



Business Trust Update

June 2008

The Business Trust Extends Operations to 2011

At its meeting in June 2008 the board of the Business Trust approved a plan for its 10th year of operation and extended the current programme cycle to June 2011. That extension was made possible by the level of funding available for projects. It will also provide an opportunity for a systematic discussion on the role of the organisation as political developments unfold over the coming months.

The aim over the next 36 months is to:

- Position the Business Trust to be available to play an enhanced role in the future.
- Manage existing financial resources judiciously.
- Retain the capacity to combine the resources of business and government to accelerate the achievement of national objectives.
- Manage the current programme portfolio to achieve the targeted objectives.

The programme objectives are to have in place:

- An independent company supporting the development of tourism enterprise on a sustainable basis.
- A Business Process Outsourcing promotion agency enabling business and government to work together to expand the BPO sector.
- A self sustaining fund to support the preparation of infrastructure projects by provincial and municipal authorities.
- The national capacity to manage a public works programme at an expanded scale.
- A business/government alliance on poverty reduction.

The Business Trust Model

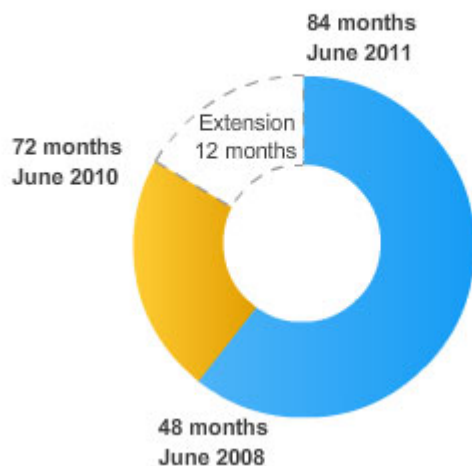
We will continue to refine the business model in terms of which the Business Trust works in partnership with government departments to contract service providers who support organisations and enterprises that develop skills, employ people and provide services that benefit the poor.

Brian Whittaker
Chief Executive



Resource mobilisation and programme implementation

Current Programme Cycle



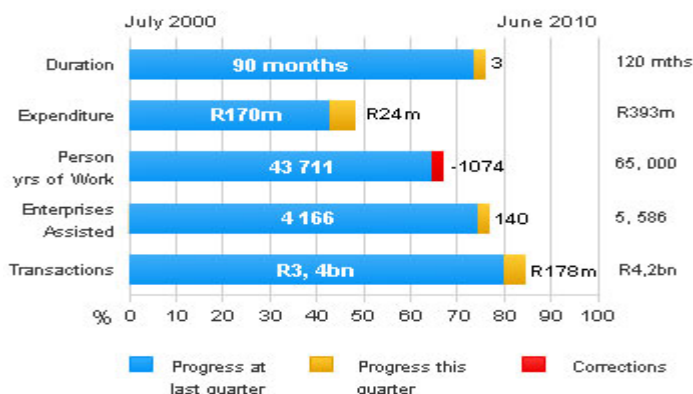
Programme Status



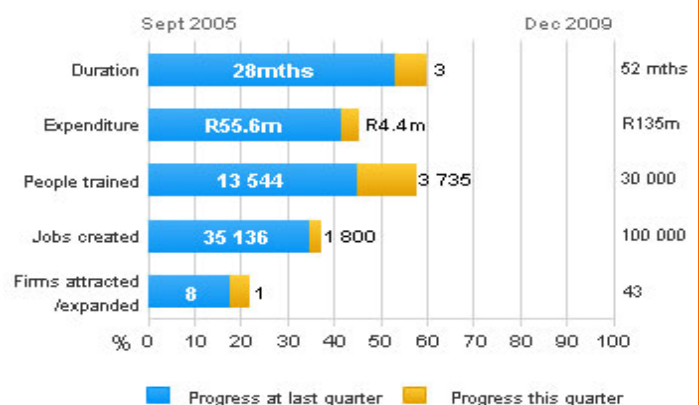
- The extension of the current programme cycle to June 2011 has resulted in a reforecast based on an increase in currently contracted projects to R688m (from R653m last quarter), and the extension of planned projects by R51m to R215m.
- The reserve at the end of 2011 will drop to R5m if all planned work is contracted and completed by that date. The practical consequence of this will be to spread the expenditure on three large projects (Tourism Enterprise; Business Process Outsourcing and Community Investment) over three years rather than two.

