

Eastern Cape Evelopment Corporation (Ecdc) Media Release

R67 Million Sanitary Towel Manufacturing Plant On The Cards For East London

11 February 2020: A R67 million high-tech sanitary towel manufacturing plant is on the cards for East London through an Eastern Cape Development Corporation (ECDC) facilitated deal struck between local sanitary towel distributor Ntombam Sanitary Towels and Clothing and South Korean outfit M.view Global.

According to M.view Global general manager for South Africa Min Lee, the 8000 – 9000 square metre facility is earmarked for the East London Industrial Development Zone (East London IDZ). The plant which will be built on 12 000 square metres is expected to begin operations in June 2021. M.view Global will contribute state-of-the-art manufacturing equipment worth R24 million as part of the deal.

Lee made the remarks at the launch of the ECDC's sanitary towel distribution drive at three schools in Duncan Village, Ndevana and Mooiplaas recently. M.view Global donated 100 000 pieces of sanitary towels through ECDC which will be distributed to selected schools across the province.

"East London is an ideal location because of its IDZ and port facilities which will aid exports of the product. The plan is to initially target 10% of the products for the export market. Already, there is interest from four Southern African countries to import Yamanina's products. The plant is expected to create 76 full-time jobs.

"This includes skilling local labour for the plant. We are very experienced in this space. We already run manufacturing plants in South Korea and Paraguay. At the East London factory we are looking at running two production lines which will produce medium and large sized sanitary towels. This should translate to 288 000 pieces of sanitary towels on each line per day or 576 000 on both lines per day," says Lee.

Lee says the deal between Ntombam and M.view Global materialised after ECDC met with the Korean Trade and investment Agency (Kotra) in Botswana in 2018 where in Kotra indicated that a South Korean sanitary towel manufacturer was interested in setting up in South Africa. M.view Global indicated that they would like to partner with a local company already operating in the space which resulted in the partnership with Ntombam. This resulted in a fact finding mission to South Korea in August 2019, which included Ntombam, to see the configurations and scale of the operations to further advance the discussions around the establishment of the plant in the Eastern Cape.

"The companies have formed an operating company called Yamanina which will own the manufacturing plant. It will be 70% owned by Ntombam and 30% owned by M.view Global. A business plan has been finalised and the local partner Ntombam is raising the required capital," says Lee.

ECDC chief executive officer Ndzondelelo Dlulane says the deal is important in boosting local manufacturing, skills development and transfers, and in positioning the Eastern Cape as a manufacturing hub.

"ECDC welcomes the deal struck between M.view Global and Ntombam as it ticks all the boxes in terms of the corporation's investment promotion approach. The development of a partnership with a local company is critical in building the manufacturing capacity of local enterprises and for skills development in the sector in general.

The deal brings a potential for sustainable jobs and perhaps future expansion potential where deemed necessary. ECDC will continue to support this partnership until its practical completion," says Dlulane.

Ntombam founder Babalwa Mbuku says the manufacturing plant will help the business enter the mainstream production sector and compete with major sanitary towel brands. This deal will lift our profile and status and it moves us from selling from the boots of our cars to mass production and distribution.

“Mainstream retailers should now start to take us more seriously. Currently we import, package and sell sanitary towels to pharmacies, convenience stores and cosmetics stores in the Eastern Cape and in the Western Cape. This deal effectively gives us a seat at the table.

“We have been assisted by the likes of ECDC and the Small Enterprise Development Agency (SEDA) with packaging support as well as incubation support from the South African Bureau of Standards (SABS) with coaching on compliance issues. ECDC also gave our company 490 square metre premises in Fort Jackson for packaging and distribution,” says Mbuku.