IDC
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Projects and Partnerships
post COVID

SADC DFRC - AFRECO: Webinar

29 October 2020

IDC's role in industrial development

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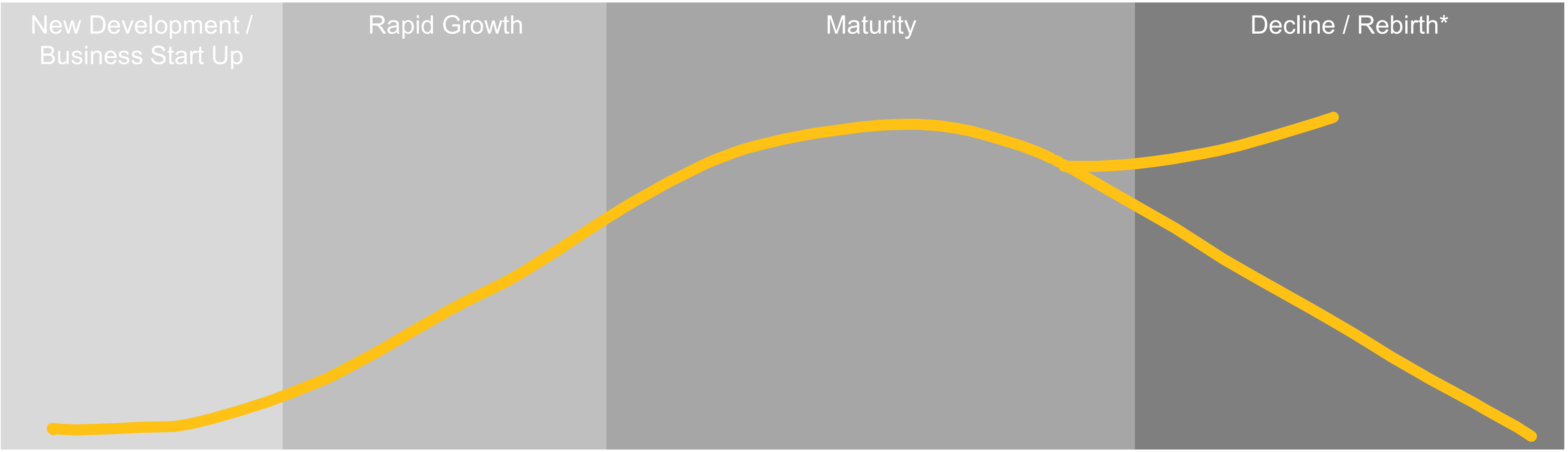
Company Life Cycle



Current Business Activities

New Development / Business Start Up		Rapid Growth	Maturity	Decline / Rebirth*
Feasibility studies Early stage development Exploration	New business New project New innovation	Transaction implementation Project ramp up	Steady state operations	Capacity expansion / new product lines Business rescue / liquidation

Projects SBUs Small Business Continental	Infrastructure	Energy	Mining	Machinery	Automotive	Chemicals	Textiles and Wood	Agri and Agro Processing	Tourism and Services	Media and Audi

Industry planning and Project Development a key focus in driving industrial development