Supporting priority growth sectors

TEP Results to 31 March 2008



BPO Results to 31 March 2008



Tourism Enterprise Partnership sets new strategy

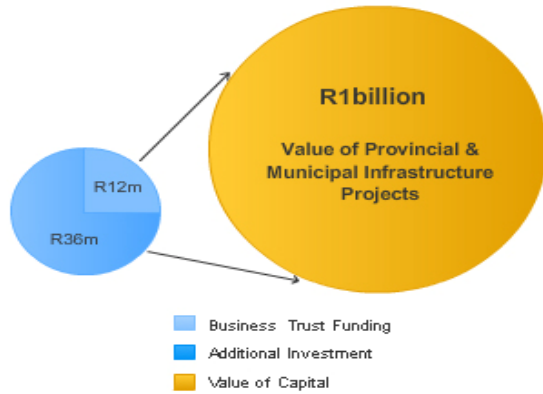
- The transition from a project to a company was completed during the quarter. An additional 140 enterprises were assisted and the value of transactions rose by R178m. The person years of work supported was reduced by 1 074 following a review of the audited results.
- The board approved a record R86m budget for the 2008/09 financial year, based on funding from the Business Trust, the Department of Environmental Affairs and Tourism, and the Spanish government.
- The new company will form partnerships, establish clusters of SMMEs, develop skills and link small businesses into the tourism channel. It will launch a number of new initiatives, including the 'Hidden Treasures' retail project, which will aim to bring local crafters to the international market, focusing on quality products.

Outsourcing programme builds skills

- This Business Process Outsourcing (BPO) support programme, working in partnership with the Department of Trade and Industry (dti), aims to enhance South Africa's competitiveness in the Business Process Outsourcing Sector.
- Competitiveness requires good quality skills at the levels of managers, supervisors and new entrants. The Monyetla Work Readiness training programme was designed and piloted by the Business Trust. The pilot will train 1 000 previously unemployed people. It is funded by the National Skills Fund through the dti and has to date seen 85% of learners graduate successfully, 89% of whom have been employed by their host employers. In many instances, employers are taking 100% of the Monyetla learners upon completion of the training programme.
- Increased government funding will be required to match the demand for entry level skills.

Supporting the development of infrastructure and the acquisition of skills

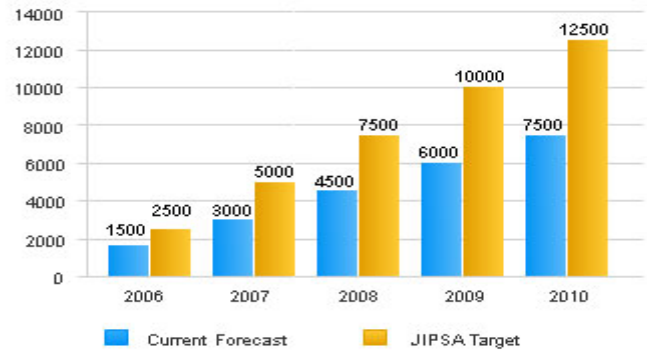
Project Preparation Fund



Programme to support R1bn infrastructure

- The Support Programme for Accelerated Infrastructure Development (SPAID) contributes to meeting Asgi-SA infrastructure targets
- A Project Preparation Fund has been designed to finance the use of private specialists (on a commercial basis) to ensure professional project preparation for infrastructure projects. Co funding has been secured to capitalise the fund which will support the accelerated development of some R1bn of infrastructure projects.
- A management information system is being developed to assist the Department of Provincial and Local Government (dplg) to reduce the infrastructure backlog.

