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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

**INCENTIVE DEVELOPMENT ADMINISTRATION
DIVISION**

**Manufacturing Sector Workshop - Incentives
Presentation at Ilembe Chamber -24 APRIL 2013**



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MISSION STATEMENT

To stimulate and facilitate the development of sustainable, competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities.



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SUMMARY

Incentives Programmes

- **Broadening Participation Incentives**

Support broadening economic participation by historically disadvantaged communities and marginalised regions in the mainstream of the economy:

- Black Business Supplier Development Programme (**BBSDP**)
- Co-operatives Incentive Scheme (**CIS**)

- **Services Investment Support**

Enhance investment in the services sector:

- Business Process Services (**BPO &O**)
- **Film & TV** Production (local & foreign)
- EIP: Tourism Support Programme (**TSP**)

- **Industrial Infrastructure Support**

Support and facilitate investment in infrastructure development:

- Critical Infrastructure Programme (**CIP**)
- Industrial Development Zones (**IDZ**)

- **Manufacturing Investment**

Facilitate investment in the manufacturing sector:

- EIP: Manufacturing Investment Programme (**MIP**)
- Automotive Investment Scheme (**AIS**)
- Investment and Training Tax Allowance (**12i**)

- **Competitiveness Improvement Incentives**

Support competitiveness improvement of SA goods & services and exports growth:

- Export Marketing and Investment Assistance (**EMIA**)
- Sector Specific Assistance Scheme (**SSAS**)
- Project Funding for Emerging Exporters
- Capital Projects Feasibility Programme (**CPFP**: Local and International)
- Manufacturing Competitiveness Enhancement Programme (**NEW MCEP**)



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Contents

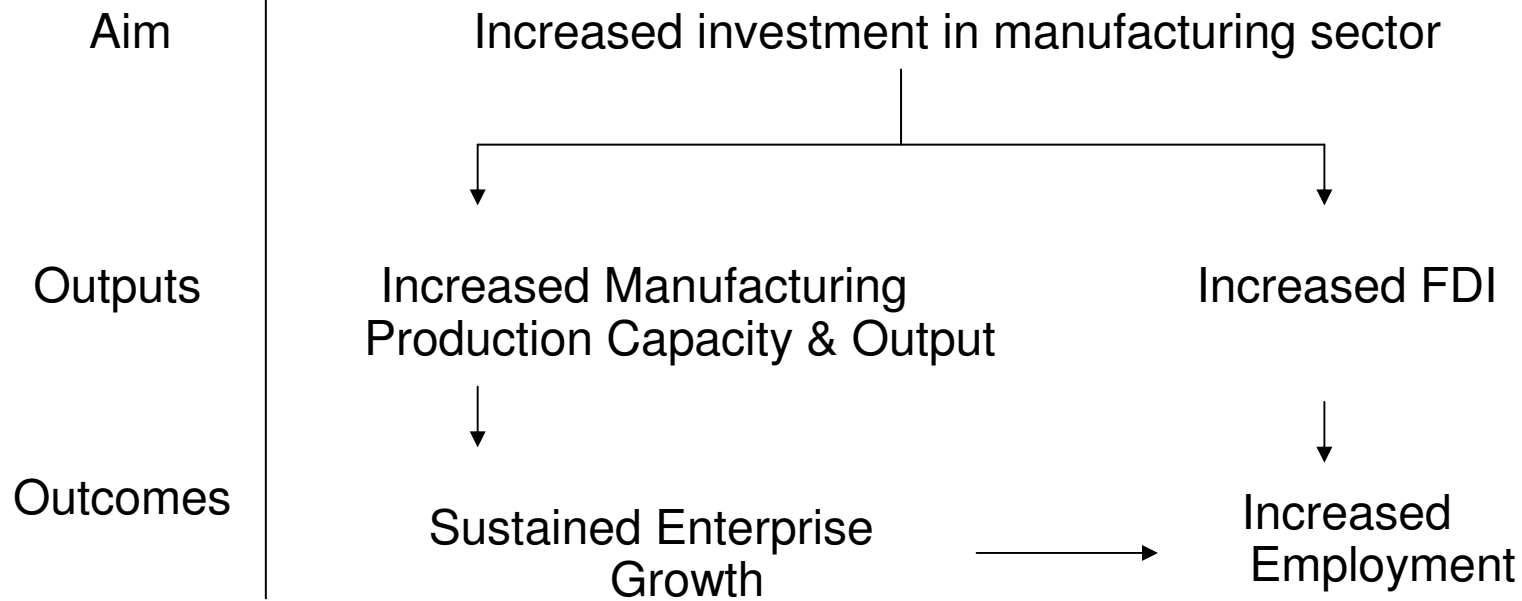
- Manufacturing Investment Program
- Manufacturing Competitiveness Enhancement Program
- 12i Tax Incentive
- Automotive Incentive Scheme
- Black Business Supplier Development Program
- Export Marketing and Investment Assistance



