



NEF-Transnet SMME Fund to drive entrepreneurship & local manufacturing

[Johannesburg, 07 November 2022] In an effort to boost localisation and South Africa's manufacturing capabilities, Transnet is partnering with the National Association of Automotive Component and Allied Manufacturers (NAACAM) and the National Empowerment Fund (NEF) to support areas core to Transnet's business.

The five-year partnership in which Transnet, NEF and NAACAM will together implement a programme of approximately R224 million, is expected to contribute to the resurgence of local manufacturing and lowering logistics costs.

According to Transnet Group Chief Executive, Portia Derby, Transnet has a major role to play in enabling the growth and competitiveness of the South African economy by pursuing a domestic manufacturing agenda in looking to support relevant business units.

The historic lack of investment in infrastructure has had a significantly negative impact on local industry, resulting in the loss of scale and a decrease in manufacturing industry capabilities.

Transnet's partnership with NAACAM - through Enterprise and Supplier Development - aims to develop local manufacturing capacity and capability in the core business of Transnet. This is aimed at increasing local content and reducing the current over-reliance on imports. NAACAM executive director, Renai Moothilal, stated that "NAACAM has experience in implementing programmes aimed at using localisation and supplier development as a tool for increasing domestic competitiveness especially in OEM driven value chains. There are learnings out of the automotive sector that can benefit the Transnet logistics sector."

In order to provide the necessary financial support to the participating enterprises, Transnet has also partnered with NEF through a 50-50 matching principle which will allow the beneficiaries to have access to an additional source of funding, while empowering them in line with Transnet's core operations.

"In the NEF, Transnet is assured of an institution that has distinguished itself as a catalyst across the key sectors of the economy, driving the economic empowerment of black enterprises, women, youth, township and rural communities. As with the NEF's other enterprise and supplier development alliances, this patriotic partnership with Transnet will hinge on pursuing localisation and industrialisation through mentorship support, skills advancement, incubation and entrepreneurship training, job creation and financial management integrity for inclusive growth," says NEF CEO, Ms Philisiwe Mthethwa.

Ms Mthethwa says the NEF-Transnet SMME Fund, which will operate under the administration of the NEF, will "focus on the transformation of Transnet's value chain while positively impacting the communities in which Transnet operations are located."

Qualifying companies will be selected in a fair and transparent manner in line with Transnet's approved Enterprise and Supplier Development Policy.

ENDS

Issued on behalf of Transnet SOC Ltd, National Association of Automotive Component and Allied Manufacturers (NAACAM) and the National Empowerment Fund (NEF)

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