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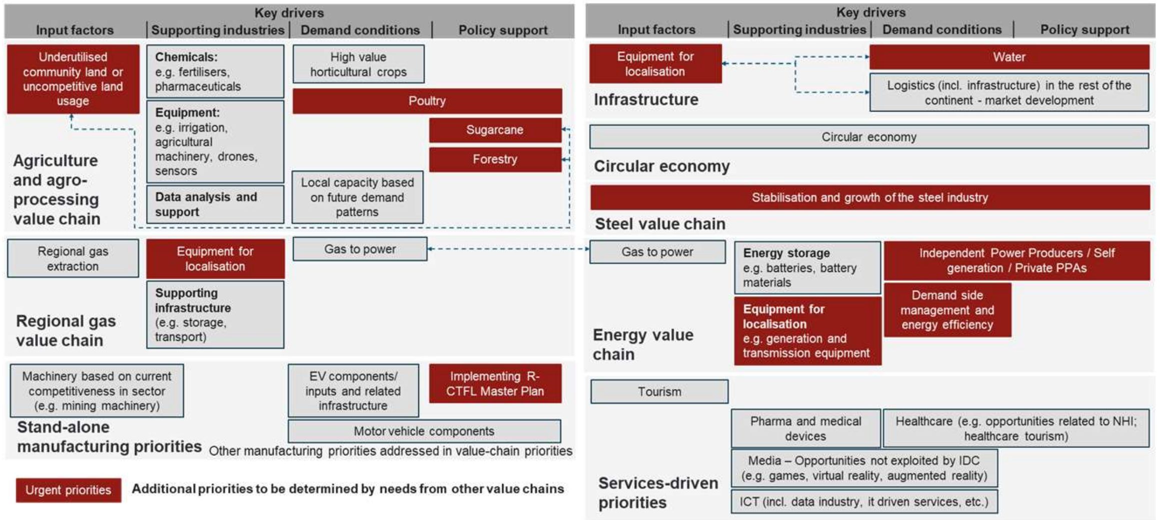
Planning

- Proactive industry development focus
- Actively working with SA Government on Master Plans
- Development of regional value chains



Project Development

- Enhance capacity and expertise to develop projects
- Long-term impact rather than short-term goals:
  - Substantial proactive involvement in progressing through project lifecycle (scoping, pre-feasibility, feasibility and implementation)
  - Developed internally or with a partner/s
  - IDC can become involved at any stage of the development phase
- Projects should have a significant impact on:
  - Sector development
  - Developing infant industries
  - Building IDC’s balance sheet
  - Linking value chains

Systematic planning and integration of business priorities to achieve regional development impact

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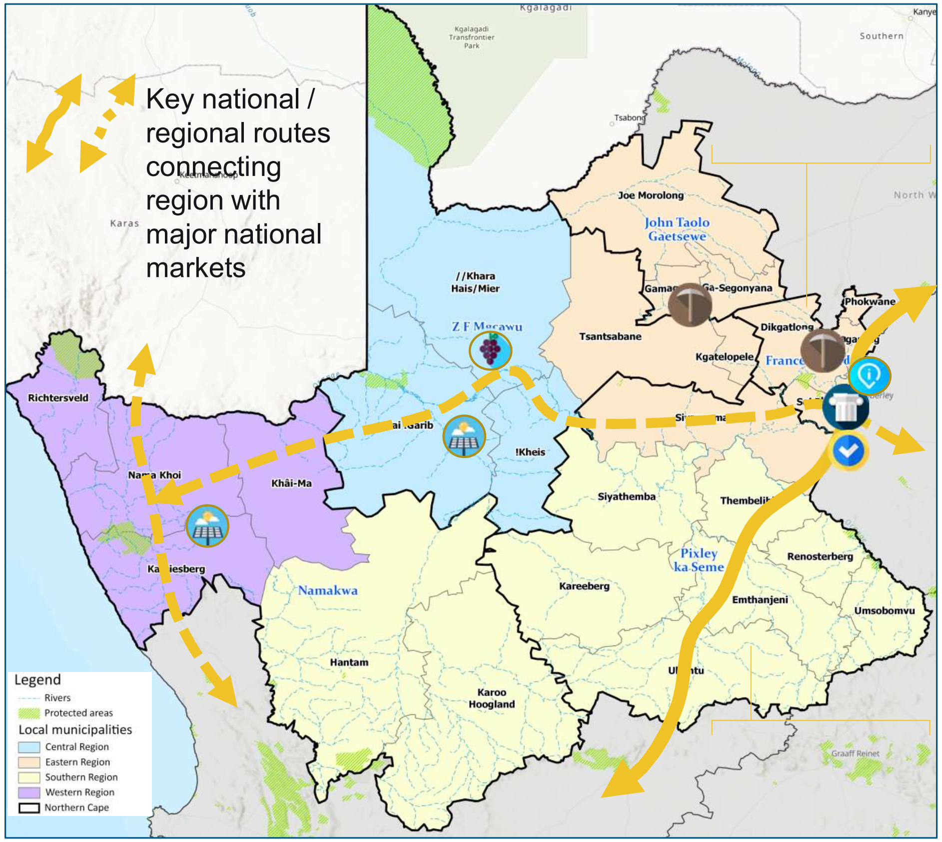
Immediate Interventions

