



BLACK BUSINESS COUNCIL

VALUE CREATION

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VP: PROFESSIONALS

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INTRODUCTION

BBC Objectives as set out in the Black Business Council Constitution sect. 5.1

- “The BBC shall promote, develop, and ensure that there is economic transformation and empowerment of Blacks, in business and at all levels of the South African economy”
- Implementation under 5.2.1 requires that the BBC will, inter alia:
 - “Formulate policies and advocate for the implementation of laws which promote and advance transformation’
- 5.2.3 goes on to state
 - “Participate in the formulation and drafting of all transformation and economic empowerment legislation and other laws which have particular impact on Blacks, the poor and other marginalised constituencies in South Africa”

FEDERAL MODEL , RELIANT ON MEMBERS AND AFFILIATES
MEMBER DRIVEN ORGANISATION



BLACK BUSINESS COUNCIL

OVERVIEW

Our Members



MEMBER ORGANISATIONS

- ABSIP
- AFRICAN BUILDERS ASSOCIATION
- AFRICAN COOPERATIVES FOR HAWKERS AND INFORMAL BUSINESSES
- BLACK BUSINESS COUNCIL IN BUILT ENVIRONMENT (BBCBE)
- BLACK BUSINESS EXECUTIVE CIRCLE (BBEC)
- BLACK CONVEYANCERS ASSOCIATION (BCA)
- BLACK LAWYERS ASSOCIATION (BLA)
- BLACK MANAGEMENT FORUM
- CONFEDERATION OF ASSOCIATION IN THE PRIVATE EMPLOYMENT SECTOR (CAPES)
- NATIONAL INDUSTRIAL CHAMBER (NIC)
- NATIONAL SOCIETY OF BLACK ENGINEERS (NSBE)
- NATIONAL AFRICAN FARMERS UNION (NAFU)
- NATIONAL AFRICAN FEDERATED CHAMBER OF COMMERCE AND INDUSTRY (NAFCOC)
- NATIONAL AFRICAN FEDERATED COUNCIL IN RETAIL (NAFRET)



MEMBER ORGANISATIONS

- SIYAKHA
- SOUTH AFRICAN LEISURE TOURISM AND HOSPITALITY ASSOCIATION (SALTHA)
- NATIONAL AFRICAN FEDERATED OF TRANSPORT ORGANISATION (NAFTO)
- NATIONAL ASSOCIATION OF MANUFACTURERS IN ELECTRONICS COMPONENTS (NAMEC)
- NATIONAL AFRICAN FEDERATED SECURITY AND CLEANING SECTOR (NAFSEC)
- NATIONAL BLACK BUSINESS CAUCUS (NBBC)
- NATIONAL BLACK CONTRACTORS & ALLIED TRADES (NABCAT)
- PROGRESSIVE PROFESSIONALS FORUM (PPF)
- SOUTH AFRICAN MINING DEVELOPMENT ASSOCIATION (SAMDA)
- SOUTH AFRICAN MINING AND ENERGY CHAMBER SAMEC)
- TAXI CHOICE- SOUTH AFRICAN NATIONAL ASSOCIATION (SANTACO)
- SOUTH AFRICAN WOMEN BUSINESS COUNCIL OF COOPERATIVES (SAWBCC)
- SOUTH AFRICAN WOMEN IN CONSTRUCTION (SAWIC)
- SOUTH AFRICAN INSTITUTE OF BLACK PROPERTY PROFESSIONALS (SAIBPP)



[CORPORATE MEMBERS]

- AFRICAN RAINBOW MINERALS (ARM)
- ACUTECH GROUP
- ALUWANI CAPITAL PARTNERS
- ASEDA
- ESKOM
- EDISON CORP
- ECONO OIL
- EXXARO
- GROUP FIVE
- LEDWABA MAZWAI
- MATIMADZE CAPITAL
- OCEANA GROUP
- PAMODZI INVESTMENT HOLDINGS
- REDISA NPC
- REGIMENTS CAPITAL
- ULWAZI GROUP
- SIZWE NTSALUBA GOBODO
- SANLAM
- STELOY CASTINGS
- VBS MUTUAL BANK
- VHARANANI PROPERTIES
- ZICO INVESTMENT



BLACK BUSINESS COUNCIL

STRUCTURE

GOVERNANCE STRUCTURE



ORGANISATIONAL STRUCTURE





BLACK BUSINESS COUNCIL

PORTFOLIO COMMITTEES

HOW WE GET THINGS DONE



AT A GLANCE...