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Manufacturing Investment Programme





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Manufacturing Investment Program

OFFERING

- Investment grant of **15% to 30%** in qualifying investment costs
 - 30% for projects below R5m (small projects)
 - 30% - 15% for projects between R5m – R30m (medium projects)
 - 15% for projects above R30m (large projects)
- **Foreign Investment Grant (FIG)**
- It will be the lower of 15% of the value of qualifying imported machinery and equipment or the actual transport costs of relocating qualifying new machinery and equipment from abroad to a maximum of R10m.

QUALIFYING INVESTMENT COSTS

- Plant
- Machinery and equipment
- Commercial vehicles and
- Land & buildings

Economic benefit criteria for Manufacturing projects above R5m

Criteria	Description	Potential Points
A. Investment project within priority sectors:	Projects involved in manufacturing under the following sectors: Capital/transport equipment and Metals fabrication, Chemicals, Plastic fabrication and Pharmaceuticals; Furniture; and Automotive and Components	4
A1 Expansion or upgrading project in the clothing and textile sector	Projects involved in the clothing and textile sector	4
B Incentive per employee	>R350 000	0
	>R180 000 – 350 000	1
	≤180 000	2
C. Compliance with Broad Based BEE requirements:	Achieve a required status in terms of the Broad-Based Black Economic Empowerment Code of Good Practice as follows:	
	•BEE Scoring from 65 – 75 (Level 4 Contributor)	1
	•BEE scoring of more than 75 (Level 3 Contributor)	2
D. Location in areas advancing spatial economic activities	Projects locating in regions with higher unemployment rate than the national average or locating in the IDZs.	2 7

Development Impact criteria for Manufacturing projects below R5m

Factor					Points	Weighting	Score
Contribution to BB BEE	Non-Compliant Contributor (<30 points)				0	5.5	0
	Level 8 Contributor (?30 points <40 points)				1		6
	Level 7 Contributor (?40 points <45 points)				2		11
	Level 6 Contributor (?45 points <55 points)				3		17
	Level 5 Contributor (?55 points <65 points)				4		22
	Level 4 Contributor (? 65 points <75)				5		28
	Above Level 3 Contributor (? 75 points)				6		33
Incentive per Employees (Total incentive/ Total no. of Employees)	> R300 000				1	6.5	7
	>R150 000 – R300 000				2		13
	>R50 000 – R150 000				3		20
	>R30 000 – R50 000				4		26
	?R30 000				5		33
Locating in areas advancing spatial economic activities	Projects locating in regions with higher unemployment rate than the national average. (See Annex B)				5	6.8	34

- To qualify for the incentive, project must achieve a minimum score of 50 points
- Project must achieve criteria for employment intensity, to qualify for an additional 10% in the 3rd year



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QUALIFYING ASSETS

- **Machinery and Equipment** (owned or capitalised financial lease), at cost.
- **Owned land and buildings at cost.**
 - The investment in land and buildings must constitute newly acquired land and buildings, whether as part of a new project or expansion, and must be owned by the applying entity.
- **Leased land and buildings**
 - The cost of leased land is capitalised for the five years of the lease. It is calculated at the rental cost for year one multiplied by five.
- **Commercial Vehicles** (owned or capitalised financial lease). Only eligible if such vehicles have been customised for a particular business, e.g. refrigeration.



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QUALIFYING SECOND HAND ASSETS

- The purchase of these assets must be at arm's length.
- All imported second hand assets must be accompanied by an engineer's report
- Applying projects that are **Black/women owned and all entities with investment of R5 million and below** may invest up to 100% in second hand assets without making an equivalent investment in new assets.
- Investments in vehicles may not exceed 20% of the qualifying investment in machinery and equipment.



