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ZONEBEAT

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IN THIS EDITION...

PAGE

- 1.** EC Government's support to **distressed manufacturers**
- 3.** The **Call-2-Action campaign** prepares the city for investment
- 4.** **Electrical breakthrough** for a village in the Eastern Cape
- 6.** Collectall leads the way in **environmental stewardship**
- 6.** A wise move from **Frotek injects growth** into the company
- 7.** KGI | BPO to create **employment opportunities** in the city

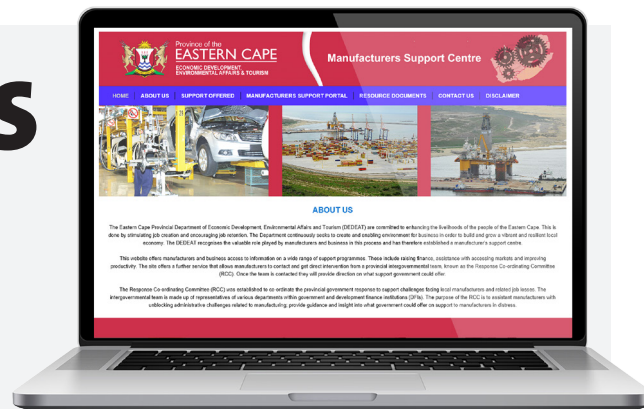
PAGE

- 2.** ELIDZ promoting good **ICT governance**
- 3.** A grand opening for a **R1 billion smart factory** in the zone
- 5.** Sundale Dairy acquires **national cheese factory**



east london idz
business streamlined

EC GOVERNMENT'S SUPPORT TO DISTRESSED MANUFACTURERS



The Eastern Cape Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) has established a Manufacturers Support Centre (MSC) geared towards assisting distressed manufacturers in the province.

Born out of the need to grow and nurture the provincial industrial manufacturing base and as a response to an increase in number of cases received from distressed local manufacturers, the MSC is managed through a rapid response team known as the Response Co-ordinating Committee (RCC). The purpose of the committee is to assist manufacturers with unblocking administrative challenges when eliciting government support, provide guidance and insight into government's support to distressed companies on a case-by-case basis. This is as the government recognises its responsibility towards creating an enabling environment for business in order to build and grow a vibrant and resilient local economy whilst stimulating job creation and encouraging job retention.

To delve deeper and unravel this innovative service, a first of its kind in the province, the ZoneBeat (ZB) caught up with DEDEAT's Senior Manager: Manufacturing and RCC Chairperson Marius Coetzee (MC).

(ZB) For the benefit of our readers, before we commence with this discussion, would you please briefly explain the term "company in distress".

(MC) Company in distress is a term in corporate finance used to indicate a condition when promises to creditors of a company are broken or honoured with difficulty due to a variety of reasons such as companies operating in a competitive market with constantly changing customer needs, a fluctuating currency or failure to adapt to changing technology (may not adapt quickly,) which could result in the company finding itself in distress thereby threatening its existence. This is where the MSC could possibly come in to aid a manufacturer ease and possibly even turnaround its situation and avoid the lengthy legal processes associated with business rescue. DEDEAT through the RCC only makes this service available to local manufacturers in distress not undergoing business rescue or about to embark on the legal process.

(ZB) Who qualifies and how?

(MC) The service is not sector specific and is targeted at all qualifying Eastern Cape based distressed manufacturers. Requests for assistance are logged through the MSC website and are assessed against the three support areas offered by the RCC following the initial phase of financial analysis stage. If these are in line with the committee's ambit, a formal meeting will then be convened with the distressed manufacturer. The MSC is primarily an early warning mechanism/system to assist the province to take a proactive role in industrial support to manufacturers in need of assistance.

(ZB) What is the first port of call for a manufacturer in distress?