JIPSA Engineering Graduates Forecast

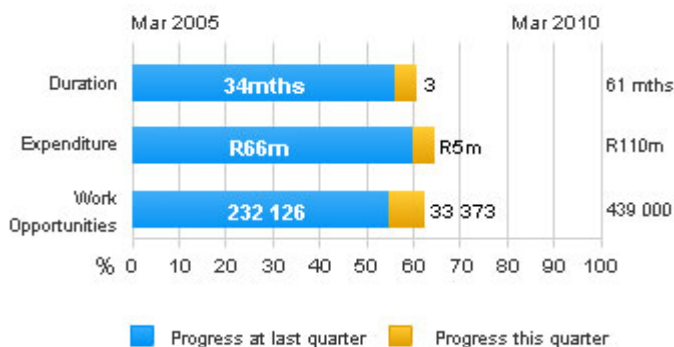


Jipsa support extended

- The Joint Initiative on Priority Skills Acquisition (Jipsa) was established by the Cabinet to support Asgi-SA, and is two years into its three year lifespan. It is working to fast-track the acquisition of priority skills required to support accelerated and shared growth. The Business Trust has agreed to extend its funding for the secretariat of JIPSA to June 2010.
- In 2007, the Department of Education committed R439 million towards improved teaching and learning infrastructure for engineering.
- Between 2007 and 2009 38 879 artisans will be registered. The National Skills Fund (NSF) allocated an additional R300 million for the training of a further 7 350 artisans.
- The number of engineers in training will be increased to 12 500 by 2010.

Combating poverty

Support Programme Results to 31 March 2008



Demand for public works grows

- The Government's public works programme passed the 950 000 mark of beneficiaries a year ahead of target.
- A range of options has been developed to take the programme to a substantially expanded scale.
- The Business Trust support programme worked with national, provincial and local departments, to meet current objectives and build the capacity to support expansion.
- Infrastructure programmes have been expanded by combining small and large contractors, an innovative waste collection scheme has been developed and a mobile technology system developed to support the expansion of home based and early childhood care.

MABEDI Results to 31 March 2008



R100m investment secured

- The Maruleng and Bushbuckridge Economic Development Initiative, or MABEDI, falls under the Business Trust's Community Investment Programme (CIP). The CIP has three elements: to provide detailed economic information on the Presidential Poverty Nodes (completed); to pilot an enterprise development programme in a rural area (MABEDI); and to mobilise corporate support for poverty reduction.
- The pilot MABEDI has secured over R100m of land development agreements in the area.
- Direct support for enterprises has however been difficult as the graph shows no new small enterprises were linked to markets during the quarter.