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EXPANSIONS

- Entities with projects below R5 million must show an increase (over and above total qualifying historic costs) in qualifying investment of at least 35%.
- Entities with projects above R5 million must show an increase (over and above total qualifying historic costs) in qualifying investment of at least 50%
- The increase in investment must be made in year one and must be maintained for the duration of the incentive
- Any increase in investment in land and buildings and commercial vehicles is excluded for the purpose of calculating the increase in investment.
- The expansion must demonstrate an increase in projected revenue of 15% in the 1st year of production and 25% increase in the 2nd year of production above the revenue as reflected in the base year financial statements.
- An expansion may not result in a reduction in the existing number of *personnel* employed in the *base year*



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Manufacturing Competitiveness Enhancement Program

- The MCEP is available to SA registered entities in the manufacturing sector and engineering services that support manufacturing
- The objective of the incentive is to promote competitiveness and job creation
- The MCEP consists of 7 key components
- **Production Incentive**
 - Capital Investment
 - Green technology and Resource Efficiency Improvement
 - Enterprise Level Competitiveness Improvement
 - Feasibility Studies
 - Cluster Competitiveness Improvement
- **Industrial Financing Loan Facilities**
 - Pre and post dispatch working facility
 - Industrial Policy Niche Projects Fund
- Must be in operation for at least 2 years
- level 4 B-BBEE contributor
- Grant calculated as a percentage of applicants manufacturing value addition over two years based on audited financial statements



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Eligible Entities

The MCEP is available to South African-registered entities engaged in

- **manufacturing as per Standard Industrial Classification (SIC 3),**
- **engineering services that support manufacturing, and**
- **conformity assessment agencies (SIC 88220) servicing the manufacturing sector.**



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Eligibility criteria

- **Submit applications at least 60 calendar days before start of commercial use of assets or undertaking activities applied for**
- **If no response from dti within 60 calendar days, the applicant can take assets into commercial production/use. Dti would not penalise the applicant. However, the applicant needs to inform dti in writing of its intention**
- **Pending litigation against applicant (if material affect financial position) should be brought to attention of the dti (Litigations)**



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MVA Calculation

Sales/Turnover
Less:
Sales value of imported goods
Less:
Sales value of other Bought in Finished Goods
Less:
Material Input costs (Used in manufacturing process)
=
MVA



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Summary MCEP

Components

MCEP Components	Below 5m Assets	R5m - R30m Assets	R30m – R200m	Above 200m
Limited to Manufacturing Value Addition	N/A	25% of MVA	20% of MVA	10% of MVA
	(Black companies qualify for 25% of MVA)			
Capital Investment	50% Grant	40% Grant	30% Grant	30% Grant
Green Technology and Energy	50% Grant	40% Grant	30% Grant	30% Grant
Enterprise Level Competitiveness	70% Grant	60% Grant	60% Grant	50% Grant
Feasibility Studies	70% Grant Capped at 7,5 million	70% Grant	50% Grant	50% Grant
Cluster Competitiveness	80% Grant limited to R50 million.			



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BONUS GRANT

- An additional 10 % bonus grant (on the cost sharing), not exceeding R5 million will be awarded to applicants with total assets with historical cost above 5 million that create additional new jobs as follows:

ENTERPRISE SIZE	NUMBER OF NEW ADDITIONAL JOBS
≥ R5 Million - < R30 Million	>10 jobs
≥ R30 Million - < R200 Million	≥ 20 jobs
≥ R200 Million	≥ 25 jobs

- Or Procure at least 50% in rand value of the project budget in machinery and equipment and tooling manufactured in South Africa (SA). Machinery and Equipment and tooling sourced in South Africa, but not manufactured in South Africa will be excluded when determining the 50%.



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Qualifying Activities

Component	Activity
Capital Investment	Machinery and Equipment, laboratory equipment (excludes office furniture, second-hand machines), Building improvements and extensions, forklifts, tools, jigs and dies.
Green Technology and Energy Efficiency	Cleaner production, waste management and new energy efficiency technology(solar panels and pumps, building improvements) and renewable energy, water usage improvement technology and waste water management.
Enterprise Level Competitiveness	Process improvement product improvements, conformity assessments, quality management systems, logistics improvements, information technology systems, skills development (short term accredited training), procurement process improvement and Bidding costs (technical consultancy).
Feasibility Studies	Linked to investment of R30million or more
Cluster Competitiveness	Market research, export promotion costs, product development costs, shared infrastructure, international advertising and