(MC) The RCC has set up a website which offers manufacturers and businesses access to information on a wide range of support programmes offered by a host of government departments provincially and nationally. These include raising finance, assistance with accessing markets and improving productivity. The site offers a further service that allows manufacturers to contact and get direct intervention from a provincial intergovernmental team, known as the RCC. Once the team is contacted, they will provide direction on what support government could offer.

At this point, I feel I should again reiterate that our services are only targeted at manufacturers that have managed to foretell issues that could pose a serious threat to the companies and meet the qualifying criteria for support.

(ZB) Once a company has come forward, what type of support is offered?

(MC) Once a distressed company logs a call on www.dedeat.knockout.za.net - the official website of the MSC - the RCC will swiftly deploy an official to go conduct a due diligence investigation on the distressed company. The first port of call for the official when they arrive at the company will be financial analysis, which is a deep dive into the company's financial status and root cause

analysis of distress. The exercise assists the RCC ascertain the causes of distress – if it so happens that the distress is financially related and is at an advanced stage such that the company is in need of business rescue, the RCC will then advise the manufacturer and turn down the request. However, if the report indicates that the company's distress is not advanced, the MSC through the RCC will look to find the best possible solution for the manufacturer.

As previously alluded to, the RCC will convene to ascertain what type of support will be offered as well as which stakeholders will be roped in to ensure that distress is resolved.

(ZB) Who are key stakeholders to the MSC?

(MC) The RCC was once again established to co-ordinate the provincial government's response to challenges facing local manufacturers and related job losses. The intergovernmental team is made up of representatives of various departments within government and development finance institutions (DFIs). These include Eastern Cape Development Corporation (ECDC), National Empowerment Fund, East London Industrial Development Zone, DEDEAT (Renewable Energy, Agro Processing and Enterprise Development), Eastern Cape Socio-Economic Consultative Council (ECSECC), International Development Corporation and COGTA.

(ZB) We understand that the Jobs stimulus fund is also used to assist distressed manufacturers in the province, how does a company qualify?

(MC) The fund assists qualifying companies pay their employees' salaries limited up to R10 000 per job saved while servicing their accounts to creditors. The Jobs Stimulus Fund administered by ECDC pays salaries for employees below management level. This is a bid by government to retain jobs while assisting the distressed manufacturer regain its footing. However, for a manufacturer to benefit, it has to meet the following criteria:

- The company has to have been in existence for two years,
- Be in position of audited financials for at least two years,
- Must have updated tax clearance from SARS,
- BBBEE certificate (at least BBBEE level 1/2)

Before any payment is effected, the committee will request the distressed manufacturer to submit employee contracts and ID copies to ascertain how much would be allocated to that manufacturer.

(ZB) What is the turnaround time after the distress call is logged?

(MC) The turnaround time is 48 hours from the time a distress call was logged on the portal. Every support request is assigned a unique ticket number, which one can use to track the progress and responses online. As such, all cases and requests are stored online for ease of reference. Additionally, depending

on the nature of the case received, it may take a month or two to resolve the distress.

(ZB) What are some of the challenges that you have been faced with since establishment?

(MC) Having been in existence for almost two years, we have found that some manufacturers are reluctant to seek help up until it is too late. Some fear that such an act could result in their creditors, customers and employees losing faith in them, which then compounds the challenge to a point where we may not be able to help them.

(ZB) What are some of the success stories which you wish to share with our readers?

(MC) Over the past two years, the RCC has taken on diverse cases; these include a manufacturer that lost all its equipment, stock and supplies through a fire that gutted their warehouse as well as a multinational

company that decided to pull its operations from South Africa due to challenges it faced at the time - to mention just a few.

(ZB) What does the future hold for the MSC?

(MC) Plans to fortify the relations between the RCC and other government institutions through a Memorandum of Understanding (MOU) are on the cards following the pilot testing phase. The MOUs will be entered into before the official launch of the portal planned for later in the year. As such, our website is undergoing a facelift to make it much more user friendly. The following phase will see our website link feature on a number of state owned enterprises websites in a bid to create awareness and drive traffic towards the MSC website.

