

**Partnering you.
Growing the economy.
Developing Africa.**



Corporate *Profile*

*The primary driving force of commercially sustainable
industrial development and innovation in
South Africa and the rest of Africa.*

About us

Since 1940, the Industrial Development Corporation (IDC), South Africa's largest development finance institution, has helped to build the industrial capacity that fuels the country's economic growth by funding viable businesses. South Africa's prosperity is inextricably linked to the economic development of the rest of Africa, which offers enormous market potential and as yet untapped resources. As the government's key partner in revitalising the economy, the IDC focuses on priority economic sectors that offer the greatest potential to unlock job opportunities.

Our vision

To be the primary driving force of commercially sustainable industrial development and innovation to the benefit of South Africa and the rest of the African continent.

Our mission

The Industrial Development Corporation is a national development institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa and to the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens. The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles.

What we do

Through partnership, the IDC provides funding in support of industrial capacity development.

We do this by:

- Proactively identifying and funding high-impact projects
- Leading the creation of viable new industries
- Using our diverse industry expertise to drive growth in priority sectors
- Taking up higher-risk funding in early-stage and high-impact projects

The primary outcome of the IDC's activities:

- To facilitate the creation of sustainable direct and indirect jobs

Additional outcomes include:

- Regional equity
- Expansionary BEE
- Grow the SME sector with linkages to priority sectors
- Grow sectoral diversity and increase localisation
- Environmentally sustainable growth

Additional services

IDC's business support programme offers non-financial support to entrepreneurs. The support is available during pre and post approval stages, including assistance to distressed clients.

What we offer you:

The IDC offers funding across its mandated sectors under the following Strategic Business Units (SBU):

Basic Metals and Mining SBU offers finance for mining-related enterprises. This ranges from emerging mining houses to jewellery manufacturing, with a focus on operations that have a significant developmental component.

Automotive, Transport and Equipment SBU provides industry and project development support to ferrous and non-ferrous metal-based manufacturing businesses. Sub-sectors supported by the unit include fabricated metal, capital and transport equipment; automotive assembly, including medium and heavy commercial vehicles, buses and taxis, and components; advanced manufacturing; and renewable and energy-saving industry components.

Machinery, Equipment and Electronics SBU focuses on supporting industrial activities in the manufacturing of machinery and capital equipment, combined with innovations in electronics and robotics. The SBU aims to leverage the strength of pre-existing investments and relationships while allowing for alignment to the future of Machinery and Equipment for the 4IR industry.

Chemicals, Medical and Industrial Mineral Products SBU supports entrepreneurship, promotes industrial development and strategic partnerships by building competitive industries and enterprises in South Africa and the rest of Africa.

Textiles and Wood Products SBU supports a variety of enterprises across the industry, ranging from the production of natural or synthetic fabrics, to creating home décor, from leather goods to clothing manufacturing. The unit's more specific focus is on synthetic fibre production, spinning yarn, knitting, and weaving fabrics, dyeing, printing, and finishing fabrics, non-woven textiles, home textiles, clothing manufacturing, footwear, leather tanning and leather products.

Agro-processing and Agriculture SBU invests in the development of projects and businesses that either create new or expand local manufacturing capacity – which often results in the creation of new jobs as well as replacing imports, facilitating increased exports, and enhancing competitiveness. This is done by, amongst other things, reducing production costs by introducing new technologies, increasing efficiencies, and promoting a value chain approach.

Energy SBU's role amongst others is to facilitate South Africa's energy transition and ensuring sustainable energy security in South Africa and the rest of the continent. South Africa's energy sector is currently undergoing several impactful transformations, moving from traditional fossil fuel power sources to lower carbon environmentally sustainable technologies and business models such as Renewable Energy (e.g. Solar PV, Wind, Biomass and Hydropower), Energy Storage Technologies, Green Hydrogen, Distributed Generation, Mini and Micro Grids, Energy Efficiency and Management among others.