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MCEP (Loan) Components

- **Pre/Post-dispatch Working Capital Facility:**
 - Finance to cover working capital requirements from
 - Date of receipt of order to dispatch to customer; including raw material, packaging and transportation costs
 - Date of dispatch of goods to date when seller realises the proceeds of sale. Can include performance bonds and guarantees
 - Finance fixed at 6%
- **Distressed Concessionary Fund**
 - Preferential interest rate facility for any distressed manufacturers
 - Finance fixed at 6%
 - No fees to be levied
- **Niche Funding**
 - Strategic projects proposed by IDC and dti sector desk



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12i TAX INCENTIVE

RATIONALE

MARKET FAILURE

- Low labour productivity due to shortage of skills
- Low capital productivity due to outdated/inefficient capital equipment
- Low investment in manufacturing sector

OBJECTIVES

- Encourage more investment in the manufacturing sector
- Improve investment in skills
- Improve capital stock in manufacturing sector (technology)



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REQUIREMENTS

- **Greenfield projects** with minimum investment of R200m in new & unused assets
- **Brownfield projects: Upgrades** and **Expansion** projects with at an **additional** investment of least R30m or the lesser of R200m or 25% of **existing** industrial assets
- Manufacturing sector (SIC 3), excl Tobacco, alcoholic beverages, arms ammunition, etc.
- Projects that result in 10% energy demand reduction in the year that investment is realised relative to base year for expansions/upgrades and relative to industry benchmark energy consumption for Greenfields.
- Projects that spend minimum 2% of wage bill on training
- Tax Allowance (Sec 12I) - (1) **Investment allowance** (2) **Training allowance**



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BENEFITS

Additional Investment Allowance

Status	Preferred status 55% of QA	Qualifying Status 35% of QA
Greenfields	Maximum R900m	Maximum R550m
Expansions & Upgrades	Maximum R550m	Maximum R350m

Additional Training Allowance

Status	Preferred status Annual Cost	Qualifying Status Annual Cost
Greenfields, Expansions & Upgrades	Maximum R20m	Maximum R30m
Within 6 years of approval	R36 000 per employees	R36 000 per employees



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PROJECT EVALUATION

POINT SCORING CRITERIA

- Improved **energy efficiency** for expansion and upgrading projects
- Impact on **downstream and upstream** manufacturing sectors
- **Location** in IDZs
- Procurement from **small business**
- Training expenditure
- **Employment** creation (taking into account jobs saved for upgrades and expansions)
- Cleaner production technology

PROGRAMME DURATION

- Effective from July 2010 & available for 5 years until 2015



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APPROVAL PROCESS

EVALUATION

- CONDUCT SITE VISIT
- PREPARE EVALUATION REPORT

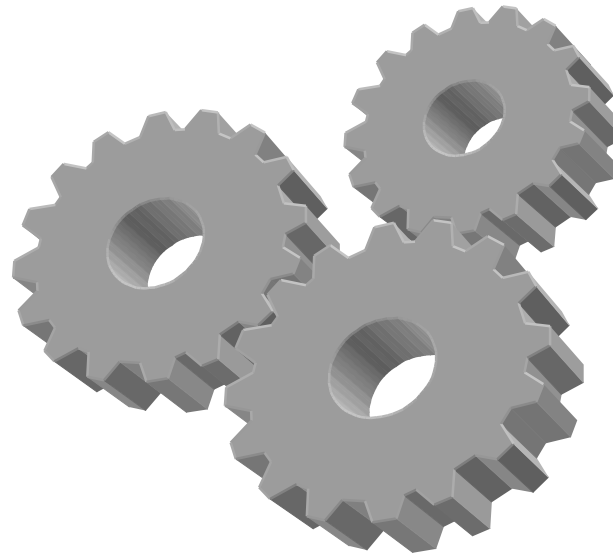
ADJUDICATION COMMITTEE

EVALUATION AND RECOMMENDATION TO THE MINISTER FOR APPROVAL OR REJECTION

REPORTING

ANNUAL REPORTING ON EG. TAX FORGONE & ECONOMIC GROWTH & EMPLOYMENT TO:

