

# ***Industrial Development Corporation***

***Presentation to the***

## ***SME WORKSHOP TRAINING***

*Driving Industrial Capacity Development*

***Overview of the IDC Loan Application Process &  
Business Plan requirements***

***Radichaba Malapane – 16 July 2019***



- Established in 1940 to promote **economic growth** and **industrial development**
- The IDC is committed to **facilitating job creation** by stimulating local economies in the regions in which it operates
- Adopted a value chain approach in 2015, with emphasis on development of long-term sustainable industries, localisation and job creation
- Key targeted clients and potential clients include **women**, **youth** and **black entrepreneurs**

- PIBC is the *First point of contact* via ‘no appointment’ walk-ins (in Gauteng) and telephonic enquiries (across the country) which provides immediate professional assistance;
- Access to IDC has been improved via an **on-line application** portal. An on-line platform to assist businesses to develop business plans is currently being enhanced;
- Besides Gauteng, IDC has Regional Offices in other 8 provinces as well as satellite offices in some of the provinces;

## Media & Audio Visual

Production of feature films, animation, documentaries, TV shows

## Heavy Manufacturing

Cement, lime & stone products; furniture production, pulp, paper & paper products; wood processing & wood products,; rubber products

## Light Manufacturing & Tourism

Professional & scientific equipment; TV, radio & communication equipment  
Tourist attractions, Hotel developments, high impact tourism ventures

## Basic & Speciality Chemicals

Oil and Gas, Basic Chemicals, Fertilizers, Plastics in their primary form, Synthetic Rubber, Speciality Chemicals from various sources

## Chemical Products & Pharmaceuticals

Pesticides & agro-chemical products, soaps, detergents, perfumes, plastic products, plastic recycling, medical devices

## Clothing & Textiles

Clothing manufacturing, footwear, leather products, fabrics, household textiles

## Automotive & Transport Equipment

Rail & aerospace industries, manufacturing of motorcycles and bicycles, building and repairing of boats and ships

