

# Stimulating economic growth through small business development

The development of independent entrepreneurs is one of the most effective ways of stimulating economic growth and creating jobs in our communities

A growing small and medium enterprise (SME) sector is vital for broadening economic participation and delivering on economic development priorities. It also supports our aim to diversify our supply chain. We have established a dedicated enterprise and supplier development function to drive these objectives. This economic growth imperative has been included in the 2014 list of material sustainability focus areas.

Our approach to SME development aims to support and nurture small businesses through integrated technical and business development support, as well as mentoring and coaching for entrepreneurs. In South Africa, the Sasol Siyakha Enterprise and Supplier Development Fund provides our SME suppliers with loan funding to bolster their sustainability and create an enabling environment for them to thrive. Since its establishment in 2008, the fund has disbursed over R65 million. This year the fund provided 11 SMEs with R11,1 million in loan funding.

Through our work in small business development, we have learnt that access to infrastructure and facilities is one of the key growth enablers for SMEs. We are developing the 172-hectare ChemCity Eco-Industrial Park (CEIP) in Sasolburg, where serviced stands will be sold to businesses at competitive rates for them to conduct general and industrial business activities. The CEIP is being developed in phases, with occupation of the first phase underway. Civil infrastructure for the second phase is in progress. When complete, our total investment in this initiative will be over R185 million.

The CEIP will provide on-site business development and technical support services for qualifying SMEs in the Vaal Triangle, thereby promoting local economic development in the area.

Partnering with relevant stakeholders is a key contributor to our success in supporting SMEs. Together with the Department of Trade and Industry (dti), we are creating a R50 million business incubator facility at the CEIP. This facility forms part of the dti's campaign to roll out 200 business incubators nationwide. The development will include a 2 000 m<sup>2</sup> building that will provide office-based incubation services. A further four buildings will cater for the incubation of small-scale manufacturing businesses. Four of the five buildings were constructed using alternative building technology acquired from SMEs supported by Sasol.

In October 2011, we partnered with the Department of Science and Technology to develop a plant oil and extract facility in the Limpopo province. The aim of this project is to apply innovative technology to local natural resources to create sustainable livelihoods in the area. Agriculture is an important economic sector in the greater Tzaneen area, with fruit such as oranges, grapefruit, mangoes, avocados and bananas produced at both small and commercial scale. As the implementing partner, Sasol brought expertise in cosmetic formulations, by-product beneficiation, small entrepreneurial development and the incubation of small businesses. In 2014, the project reached full commercialisation.

While the focus of our SME development activities is primarily in the communities in which we operate, the positive impacts of our enterprise and supplier development programmes contribute more broadly to economic development and transformation.