- PARLIAMENT
- AUDITOR-GENERAL



MONITORING

ANNUAL MONITORING OF CLIENT DURING BENEFIT PERIOD OF 4 YEARS

COMMUNICATION

- INFORM CLIENT OF DECISION
- PROVIDE SARS WITH LIST OF APPROVED ALLOWANCES
- PUBLISH LIST OF ADJUDICATED PROJECTS IN GOVERNMENT GAZETTE



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Automotive Investment Scheme

Benefits

- **the dti** has initiated the AIS, an incentive designed to grow and develop the automotive sector through investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain.
- AIS is a taxable cash grant of 20% of qualifying investment in productive assets.
- An additional taxable cash grant of 5% to projects that maintain their base year employment figure throughout the incentive period and achieve two of the following economic conditions
 - Tooling
 - Research and development
 - Employment creation
 - Value-addition



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Automotive Incentive Scheme

- **The aim of the AIS is to :**
- Strengthen and diversify the sector through investment in new or replacement models and components
- Increase plant production volumes and
- Sustain employment and strengthen the automotive value chain
- **Eligible Applicants**
- **Light Motor Vehicle Manufacturers**
- Manufacturers of specified light motor vehicles registered with ITAC
- Existing light motor vehicle manufacturers who will achieve a minimum of 50 000 units of production per plant within a period of 3 years
- New light motor vehicle manufacturers who can demonstrate that over 3 years they will achieve a minimum of 50 000 units of production per plant.



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Automotive Incentive Scheme

- **Component or Deemed Component Manufacturers**
- Light motor vehicle component manufacturers which are part of the original Equipment Manufacturer (OEM) supply chain
- Those that have a contract in place or letter of intent to supply the light motor vehicle manufacturer locally or internationally
- Those that can achieve at least 25% of total entity turnover or R10 million by the end of the first full year of commercial production as part of the light motor vehicle supply chain locally or internationally.



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Benefits

- To qualify for a second additional 5% grant (cumulative 10%), the project must demonstrate the following;
 - In respect of Light Motor Vehicle Manufacturers; An increase in unit production per plant of over 50 000 units per production per plant over 3 years
 - In respect of component manufacturers: An increase in turnover of at least 25% of total entity turnover or R10 million by the end of the first full year of production.



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Qualifying Assets

- Owned buildings and improvements to owned buildings
- Plant, machinery, equipment and tooling:
 - Jigs, dies and moulds
 - In plant logistics (software and hardware)
 - Raw Material handling equipment
 - Production, testing and design equipment and
 - Information technology (IT) equipment and supporting software used in the manufacturing process.



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APPLICATION PROCESS

- The applicant must submit a business plan with a detailed marketing and sales plan, a production plan, budget and projected financial income statement, cash flow statement and balance sheet, for a period of at least three (3) years for the project.
- The applicant must, in addition to the information supplied above submit a projected financial income statement, cash flow statement and balance sheet for a period of at least three (3) years of the relevant division, cost centre or branch where the project is located, if applicable.
- The applicant must submit a cost benefit analysis for the project



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Application Process

- Completed applications should reach the offices of **the dti** no later than:
 1. One hundred and eighty (180) days prior to commencement of production for light motor vehicle manufacturers; and
 2. Ninety (90) days prior to commencement of production for component manufacturers and/or deemed component manufacturers.



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General Exclusions and Limitations

- Projects by component manufacturers, below R1 million, will not qualify for assistance under the AIS.
- Projects by light motor vehicle manufacturers, below R30 million, will not qualify for assistance under the AIS.



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Disbursement of Scheme

- The grant is payable annually provided it achieves approved performance requirements
- Three claims may be lodged over 24 months
 - First claim at start of production
 - Second claim after 12 months
 - Third claim after 24 months



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The People-carrierAutomotive Incentive Scheme (P-AIS)

- The People-carrierAutomotive Incentive Scheme (P-AIS) is a sub-component of the Automotive Incentive Scheme (AIS) and provides a cash grant of between 20% and 35% of the value of qualifying investment in productive assets approved by **the dti**.
- P-AIS is for medium or heavy vehicle or component manufacturers who is part of the original equipment manufacturer supply chain.
- Qualifying projects will be evaluated on the following economic benefit requirements:
- Tooling; Research and Development (R&D) in South Africa;
- Employment creation; and
- Strengthening the automotive supply value chain



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The People- carrierAutomotive Incentive Scheme (P-AIS)

- Semi Knocked Down (SKD) Investments - may qualify for a grant of 20% of the qualifying investment costs.
- Complete Knocked Down (CKD) Investments- may qualify for a grant of 25% of the qualifying investment costs.
- Component Manufactures - may qualify for a grant of 20% of the qualifying investment costs.
- 5% bonus grant if employment figures are maintained for duration of 3 years of the grant.
- Second additional 5% if economic benefit criteria is met.



