



IDC

Industrial Development Corporation

Your partner in development finance

IDC AND THE MARITIME SECTOR

**PRESENTATION TO KZN BUSINESS SUMMIT
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Kugan Thaver

The IDC: Corporate profile

- Established in **1940**, the IDC is a self-financing, State-owned **development finance institution**
- The **vision** of the IDC is to be the primary source of **commercially sustainable industrial development** and innovation to the benefit of **South Africa and the rest of the African continent**
- Provides financing to **entrepreneurs** engaged in competitive industries and enterprises based on **sound business principles**
- **Pays income tax** at corporate rates and **dividends** to the shareholder
- **Aims to maximise developmental and financial returns** within an acceptable **risk profile**



The IDC's Head Office in Sandton (Johannesburg)

The IDC's Vision, Mission, Objectives and Outcomes

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”

Mission

The IDC is a self-financing national development finance 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.

Objectives

Supporting industrial development capacity

Promoting entrepreneurship

Outcomes

Sustainable employment

Growing sectoral diversity

Regional equity

Growing SME sector

Industrialisation in the rest of Africa

Broad-based black economic empowerment

Environmentally sustainable growth

New entrepreneurs entering the economy

New sectoral involvement

1997

- Agriculture
- Mining
- Manufacturing
- Property



Now

- Agriculture
- Mining
- Manufacturing
- Services - related
 - energy
 - tourism
 - IT
 - telecoms
 - motion pictures
 - healthcare & education
 - **TRANSPORTATION**
 - venture capital
 - franchising
 - financial services
 - construction
 - 2010
- Other
 - public private partnerships
 - development agencies

Maritime Sector Focus

- South Africa is commodity based economy
- South Africa is a base for Expansion into Rest of Africa
- Accrual of South Africa's transport revenue goes to foreign companies " Import Transport"
- No major involvement by HDSA individuals
- Africa does not control or share in the transport of its goods
- Growth of sector will provide new opportunities for employment and entrepreneurship

Maritime Transport and Services BEE Charter

- Long term vision for SA to become one of top 35 Maritime nations
- Incorporates “Shipping lines, ancillary services and manufacture, maintenance , provision and repair of maritime equipment”
- Increase number of SA flagged vessels and compete globally
- Creation of jobs and promotion of entrepreneurship
- BEE Participation
- “Persuade” cargo owners to move 25% of local cargo on to SA flagged ships in 5 years
- SA B-BBEE compliant companies to broker 25% of all cargo in next 5 years

IDC Workshop

ISSUES RAISED

- Tonnage Tax
- Coastal Trade and Cabotage
- Build an industry on the back of commodities - contracts
- Training
- Regulatory Framework
- Ship Building and Ship Repair

FINANCIAL STATUS

- Ship finance not understood or seen as attractive
- No established local ship finance or insurance sector
- Funding of Fishing Vessels only
- Finance obtained from foreign institutions

Way Forward

- BEE - Participation in Land side or Sea Side activities
- Global industry – economic viability, focus on SA competitive advantages
- Level playing field-Tonnage tax, regulatory framework
- Cargo owners to support local ship owners
- Significant funding requirement – dollar based industry
- Local Financial Institutions to syndicate
- Partnership between government, private sector and financial services institutions to build the Maritime sector.
- Long Term Strategy



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Thank you

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