



FUNDING FOR THE PRINTING, PACKAGING
AND PLASTICS INDUSTRY IN SOUTH AFRICA

TYPES OF FUNDING AVAILABLE

- Grants
- Bank loans
- Specialist Finance companies
- Vendor and JV equipment finance
- Tax Incentives
- Private Equity
- Capital and Equity Markets



BUSINESS HAS CHANGED AND EVOLVED

- **Impact of Globalisation – India ,China. USA, Japan, Europe, Brazil, Turkey**
- **Competition within world markets and free markets- SA economy vs World and emerging economies**
- **Reduction in Trade protection and duties**
- **Political Landscape and corruption in SA- Business and consumer confidence at low**
- **Weak economic growth high unemployment- currency volatility**



- **Economic risk and stagnation**
- **Little Government stimulation**
- **Companies holding off on purchasing equipment and investing in new projects**
- **We need to be cost effective and competitive to survive**
- **GAP between economies will widen and we wont catch up**



- **Economic environment has impacted on all the role players- SMME's, suppliers and financiers-all feeling the pressure- we are all interlinked**
- **To compete in industry we need to invest in technology and equipment**
- **Credit collapse and banking crisis in 2008 – regulations impacted all industries**
- **Banks and funding models have changed- risk and predictability**



- Niche Finance companies collaborate with Banks and Capital markets
- Joint ventures between equipment suppliers , Banks and Niche Financiers
- Skills and knowledge of specific industry sectors are retained within these JVs
- Customers increasingly look for total solutions- end to end package
- Balance sheet and Tax efficiencies part of the solution



- **Many of these niche finance companies have clear understanding of these industries and their customers requirements- collaboration between equipment supplier , customer and financier has to be the way forward**
- **These partnerships develop into long term relationships**
- **Risk mitigation– history and track record**
- **Access to people that understand your business**



- Listed entities
- Highly regulated
- Information requirements can be onerous
- Everything you do is in the public domain
- At the mercy of the market and the public if they don't like what you are doing



- **Department of Trade and Industry**
- **Promote economic development, Black economic empowerment**
- **Increase and broaden participation from all sectors of society and industry**
- **Support provided to Manufacturing sectors**
- **Slow and complex to access**



- Industrial Development Corporation
- State owned development finance institution who's objectives are to finance sustainable enterprise supporting industrial development for entrepreneurs
- IDC also provides X industry schemes
- Start ups to R 1 billion
- Slow and limited due diligence process takes long



- **NEF- National Empowerment Fund**
- **Provides funding and management expertise to black empowered businesses**
- **Loans are from 250k up to R 75 million**
- **Key area is providing finance and equity into private projects and businesses regarded as bankable**



- SEFA- Small Enterprise Financing agency combination of Khula Enterprise Finance Ltd and Small business IDC
- Small to medium sized enterprises in all sectors
- Loans from 50k to R 5 million



- One size does not fit all
- Choose partners wisely
- Engage with all interested parties
- Auditors , bankers , financiers and advisory agencies for grants and incentives