Infrastructure SBU enables infrastructure enterprises to pursue growth opportunities in water and sanitation, telecommunications, logistics, and transport. The unit offers funding instruments that include debt, equity, and guarantees tailored to clients' businesses and project-specific needs. The structuring thereof and the funding terms are dependent on the business plans.

Tourism and Services SBU invests in the accommodation sub-sector, particularly driving investment into the underserved areas. It further supports niche tourism categories such as adventure and business tourism.

Media and Audio Visual SBU supports the production of local feature films, television shows, and documentaries. The unit further supports the development of digital cinemas in townships and rural areas that for long have lacked such facilities.

Rest of Africa is responsible for business development activities such as marketing IDC products, identifying suitable financing and investment opportunities throughout the rest of the African continent, and managing relationships with clients and stakeholders on the continent. The IDC brings a wealth of experience both locally and across borders to industrial transformation in Africa, supporting sustainable development on the continent.

What funding products do we have available?

The IDC funds start-up and existing businesses with a minimum funding requirement of R1 million and a maximum of R1 billion.

Funding can be structured utilising a wide array of instruments including:

- Debt/equity
- Quasi-equity
- Guarantees
- Trade finance
- Bridging finance
- Venture capital

The funding will be structured in the most appropriate manner to meet the business needs, and structuring options include:

- Funding term: short-, medium- and long-term loans are available
- Payment holidays: this can be negotiated where applicable, allowing for periods where no payments need to be made on either capital or interest

In addition, several special schemes are available including:

- The Gro-e-Scheme that funds businesses with a high job creation potential at an interest rate of prime less 3%
- The UIF Fund that funds businesses with a high job creation potential at a fixed interest rate of 6%
- Transformation and Entrepreneurial Development (TES) that aims to assist entrepreneurs from marginalised groups to access the formal economy; Distressed Funding schemes that aim to save jobs by assisting companies across various sectors that have been affected by adverse conditions such as the recent economic downturn, the strong SA currency and natural disasters (e.g. floods, drought and fire)
- Sector-specific schemes (horticulture, forestry, clothing and textiles, hospitals)

Minimum requirements

- Security, the form and nature of which will relate to your specific circumstances
- Compliance with international environmental standards
- Shareholders/owners are expected to make some financial contribution:
 - The contribution of historically disadvantaged people under special circumstances may be lowered, in which case the IDC will be prepared to extend finance in excess of the owner's contribution
- The project/business must exhibit economic merit in terms of profitability and sustainability
- The IDC does not refinance fixed assets, since our aim is to expand the industrial base

For IDC funding, the following will apply:

- The purchaser must be a historically disadvantaged person or majority black-owned business
- At least 50% of the total IDC funding required is to be reinvested into the company for growth and expansion and additional jobs must be created. Pure acquisitions may be considered for qualifying businesses e.g. Black Industrialist
- The purchase price for the business or assets needs to be to the satisfaction of the IDC as determined by a fair valuation methodology
- The purchase price may be paid to the seller over a period of two to three years, subject to pre-determined targets of profitability being achieved

DISCLAIMER: Applicant(s) should use their own preferred sources of information to compile business plans, based on the nature of their businesses. The above-mentioned information constitute a summary of our general guidelines, not an exhaustive list of requirements. Submission of an application in line with the guidelines do not guarantee that the IDC will approve a funding application. This Business Plan Guidelines document is neither an agreement nor an offer. It is to provide the Applicant(s) with information to assist the Applicant(s) to formulate its business plan. These guidelines do not claim to contain all the information each Applicant may require. Each Applicant should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this Business Plan Guidelines document and where necessary obtain independent advice. The IDC makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this Business Plan Guidelines. The IDC may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this Business Plan Guidelines and without notice.

The Applicant(s) hereby consents to the IDC providing the information submitted pursuant to a funding application to a third party in adherence to the Promotion of Access to Information Act ("PAIA") and other legislation should it be required to so disclose.

The Business Plan Guidelines must be read in conjunction with the mandatory information and documentation to be made available to the Applicant(s) by the IDC following receipt of the Application.

See the Business Plan Guidelines for a comprehensive list of requirements

Contact us

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