Business Trust Corporate Partners 1999—2009

ABSA Group Limited*
 Accenture (South Africa) Pty Ltd*
 Adcorp Holdings Ltd
 Afcom*
 African Oxygen Ltd*
 African Rainbow Minerals *
 Amalgamated Beverages*
 Anglo American*
 Anglo Platinum*
 AngloGold Ashanti*
 ApexHi Properties
 Apollo Brick (Pty) Ltd*
 Ardov Clothing
 Aveng Ltd*
 AVI Limited*
 B & A Group (Pty) Ltd
 B & W Instrumentation & Electrical (Pty) Ltd*
 Barloworld Ltd*
 Bauer & Thomson*
 Bearing Man Ltd*
 BHP Billiton SA Holdings SA
 Bidvest *
 BMW South Africa (Pty) Ltd
 BP Southern Africa (Pty) Ltd*
 Brimstone Investment Corporation Ltd*
 Business Connexion
 Business Partners Ltd
 Chipkins Catering Supplies*
 City Lodge Hotels Ltd
 Consol Limited*
 De Beers*
 Deloitte Southern Africa*
 Denel
 Dimension Data South Africa (Pty) Ltd*
 Discovery *
 Distell
 Dorbyl Ltd
 Dresser Ltd
 Driefontein Mines*
 Du Pont de Nemours International SA
 Elgin Brown & Hamer (Pty) Ltd
 Ernst & Young*
 Eskom*
 Exxaro
 Fedsure
 First National Bank*
 FirstRand *
 Fourway Haulage SA (Pty) Ltd
 French Engineering Works (Pty) Ltd*
 Future Kids
 G.J. Schouten & Sons (Pty) Ltd*
 GE Hudson*
 General Motors South Africa (Pty) Ltd*
 GFL Mining Services*
 Gold Fields Ltd*
 Grant Thornton
 Grinaker-LTA Ltd *
 Grincor Management Services (Pty) Ltd
 HA Falchem
 Harmony Gold Mining Co Ltd
 Holcim (South Africa) (Pty) Ltd*
 Hollard Life Assurance Company Ltd*
 Hosken Consolidated Investments Ltd
 Howden Africa Holdings Ltd*
 I&J*
 IDC*
 Illovo Sugar Limited*
 INCA*
 Investec Ltd*
 Johnnic Communications
 Kirchmann-Hurry Investments Ltd*
 Kloof Gold Mining Company Ltd*
 KPMG
 Kumba Iron Ore*
 Liberty Life*
 Lonmin Platinum
 Macsteel Service Centres SA (Pty) Ltd*
 Maluleke Seriti Makume Matlala Inc*
 MBB Services International (Pty) Ltd*
 McConnell Dowell Corporation Ltd (Australia)
 Mediclinic
 Mercantile Bank Holdings Ltd
 Mercedes-Benz SA
 Mittal Steel Company
 Mkondeni Motor Garage (Pty) Ltd*
 Momentum*
 Murray & Roberts Holdings Ltd*
 Mvelaphanda Holdings (Pty) Ltd
 Nampak*
 Naspers Ltd
 National Brands*
 Nedbank Group*
 Next Chimica
 Ogilvy & Mather Rightford, Searle-Tripp & Makin
 Old Mutual Life Assurance Company (South Africa) Ltd*
 People's Bank*
 Pretoria Portland Cement Company Ltd*
 PricewaterhouseCoopers*
 Rainbow Farms (Pty) Ltd*
 Rand Merchant Bank*
 Rembrandt Group
 Rennies Financial Services*
 Rennies Travel
 Reunert Limited*
 RMB Holdings*
 SAFIC*
 Sanlam Capital Markets*
 Sanlam Ltd*
 Santam Ltd
 Sappi Ltd*
 Sasol Ltd*
 Set Point Technology
 Shell South Africa Energy (Pty) Ltd*
 Siemens Southern Africa*
 Sinhako Staffshop (Pty) Ltd
 Southern Sun Holdings*
 Spoor and Fisher
 SRK Consulting*
 Standard Bank of South Africa Ltd*
 Steiner Hygiene Services*
 Sun International Ltd*
 Sunspray Food Ingredients (Pty) Ltd*
 Tente Castors SA (Pty) Ltd*
 The Fedics Group Ltd
 The Hollard Insurance Company*
 The Macsteel Group*
 The Old Shanghai Firecracker Factory
 The South African Breweries Ltd*
 The Tongaat-Hulett Group Ltd*
 Three Cities Group
 Times Media Ltd
 Tourvest
 Trans Hex
 Transnet Ltd*
 Trident Steel Holdings (Pty) Ltd*
 Unilever South Africa Ltd*
 Unitrans Ltd*
 Venfin Ltd
 Volkswagen of South Africa (Pty) Ltd*
 Waltons Stationary*
 WBHO Construction (Pty) Ltd*
 Wesbank*
 Western Areas Ltd

* 10 year funder



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