

Engen funds Durban Prosperator in partnership with Raizcorp

Business incubator to boost supply chain capacity, local economy and sectorial transformation

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Engen Petroleum, SA's leading marketer of petroleum products, continued its strategy of business-aligned transformation this month with the funding of a Durban South incubation centre in partnership with leading South African incubator group Raizcorp.

The partnership was launched at a ceremony attended by Minister of Energy Dipuo Peters.

"Although much still needs to be done to continue transformation of the liquid fuels sector, significant strides have been made in some areas, including enterprise development," said Minister Peters. "Of this, the Durban South Basin Incubator Centre is an example."

Raising up black business

One of eight centres of its kind established in South Africa by Raizcorp, and otherwise known as the 'Engen Prosperator', the facility focuses on supporting the growth of black-owned small businesses under Raizcorp's ARIZE programme for historically-disadvantaged entrepreneurs.

Founder and CEO of Raizcorp, Allon Raiz, says ARIZE offers companies an enterprise development investment solution without the need to invest in the relevant capacity. "Investment in enterprise development can boost companies' broad-based black economic empowerment rating. However, most companies do not have the capacity to identify, set up and support effective and sustainable enterprise development initiatives."

He points out that the Raizcorp model offers much more than typical business incubators. "We build sustainable and prosperous businesses, which is why we use the term Prosperator. Each enterprise that finds its feet and goes on to thrive on its own, will create jobs, enhance skills acquisition and contribute to the prosperity of the community", he says.

World-class entrepreneurial development

Through this programme, Engen will commit a significant investment in enterprise development over a three year period.

Engen Group Transformation Manager, Unathi Njokweni-Magida says over the years Engen has contributed to the economy of the country by providing fuel. "Now we

have taken this a step further .we are contributing to the transformation of the nation by equipping entrepreneurs with better capabilities to grow their businesses"

Tasneem Sulaiman-Bray, Engen's General Manager of Corporate Affairs, says Engen is proud to be associated with Raizcorp through the centre's comprehensive Entrepreneurial Development Programme.

The centre offers Council of Higher Education-Accredited learning modules (NQF level 5 or diploma-equivalent) and world class entrepreneurial guiding. Through the Prosperator, the programme also offers all the necessary systems and resources in terms of office equipment, infrastructure, bookkeeping and more, to assist entrepreneurial companies to grow into thriving businesses.

Under the initiative, training will be given to 20 SMMEs in the first year, 20 in the second year, and another 10 during the third year.

Sixteen beneficiary companies are already undergoing entrepreneurial development, with more in the pipeline.

#### Widespread benefits

Sulaiman-Bray says in times of ever scarcer resources, Engen seeks out the most deserving investments with the greatest and most wide-spread benefit.

"Not only does this bring about much-needed transformation in the industry, the Engen Prosperator will also grow the local economy and small business capacity, she says.

#### Ends

Background on enterprise development: According to the Codes for BBBEE, smaller companies (those with a turnover of R5m-R35m) may score up to 25 points on their BEE scorecard by investing 2% of net profit after tax (NPAT) in a BBBEE compliant enterprise development initiative. Those with a turnover above R35m may claim 15 points on their BEE scorecard for investing 3% of their NPAT in enterprise development.

Small to medium companies are responsible for 45% of the jobs in the private sector in South Africa, and new businesses create an average of 4.4 jobs, according to a recent study by the Finmark Trust. In this context, Raizcorp developed its ARIZE programme in response to the dire need in South Africa to build sustainable small businesses and in turn create jobs. In line with BBBEE requirements, the owners of 51% black-owned companies may apply for sponsorship to enter the programme.

Applicants have to meet certain criteria and they also go through a stringent screening process in order to be selected. They must own a registered business that has been in operation for at least 6 months; they must be working full-time in their business; and

they must have an average monthly turnover of at least R10 000. However, they do not have to be profitable to apply for the programme.

#### About Engen

Engen Petroleum Limited, a subsidiary of Malaysian national oil and gas company PETRONAS, is an African energy company that refines crude oil, markets petroleum products and provides convenience services through an extensive retail network. Engen has a significant presence in 19 countries in Sub Saharan Africa and the Indian Ocean Islands. The company also exports its products to various other territories.

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