



INCENTIVES SA

Helping Your Business Grow

Clothing and Textiles (IDC)

Description:

The IDC's goal is to develop a viable model for the clothing and textiles industry, supporting existing players to enhance competitiveness, wherever possible. The IDC's Clothing and Textiles Strategic Business Unit offers support to a variety of enterprises across the industry, ranging from companies producing natural or synthetic fabrics and creating home décor, as well as those involved in the manufacture of leather goods and clothing. The projects the IDC supports must promote entrepreneurship, industrial development and strategic partnerships.

Please note that the IDC also manage a Clothing, Textiles, Leather & Footwear Competitiveness Scheme on behalf of Department of Trade and Industry.

Outcomes:

The IDC envisage that through their funding and project development activities, the IDC can have the following impact on the South African economy:

- Expand and extend existing industries in order to create and/or preserve jobs and drive sustainable economic growth.
- Enable the local clothing and textiles industry to achieve its potential and become globally competitive.



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Doing business with the unit:

If you have any of the following projects, please contact the IDC business unit:

- Natural fibres, including cashmere, wool and mohair beneficiation;
- Synthetic fibre production;
- Spinning of yarns, knitting and weaving of fabrics;
- Dyeing, printing and finishing of fabrics;
- Non-woven textiles;
- Household textiles;
- Clothing manufacturing;
- Footwear;
- Leather tanning; and
- Leather products.
- We encourage the following categories of businesses to apply:
- Manufacturers who wish to expand and/or modernise their production capacity;
- Manufacturers in distress due to global economic trading conditions;
- Entrepreneurs who wish to start up small to medium manufacturing facilities.

The IDC does not refinance assets.

Every business proposal is considered on its own merits, but preference is given to:

- Financing fixed assets and the fixed portion of growth in working capital requirements;
- Supporting projects and/or businesses that have a high developmental impact such as rural development, empowerment, job creation, township development and value addition; and
- Supplying distress funding for troubled companies that have a clear turnaround plan.



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Funding criteria:

The IDC's minimum investment requirements:

- Security, the type of which will relate to your specific circumstances;
- Compliance with international environmental standards;
- Relevant bargaining council compliance; and
- Shareholders/owners are expected to make a material contribution, generally 35% of total assets for going concerns and 45%-50% for start-ups, depending on the industry norms and risks involved. We prefer our exposure not to exceed that of the owners of the business. However, the contribution for start-ups with a material developmental and job creation impact may be lowered, in which case the IDC may be prepared to extend finance greater than the owners' contribution.

Applying for funding:

The IDC considers each application carefully.

In addition to the specific requirements of the clothing and textiles strategic business unit, applications must meet the IDC's minimum requirements.

Minimum requirements:

- Compliance with international environmental standards.
- Shareholders/owners are expected to make a financial contribution:
- The contribution of historically disadvantaged people under special circumstances may be lowered, in which case the IDC will be prepared to extend finance in excess of the owner's contribution.
- The project/business must exhibit economic merit in terms of profitability and sustainability.
- The IDC does not re-finance fixed assets since our aim is to expand the industrial base.



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For more information please contact Incentive SA on the following numbers:

Cape Town: 021 671 4400

Johannesburg: 011 026 2680

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