1 ECONOMIC TRANSFORMATION

To ensure that growth is sustainable and continues to improve the lives of the majority of their citizens, countries now need to vigorously promote economic transformation. Growth so far has come from macro-economic reforms, better business environments and higher commodity prices. Economic transformation requires much more. South Africa has to diversify its production and exports. They have to become more competitive on international markets.

Key programs to trigger and stimulate the development of radical transformation and industrialization of black business include:

- The Black Industrialist Program
- Radical Economic Transformation Summit
- The BBC Enterprise and Supplier Development Program in partnership with the private sector

2 FOOD SECURITY AND LAND REFORM

The Black Business Council views agriculture as an area most in need of economic transformation. Through aiding the process of land reform, and by providing opportunities to black farmers not only to produce, but to access markets, we will start to realize economic transformation in this sector and are playing part in the Operations Phakisa Oceans Economy program to further ensure inclusiveness in aquaculture and marine economy across the value chain.

ARC -Agriculture Research Council

- Our leadership has been nominated to participate in the Planning and execution of the Global Conference for Research Development
- Drive through policy issues i.e. Oceana pain – Implementation of Carbon Tax

Key Projects:

- BBC has joined forces with Unigrain, Barloworld Agriculture, Omnia Group; Tongaat Hullet Starch and Agri SA to implement a Grain Project to:
 - Bringing productive hectares lost due to land re-distribution failures into productions and to develop a new generation of commercial black farmers; and
 - Address the impediments that limit small scale farmers from transitioning into medium and large scale or commercial farmers



AT A GLANCE

3 INFRASTRUCTURE

In 2012, the South African Government adopted a National Infrastructure Plan with the aim of transforming the economic landscape. The Black Business Council, through its Infrastructure Development division, aims to support the efforts of the government, as well as create opportunities for black industrialists to take part in this plan. We aim to see our members being further involved in improving access by South Africans to healthcare facilities, schools, sanitation, water, housing and electrification.

Key Focus Areas

- VRP
 - Established contractors mentor a specific emerging contractor at the higher CIDB grade on a continuous basis to achieve the objective of real transformation
 - Co-sign a new Code of Ethics in commitment to the national infrastructure agenda
 - Develop a programme of “adopt an FET College” that will ensure a working relationship between colleges and the construction industry
 - A thorough investigation of the supply industry needs to be undertaken so that meaningful targets can be agreed to ensure inclusivity of the supply industry

SMME DEVELOPMENT

4

The SMME sector plays an increasingly important role as an engine for economic growth SMMEs are a critical source of innovation. They have a higher degree of labour intensity, and tend to adapt more rapidly to changing conditions than larger organisations.

We should target the creation of new firms, especially black owned SMME’s if we are to achieve our employment creation goals. The SMME committees drives the agenda for black businesses within the SME definition, including cooperatives, for the BBC membership across all sectors. The function of this portfolio is to address the challenges faced by SMME’s such as:

- Access to finance
- Access to markets
- Incubation opportunities
- Poor business infrastructure

Key Projects:

- Implementation of the Rapid Incubation Programme

Partners:

- Department of Small Business Development
- SEFA
- NEF



AT A GLANCE...

6 INTERNATIONAL TRADE RELATIONS AND INVESTMENTS

The Black Business Council's International Relations division aims to aid the advancement of South Africa's black business, not only in South Africa, but globally. The division focused heavily on the African continent in order to create synergy between industries on the continent and our members. Our office bearers have been key to formation of the BRICS Business Council, giving the organization great presence within this formation, translating to great opportunities to our member base.

