

Projects and Partnerships post COVID

SADC DFRC - AFRECO: Webinar 29 October 2020



IDC's role in industrial development

Current Business Activities





Feasibility studies Early stage development Exploration	New business New project New innovation				Steady state	operations	Capacity expansion / new product lines Business rescue / liquidation			
Projects	ē			<u> </u>	Q		σ	2 60	σ	udi
Projects SBUs	ucture	rgy	ing	inery	otive	nicals	is and	Agr	m and ices	A A
-	t.	Energy	Mining	Machinery	Automotive	Chemicals		Agr sing	Tourism and Services	Media and Aud



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



Planning

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

Key drivers				Key drivers			
Input factors	Supporting industries	Demand conditions	Policy support	Input factors	Supporting industries	Demand conditions Policy support	
Underutilised community land or uncompetitive land	Chemicals: e.g. fertilisers, pharmaceuticals Equipment:	High value horticultural crops		Equipment for localisation	Logistics (incl. infrastructure) in the re-		
usage		Poultry		Infrastructure		continent - market development	
t	e.g. irrigation, agricultural	Sugarcane		Circular economy			
griculture nd agro-	machinery, drones, sensors		Forestry 🕶	Circular economy			
rocessing	Data analysis and support	Local capacity based on future demand patterns		Stabilisation and growth of the steel industry			
alue chain	support	patterns		Steel value chain	ı		
Regional gas extraction	Equipment for localisation	Gas to power		Gas to power	Energy storage e.g. batteries, battery	Independent Power Producers / Self generation / Private PPAs	
Regional gas /alue chain	Supporting infrastructure (e.g. storage, transport)			Energy value chain	materials Equipment for localisation e.g. generation and transmission equipment	Demand side management and energy efficiency	
Machinery based on competitiveness in s (e.g. mining maching	ector	EV components/ inputs and related infrastructure	Implementing R- CTFL Master Plan	Tourism]		
Stand-alone		Motor vehicle components			Pharma and medical devices	Healthcare (e.g. opportunities related to NHI; healthcare tourism)	
anufacturing priorities Other manufacturing priorities addressed in value-chain priorities			Services-driven	Media – Opportunities no (e.g. games, virtual reality			
Urgent priorities Additional priorities to be		determined by needs from other value chains		priorities			

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



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





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	CONNECT Collaboration Model
			CONNECT Collaboration Collaboration Model

Investment & Expansion



Thank you