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Black Business Supplier Development Program (BBSDP)

- **Cost sharing grant, to black small and medium enterprises aimed at improvements in corporate governance, management, marketing, productivity and use of modern technology**
- **Predominantly black owned (51%)**
- **50% management positions held by blacks**
- **Have R250 000 to R35 million turnover per year**
- **1 year in operation & trading as a business**
- **Formally registered for VAT**
- **Eligible for R1 000 000 for the activities offered by BBSDP**
- **R200 000 for business development & training interventions
(NB: R800 000 being ring fenced for tools, equipment and machinery)**
- **Cost sharing 80:20 for business development service and 50:50 for tools, equipment and machinery**



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Eligible Projects

AIMED AT UPGRADING THE CAPABILITY OF THE ENTERPRISE'S MANAGEMENT, THROUGH GENERIC MANAGEMENT TRAINING PROGRAMMES.

- **Business Management (planning, organizing, finance, industrial relations, HR, business writing, IT for business)**
- **Corporate Governance (roles/responsibilities of directors, members line functions, conducting meetings, business ethics, compliance)**
- **Sales Management (customer service, customer support)**
- **Negotiating Skills and Techniques**
- **Tendering and Contracting**
- **Mentorship and Coaching**
- **HIV & AIDS Risk Mitigation (policies, programmes, awareness, prevention, treatment)**



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Continuation of Eligible Projects

AIMED AT IMPROVING THE EFFECTIVENESS OF THE MANAGEMENT SYSTEMS OF AN ENTERPRISE; ASSISTING ENTERPRISES WITH ENTRY INTO TARGETED OR NEW MARKETS;

- **Company Diagnostics**
- **Business Plan to raise finance**
- **Business Strategy**
- **Marketing Strategy (information, planning, improvements, branding)**
- **Organization & Management Improvements (structures, functions)**
- **Management Information Systems (production, sales, accounting software)**
- **Quality Assurance (ISO, certifications, accreditations)**
- **Patenting & intellectual property rights**
- **Production & Productivity Improvements**
- **Product Improvements**
- **BEE Rating & Certification**
- **Expansion & Modernization Strategy & Planning**



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ACQUIRE TOOLS, MACHINERY AND EQUIPMENT.

Enterprises may apply for support in acquiring equipment under one of the following options:

- **To introduce a clean production process.**
- **To secure a contract or tender for which the equipment is essential.**
- **To attain a grading to qualify the enterprise for new or bigger work**
- **To provide security of supply or back-up where this is essential e.g ups systems.**
- **To enhance growth or efficiency through the use of IT for business.**



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EXCLUSIONS AND LIMITATIONS

- **Office equipment and computer hardware costs except for BPO applications**
- **Land and Building**
- **Working Capital**
- **Training programmes that exceed five weeks or hundred and sixty national hours**
- **Long term formal training (e.g. MBA) at accredited institutions**
- **Interventions that are already funded by another government scheme or parastatal**
- **Any other cost that the Adjudication Committee deems as non-qualifying**
- **Design and printing of company stationery and business cards**



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Export Marketing and Investment Assistance

- The purpose of the Export Marketing & Investment Assistance Scheme (EMIA) is to partially compensate exporters for costs incurred in respect of activities aimed at developing export markets for South African products and services and to recruit new foreign direct investment into South Africa.