For more information on the MSC, please visit www.dedeat.knockout.za.net

ELIDZ PROMOTING GOOD ICT GOVERNANCE

The East London Industrial Development Zone (ELIDZ) recently attained the ISO 27001 Information Security Management System Certification, the international standard certification for Information Security Management System (ISMS), to manage security and protect important information for users, and for expanding its Information and Communication Technology (ICT) service business.

The certification follows an intense five-day ISO 27001 audit conducted at the organisation's ICT Sub-Unit. Led by an accredited ISO 27001 representative from India, the audit sought to test ELIDZ's compliance against global ISMS standards.

Sharing the exciting news, ELIDZ ICT Manager Mzuyanda Nontshinga said, "We are proud of this international recognition and we will continually provide secure ICT service platform design, construction and operation services to our customers with the highest quality and reliability as the ISO certification assures".

The ISO 27001 is the standard for establishing a system to identify information assets that an organization should protect, and maintain and improve Confidentiality, Integrity, and Availability (CIA) for those information assets in a well-balanced manner.

Certified Organization	East London Industrial Development SOC Ltd.
Certification No.	12 310 45526 TMS
Standard	ISO/IEC 27001:2013
Scope of Certification	Management of Information Processing Facilities and Activities Associated with Administration of the ELIDZ
Initial Issue Date	04/07/2018
Certification Body	German - Deutsche Akkreditierungsstelle (DAKKS)



He added that the organisation had been hard at work promoting measures to protect its information assets, customer information and to establish a secured information management system even before the international certification. Additionally, he assured customers both internal and external that the ELIDZ will continue efforts to engage in information security management to improve customer satisfaction and provide secure services.

Some of the benefits embedded onto this certification include:

- Keeps confidential information secure
- Provides customers and stakeholders with confidence in how an organisation manages risk

- Allows for secure exchange of information
- Helps an organisation comply with other regulations (e.g. PoPI and SOX)
- Provides competitive advantage for an organisation
- Enhances customer satisfaction which improves client retention
- Consistency in the delivery of the service or product
- Manages and minimises risk exposure and
- Builds a culture of security

Noticeably, the ELIDZ takes protecting the organisation's and stakeholder information in its stride, as it is critical for the successful management and smooth operation of the company. Achieving ISO 27001 assists the organisation in managing and protecting its valuable data and information assets.

THE CALL-2-ACTION CAMPAIGN PREPARES CITY FOR INVESTMENT

The Border Kei Chamber of Business is spearheading a crime prevention and clean-up campaign to boost investor confidence in the city.

Launched in 2017 and named Call-2-Action, the campaign is business's response to the criminal and pollution activities that plague the coastal lying Buffalo City Metropolitan Municipality (BCMM).

As such, when the campaign was launched, the business network through the Call-2-Action Committee set the wheels in motion with the identification of two precincts- Settlers Way (East London Airport – Oxford Street Circle) and the Beachfront, which are cleaned and monitored for criminal activities. The Committee is a diverse group of companies and associations working together to ensure that the identified pilot areas in Buffalo City are, inter alia, Green and Clean, that the city will be well governed, as well as innovative and productive.

Project Manager: Invest Buffalo City, Drayton Brown says some of the cleanup activities embedded onto the campaign include grass cutting, cleaning of gutters, and litter picking in

the identified precincts. "The project resonates with recyclers and we have partnered with them to clean-up and separate the recyclables. At the end of each spell we transport them to the Buy Back Centre in the oriental plaza for recycling and earning profit on their recyclables", said Brown.

Brown added that since inception the campaign has received tremendous support from key stakeholders such as the BCMM and the South African Police Service (SAPS). "We have received numerous donations from private companies and acknowledge this on the container site", he said.

