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# Planning to access the R4.8bn in DTIC incentives?

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If you are considering accessing development and funding grants or incentives out of the Department of Trade, Industry and Competition (DTIC) to fund your industrial expansion, you are going to have to have to put a lot of effort into your application.

The DTIC budget for Grants and Incentives has been cut by roughly 20% to R4.8bn and this means that entrepreneurs looking to fund industrial projects are going to have to tick a number of boxes to ensure their applications are successful.

As an organization that is assisting a number of industrial and manufacturing businesses to access these incentives, these are a couple of areas we believe entrepreneurs should be focusing on:

### Timing is everything:

Do not start investing or committing funds until the submission and approval for the project has been received. While we all want to break ground on our projects, jumping the gun might end up prejudicing your ability to access the grant funding.

### Focus on localisation:

A key learning from 2020 was that the South African economy had failed to develop local capacity and was vulnerable to interruptions in global supply chains. The DTIC is looking to see a development in



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local capacity and suppliers and this will be a key consideration in getting approval for your project.

### **Align with industry Master Plans:**

Government is trying to be more strategic around the sectors that it supports and aims to grow. The roll out of various sector or industry Master Plans with specific incentives attached to them part of this strategy. The automotive sector for instance has been a major beneficiary of this approach and organisations were able to align with these have already been able to access nearly R3bn in incentives.

### **Social returns and impact will be measured:**

While the project must make commercial sense and be bankable, there is a focus on social impact as well. Is there the opportunity for job creation in the area in which you work? Will the local community enjoy access to new infrastructure?

### **Quality management teams are essential:**

With a smaller pot of funding available, the quality of your management team will be under scrutiny. Have your team previously worked on projects of this nature and are they co-invested in the projects?

### **Export earning potential and co-linkages with FDIs:**

The DTIC recently released its first ever report into the Black Industrialist Scheme (BIS) and one of the key focus points for this incentive is the ability to back businesses that can generate export revenue or attract co-funding through Foreign Direct Investment initiatives.

Access to finance remains a key challenge for entrepreneurs looking to grow their business and this challenge has been compounded by the impact of COVID-19 with funders having reduced risk appetites. Ultimately grants and incentives out of the DTIC and other industry bodies can close part of this funding gap but entrepreneurs, corporates and project owner's need to ensure they come with a bullet-proof plan to ensure that the funds will be correctly deployed.

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*Founded by sisters Zahra and Nadia Rawjee in 2010, [Uzenzele Holdings](#) (UH) is a niche consulting firm with over 60 years of combined experience in business development capital raising and accessing governmental funding.*

*Published in [Business](#), [Economy](#), [Finances](#), [Banking and Insurance](#)*

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