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INDIVIDUAL OFFERINGS

INDIVIDUAL EXHIBITIONS & IN-STORE PROMOTION

- Assistance is granted to individual SA exporters to exhibit products at internationally recognised exhibitions where **the dti** does not provide for a national pavilion

PMR AND FDI RESEARCH

Assistance is provided to partially compensate exporters for costs incurred in developing new export markets or recruiting new Foreign Direct Investment into South Africa through personal contact by visiting potential buyers/investors in foreign countries



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INDIVIDUAL OFFERINGS (cont'd)

INDIVIDUAL INWARD BUYING/INVESTMENT MISSIONS

- Assistance is provided to South African entities organising inward buying/investment missions to enable a prospective buyer/investor to make contact with them to conclude export orders or attract foreign direct investment



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TYPES OF BUSINESS

The following type of business will be considered for EMIA assistance

- Manufacture
- Export trading house
- Commission Agent
- Service Entity



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FINANCIAL SUPPORT

Assistance is provided on the following basis:

- Travel (economy class)
 - *To the maximum limit of R13,000 > HDI & SMME – IE*
 - 50% of the cost to the maximum limit R6,500 > Other size – PMR & IIM
- Daily subsistence
 - *R2,000 per day to the maximum limit of 15 days - IE*
 - *R2,000 per day to the maximum limit of 10 day – PMR*
 - *R2,000 per day to the maximum limit of 5 days - IIM*
- Transport of samples
 - *To the maximum limit of R17,000 > HDI & SMME – IE*



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FINANCIAL SUPPORT (cont'd)

- *R1,000 per trip - PMR*
- Development of marketing materials for specific events
 - *To the maximum limit of R5,000*
 - *To the maximum limit of R10,000 per annum*
- Exhibition costs relating to stand rental, stand design, services and set up costs
 - *Maximum limit of R45,000 vat inclusive*
- Costs of brochures
 - *To the maximum limit of R5,000*



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FINANCIAL SUPPORT (cont'd)

- Registration of a product in a foreign market
 - *50% of the actual cost to a maximum of R100,000 per annum - PMR*
- *Rental of vehicle*
 - *R200 per day to the maximum of 5 days - IIM*



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LIMITATION OF ASSISTANCE OFFERED (cont'd)

- Only one representative per business will qualify. The representative should be a senior executive and in authority to conclude contract on behalf of the business
- Information on export sales and sales lead achieved as the result of previous EMIA assistance will be required after three years



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Group Schemes

- **National Pavillions** – these are dti organised missions where 5-10 companies are taken to exhibit under the SA Banner

dti Assistance for Pavilions:

- **Exhibition Costs (for all): 100%** funded by *the dti*
- **Transportation of Samples: dti** pays 100% (all)
- **100% Airfare** for SMMEs & HDIs: R13,000 max
- **Subsistence** for SMMEs & HDIs (incl hotel): R2,000 per Day

- **Group Outward Bound Missions** – organised by mission organiser like Chambers, TIKZN, SEDA taking group of companies abroad to market their products.

• **ASSISTANCE**

- **100% Airfare** for SMMEs & HDIs: R13,000 max
- **Subsistence** for SMMEs & HDIs (incl hotel): R2,000 per Day



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PROJECT FUNDING FOR EMERGING EXPORTERS

- To offer support to projects that promote the development of emerging exporters.
- **Incentive Benefit**
- 100% of the cost of the approved project
- Local and International air travel
- Accommodation
- Transportation of samples
- Exhibition space.
- SMMEs/HDIs contribute a commitment fee of R750 for local events and R1500 for international events
- **Eligible Entities**
- Export Councils
- Industry Associations
- Provincial Investment and Economic Development Agencies
- Business Chambers
- SEDA



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THE SECTOR SPECIFIC ASSISTANCE SCHEME

Is a reimbursable cost-sharing scheme whereby financial support is granted to non-profit business organisations in Sectors and Sub-sectors of industries prioritised by the dti.

- **Export Councils**

(Established through the dti, a Section 21 (non-profit) company that represents the developmental and promotional objectives of a particular industry/ies on a national level)

- **Industry Associations**

(Representative of sectors or sub-sectors of industry prioritised for development and promotion by the dti, as determined by the relevant Sector Desk)

- **Joint Action Groups (JAGS)**

(Group of three or more entities with no formal structure. Must provide cession letters from other members where payment is made to one member. Must seek to co-operate on a project in a particular sector or sub-sector of industry prioritised for development and promotion by the dti)



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REPUBLIC OF SOUTH AFRICA

NATURE OF PROJECTS & INCENTIVE BENEFIT

- **A project tasked with pre-determined outcome, a defined or short-term time frame and measurable milestone.**
- **The project must be essentially developmental in nature.**
- **Any research/studies undertaken or database obtained will become the property of **the dti**.**

BENEFIT:

- **Up to 80% of the cost of the project, but the dti reserves the right to determine the final percentage that will apply.**



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CONTACT DETAILS

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Thank you