With the cooperation of the Department of International Relations & Cooperation and various other key players, this division aims to see the its members evolve into global powerhouses.

The Black Business Council aims to leverage off its international bilateral agreements which have seen the formation of the following platforms, which have enabled the BBC membership to participate in cross-border engagements and direct Business-to-Business trade:

- India-South Africa CEO's Forum
- Iran-South Africa Forum
- Russia-South Africa Forum

Trade Missions to date include:

- German DDG Economic Affairs [Inbound]
- Mauritius Board Investments [Inbound]
- State visit to Qatar
- Sweden- Eskom Partnership [Inbound]
- Italy – Healthcare [Outbound]
- Ethiopia, Kenya, South Sudan & Uganda – Energy & Power Infrastructure [Outbound]
- Mozambique- Built Environment [Outbound]
- SPIEF – St Petersburg International Economic Forum [Outbound]
- Russia- Agro-processing, Mining Equip. and Energy [Outbound]
- Vietnam – Multi-sectoral [Outbound]
- India - Prime Minister [Inbound]
- Italy – B2B [Inbound]
- Tanzania – Multi-sectoral [Outbound]



BLACK BUSINESS COUNCIL

POLICY ADVOCACY



POLICY AND RESEARCH

The Presidency

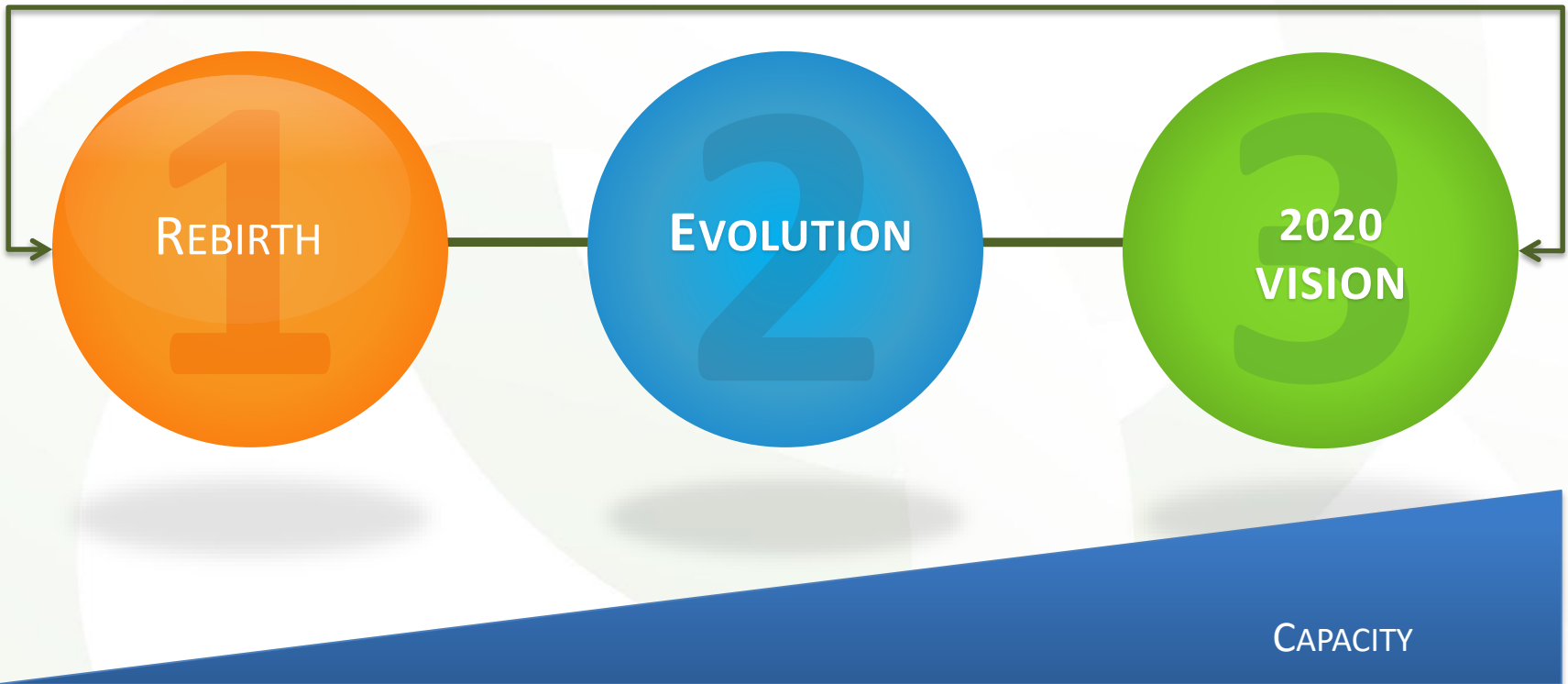
- The BBC through its leadership sits on number of working groups under the appointment of the Office of the Presidency to tackle the following
 - Tax Amendment Bill
 - Avert downgrading of the Sovereign credit rating of South Africa
 - The SME Fund
 - The Infrastructure Investment Fund

