. The principals of both schools say their newly acquired skills have helped them improve the efficiency of the schools and it has enhanced their management abilities.

"The IDC has really helped our school, not only increase the number of matriculants we produce, but also the quality of results, especially in the sciences, maths and English. The first thing they did for us in 2013 was to refurbish our science laboratory which had old, broken equipment. Now it's fitted with new equipment so teachers are able to conduct practical lessons there," said Welabasha principal, Mzomusha Mathaba.

He said previously, the school maintained a matric pass rate by having teachers commit to teach in the afternoons and weekends. The IDC has since paid for experienced private tutors to relieve them from most of the additional lessons, including the holiday classes hosted annually in June.

The Department of Education has often stressed that each pupil should have a textbook for every subject they are studying, especially at a secondary level, but principals like Mathaba say the funds allocated to schools for teaching and learning aids are not enough for this policy to be implemented, leaving pupils often having to share. He said at Welabasha, even grade 12 pupils had to share textbooks before the IDC intervened and bought both textbooks and study guides for every pupil.

"Where there are gaps in the system, the IDC has come in and filled them. Most of our pupils come from disadvantaged homes and cannot afford things like scientific calculators and science and maths dictionaries which are very important for pupils in the senior grades. We again told the IDC about it and in 2014 they brought 150 of each. This literally means that parents don't have to sacrifice the money they could be using to put food on the table to buy their children these study aides," added Mathaba.

This sentiment was shared by Simelani, who said that some parents could not afford to take their children to an optometrist because there wasn't one at the local clinic. After hearing about this, the IDC sent a team to the school to conduct eye tests on every pupil and gave spectacles to those that required them free of charge.

"The socio-economic factors of the community our pupils come from is often what prevents them from going further in life and the IDC is helping us provide the foundation that will serve them well when they go to tertiary institutions. Now, we are confident that they will strive in that environment and will be able to compete confidently against their peers from urban schools," said Mathaba.

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