

## The Black Industrialist Programme: It's Benefits And The Vital Impact It Will Have On The Economy

The Black Industrialist Programme (BIP) is a key component of the Department of Trade and Industry's (**the dti**) Industrial Policy Action Plan (IPAP). It has been developed as a practical tool to achieve the demographic transformation of economic power and spatial concentration within the overall industrial strategy, outlined in IPAP and the objectives of national development as articulated in the NDP.

The level of empowerment in manufacturing remains low in South Africa and there is a need to see the promotion of "hands-on" black business, as opposed to passive shareholding, if we are to see 'South Africa's Vision 2030' of seeking to eradicate poverty and reduce inequality, become a reality. In this context, the State has a moral obligation to creatively harness national resources towards the resolution of the historical injustice of racial, gender and class exclusion in all spheres of life.

The main focus of BIP is directed towards manufacturing, industrialisation and economic growth, with the purpose of enhancing these elements, through inclusion of the previously disadvantaged black population into the mainstream economy. Being a key driver of job creation, it is imperative that the country invests in and enables a new generation of black industrialists to help repair South Africa's concerning unemployment figures.

The BIP identification process looks at key elements such as the significant influence in an enterprise or industry and the successful candidates must possess control of an enterprise, through shareholding in the capacity of a board or executive management. The going concern would be required to produce goods or services that present a significant solution to a need in the industry.

Amongst the many benefits, the BIP will enhance black manufacturing enterprises by equipping them with the necessary equity to gain access to the private banking sector and finance to enable expansion. Access to markets has for some time, prevented black entrants into the industrial sector because of their limited marketing capacity and market research, which the BIP will address, to ensure these enterprises have the capacity to explore these niche and overcrowded markets. The BIP will assist black industrialists to gain entry into the capital markets and aid growth in their respective sectors by forming stakeholder relationships with corporations, banks, development finance institutions and state-owned enterprises.

As with any business, the key to operating it successfully, with the aim of keeping it sustainable, is access to relevant skills and industry-specific knowledge. **The dti** aims to remedy this by training business owners and workers in the hope to build capacity that will see these black enterprises thrive. This significant intervention needs key stakeholders to collaborate in order to see the programme move forward, empowering the black industrial enterprises to grow to their full potential. The progress of the BIP was addressed at the Manufacturing Indaba in 2016 and the discussion will continue at the 2017 Manufacturing Indaba.