NEDLAC

- BBC enjoys the privilege to sit within NEDLAC and has undertaken to address
 - Labour Relations
 - Task Team Established post Marikana, to address violence and length of strikes
 - Wage Relations Technical Task Team
 - National Minimum Wage
 - Mining Charter and MPRDA
 - Comments for Submission to DMR
 - Financial Services Charter
 - ABSIP leading submission to the Department of Trade and Industry
 - PPPFA
 - Closed(Privileged) Process with National Treasury to table new structure
 - Bill to be tabled in August
 - Procurement Bill
 - Draft Regulations on BBBEE
 - Fees Must Fall Campaign
 - National Skills Strategy and SETA Landscape Beyond 2018



JOURNEY: THE BBC HAS TO CONTINUALLY REVIEW ITS MODEL AND MATCH DELIVERY CAPABILITY TO ITS CHOSEN STRATEGY



WE HAVE ADDED EXECUTION CAPABILITY TO ADVOCACY WORK



KEY ACHIEVEMENTS

- BBC championed the establishment of DSBD – The need to focus on SMEs [Predominantly Black]
- BBC conceptualized and championed the Black industrialist program
- Recently championed the repeal of the Preferential Procurement Policy Framework Act (PPPFA)



BLACK BUSINESS COUNCIL

HOW WE PARTNER

PARTNERING FOR GROWTH



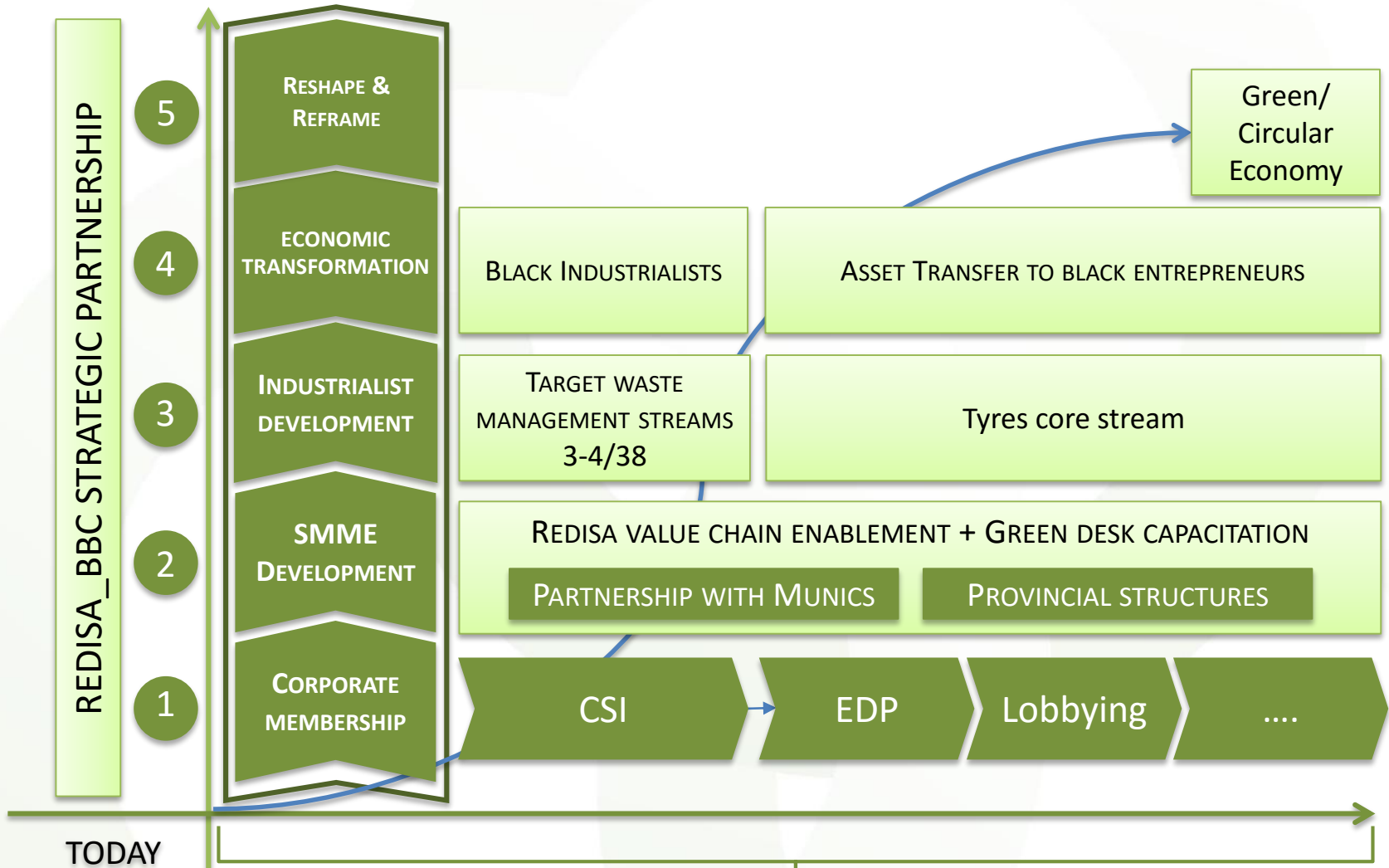
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A PARTNERSHIP IN ACTION [EXAMPLE]

REDIS A



THE JOURNEY [REDISA]





REDISIA & EMPOWERMENT

EMPOWERMENT – MORAL IMPERATIVE