- Mining investments
- Renewable energy investments (including BEE and community trusts)
- Masterplans (steel and agro-processing)
- Scope green hydrogen economy opportunities
- SME Connect: Black Mountain Mine and Assmang pilot
- Industrial park development (e.g. Namakwa SEZ)
- Partnership engagement with Impact Catalyst (Anglo, Exxaro, Aurecon, CSIR and World Vision development consortium)

Proposed Namakwa SEZ

Medium to long term interventions

- Integrated mining, agricultural and infrastructure developments
- Co-ordinated regional enterprise and supplier development programmes (across value chains)
- Localisation and beneficiation opportunities
- Regional integrated specialist sector development zones
- Create hydrogen economy - diversify SA fuel dependence and export capacity



Existing IDC Activities

- Horticulture (grapes)
- Mining
- Green Energy : Solar
- Green Energy : Wind

Energy - solid growth anticipated

Background

Global: Energy demand continues to grow

SA biggest electricity contributor in SADC
- under-performing
- high coal dependence

Transition to **renewable** energy
De-carbonization of the economy

IRP delays negatively impacted value chain historically

Opportunity

Solid & growing pipeline of impactful projects/deals

Proactive engagement with NERSA , DMRE & IPP Office to influence outcomes such as the regulatory framework, local content and transformation of the sector.

Focus on full value chain development in collaboration to maximise local beneficiation and value-addition

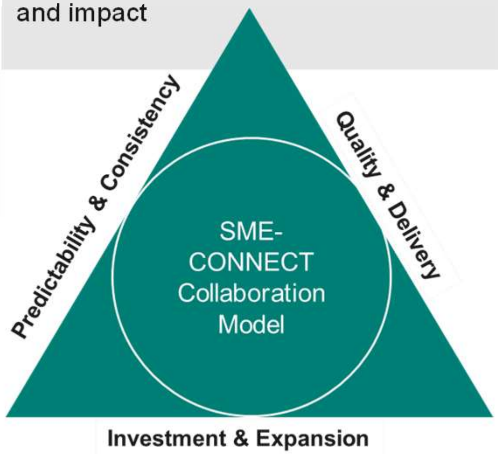
- Development of energy storage (battery) value chains
- Beneficiation opportunities
- Support projects aiming to develop domestic gas resources

Catalyse adoption of cleaner energy generation/efficiency technologies across sectors / industries for cost reduction, efficiency improvement and profitability

SME development

A phased approach to create sustained impact

FOCUS	Small Business SBU:	In Pilot:	End State
Customer	SME	SME in Corporate Value Chain	SMEs across Corporate Value Chains
Offering	Simple product	Product and Support	Digital access to tools and shared procurement
Aim	Increase market share	Dominate market space with partners	Prosperity of ecosystem
Horizon	Short term growth	Short term impact	Multi-generational sustainable success
Market Research	Identify industrial finance gap in market	Identify supply chain opportunity in market	Empower through access – whatever, wherever, whenever
Financial / Development Balance	Price for risk, subsidy for distressed clients able to recover from COVID	Price for risk – risk mitigated by Corporate partner off take / non-financial support	Identify, manage and mitigate risk with technology and partners, scaling portfolio and impact
Implementation Example	COVID19 Small Industrial Finance Distressed Fund	Assmang Enterprise Development Namakwa SEZ and Black Mountain Mine	



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Thank you