## Basic Metals & Mining

Expansions & rehabilitations, buy-ins, takeovers & acquisitions

## Machinery & Equipment

Mining & power supply equipment; earthmoving & construction equipment

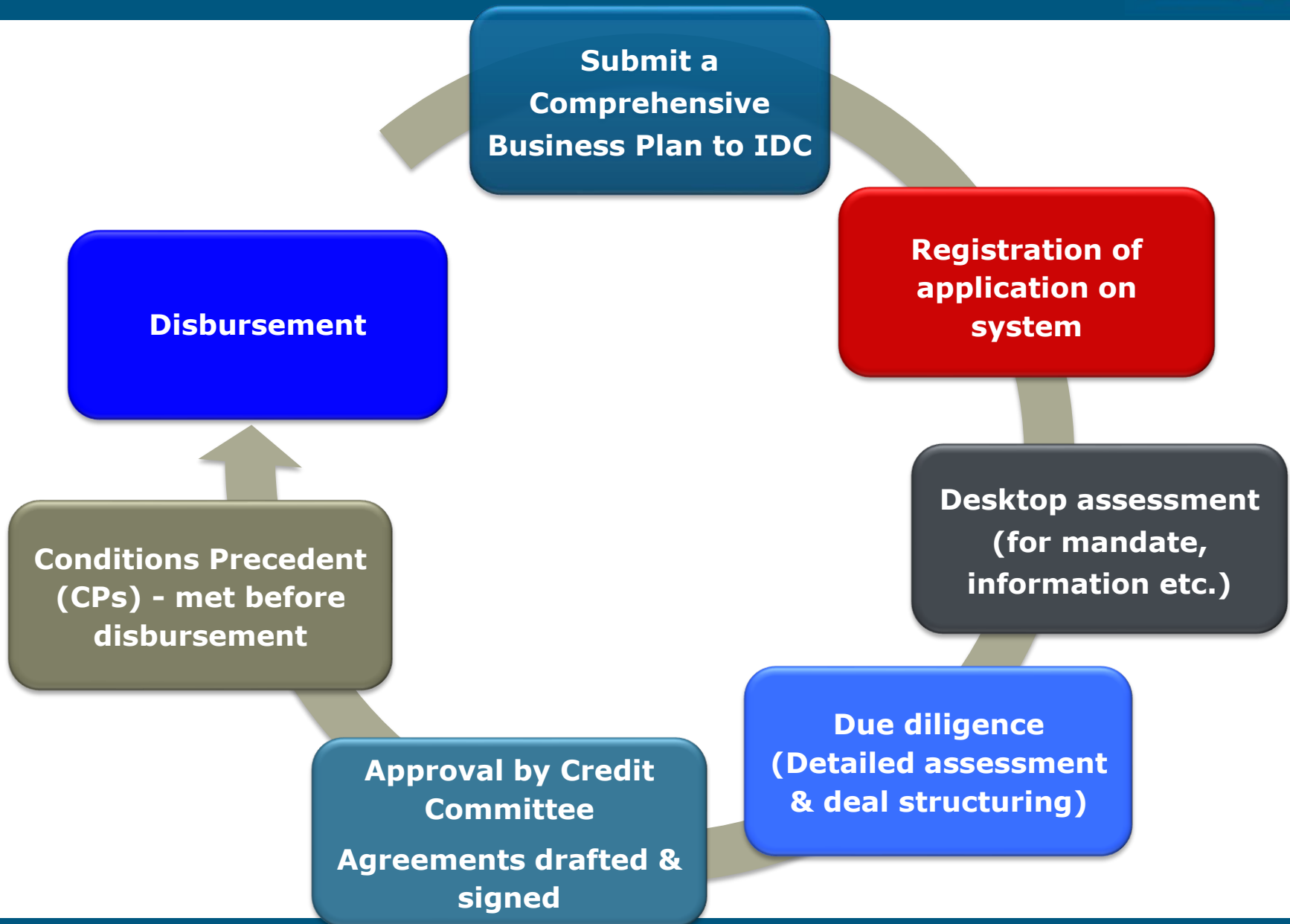
## Agro-Processing & Agriculture

Horticulture and high-value field crops, Wheat and sugar, Livestock value chain such as cattle, poultry and pigs, Fishing and aquaculture, Beverages

**New Industries**

**Industrial Infrastructure**

- New projects, expansions, rehabilitation of existing projects, acquisitions;
- Projects must exhibit economic merit;
- IDC finances fixed assets and working capital requirements
- Shared Risk i.e. *reasonable* contribution expected from shareholders/investors;
- R1 million **minimum** funding requirement and up to R1 billion, depending on related-party exposures; (minimum excl. own contribution)
- Financing to be within IDC mandate
- Legislative compliance



- ❖ **Overview** - keep the business plan focused – business background, start-up year, core operating activities, etc. *In the case of an acquisition, background information to be split between the **target** company and the **acquiring** company;*
- ❖ **Shareholding** – ownership structure, i.e. Shareholder’s details and % ownership;
- ❖ **Funding need** - total funding needs required from IDC; breakdown of the funding required – how the funding will be utilised (i.e. working capital, plant and equipment, acquisition, etc.)
- ❖ **Marketing** - properly explain the sales/revenue, marketing and distribution strategies; details of contracts/letters of intent or off-take agreements, including value thereof and tenure;
- ❖ **Technical** – indicate equipment required (quotations, invoices, etc.); lease premises; production process, jobs/number of staff, etc. Details raw materials and suppliers, etc.
- ❖ **Financial** - projections should have these three fundamental elements: Income Statement, Balance Sheet, and Cash Flow Statement. IDC requires five years of financial projections. In case of acquisition, audited historical financials of target company and latest management accounts;
- ❖ **Management** - who is on the management team - brief CV’s of key operations team;

## *Make an enquiry...*

**Walk-in Centre at Sandton  
Head Office**

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