- Benefit led
- Projects
 - Lead players
 - Evaluation & support
 - Asset transfer at 5 PE on return vs. debt
- Grants
 - Not scared to make commitment

BBC CATALYST

- Coaching
- Market access
 - Set asides
 - Procurement
- Access to finance
 - DFI's & Private Sector
 - Grant funding
- Policy



→ REDISA-SAIBPP MOU SIGNED AUG 2015



WHAT DO WE DO? 100M UPFRONT INVESTMENT 2-3/39

WASTE STREAMS

NON LINEAR ECONOMY

- Rent rather than buy boxes
- Refurbishment
- Circular economy
 - Repair
 - Re-use
- Primary and secondary
- Medical aid for the environment
 - Gov't needs to create the context for investment

ESSENTIALLY AN INSURANCE COMPANY

- Tyres
 - Insure against environmental liability
 - Collected
 - Stored
 - Recycled
 - Re-used
- Funds difference between material worth and cost
 - i.e. 890/ton plastic collection for re-use vs. 1100/ton cost



GOVERNMENT'S ROLE

EQUITY INJECTION

- 5% gifting
- 95% ownership
 - 20% write off of plant over 5 years
 - Valuation on 5 P:E
- Future business guarantee
- Market attractiveness

NEXT WAVE

- Mining of used material [recycling]
 - New market
 - New players should own it
- Time as an enabler to circular economy vs. primary
- R 2.50/kilo on plastic
 - Potential for township industry
 - Already how Redisa is building
- Independent rating entity being established



BLACK BUSINESS COUNCIL

THANK YOU

LET'S DELIVER!