As part of creating awareness for the campaign, the Call-2-Action team was instrumental in the launch of the first of four community drop-off sites for recyclables within the city; these are the green branded containers along the Settlers Way, en-route to the East London Airport. These containers also serve as multipurpose facilities

such as offices for meetings, storage of equipment and landmarks for branding.

Plans to retrofit these containers with waste sorter technologies, which would make it possible for them to receive different waste streams, are afoot.

Meanwhile, a plea has been sound to private and public corporations to help sustain this initiative through financial donations and to use the recycling stations once operational.

Brown concluded that future plans for the campaign include employing a dedicated project coordinator for the initiative to begin engaging businesses and communities on establishing a Special Rating Area (SRA). An SRA is a non-profit company in a defined geographic area within which property owners agree to pay for supplementary and complementary services set to enhance the physical and social environment of the area.

A GRAND OPENING FOR A R1 BILLION SMART FACTORY IN THE ZONE

It was a glitzy affair at the official opening of the Yekani Manufacturing smart factory in Zone 1B at the ELIDZ. The grand ICT factory opening, a first of its kind in the Zone, was graced by the presence of various dignitaries including the Minister of Department of Trade and Industry (DTI), Dr Rob Davies, and Eastern Cape Premier, Phumulo Masaulle. The opening of the manufacturing plant also marked a tremendous milestone for the East London Industrial Development Zone (ELIDZ), as it is the first investor to locate within the organisation's growing ICT sector, a move away from the thriving Automotive industry.

The manufacturer of an array of signature electronic devices and supplier of Samsung, Panasonic and Multi-Choice, is the first black industrialist to locate within the ELIDZ's Zone 1B precinct. Additionally, the company is the beneficiary of the DTI's Special Economic Zone (SEZ) Fund and Black Industrialist Scheme (BIS), the government's financial support programmes aimed at accelerating growth of manufacturing in the country.

With a facility spanning over 28 000 m², the 100% black owned plant is the biggest single factory in the Zone. According to Yekani Group Chief

Executive Officer, Dr Siphwe Cele, the state of the art, technologically advanced factory is an assertion that Africans are capable of setting up cutting-edge manufacturing facilities.

“We want the world to know that Africans are capable of pioneering new technology and at Yekani – we have this belief that our strength lies within our biggest asset- our people”, he said.

With a noticeable youthful and reportedly 90% female employ, Yekani Manufacturing has set themselves a target of over 1000 jobs in the 2018/19 Financial Year. The target was received with a huge round of applause at a media panel discussion held earlier in the day.

At the discussion, Dr Cele emphasised the importance of companies investing in youth and forming working relations with institutions of higher learning to cultivate scarce skills and boost research and development. As such, in partnership with the ELIDZ and the DTI, the plant plans to establish a Small, Medium and Micro Enterprises (SMMEs) cluster that will benefit start-ups in Information and Communication Technology (ICT). This initiative will provide enterprises from the Eastern Cape Province and greater South Africa with endless growth opportunities.

Meanwhile, in his address, Premier Masaulle said the injection of a R1 billion (bn) into the stressed economy of the province is a welcomed gesture and further edged the company to remain resolute in their quest to take South Africa into even greater heights. The Premier also made an undertaking to commit government procurement from local manufacturers. “We have insisted that products that are used frequently in government should be procured from local manufacturers. The location of Yekani in the province will see high-tech devices such as computers and educational tablets being procured from the province”, he said.

Furthermore, in his keynote address, Dr Rob Davies said the R1 bn investment ticks a number of boxes for the South African government. “This is an investment within a Special Economic Zone, a black industrialist, manufacturer of digital products and a youth focused company”, he said. Moreover, Dr Davies lauded the company’s management for making a growth-focused move from contract manufacturer (CM) to Original Equipment Manufacturer (OEM). “The company is, indeed, leading the country into the 4th industrial revolution. A revolution that will see South Africans take charge of manufacturing technologically advanced products in the ICT space”.

Dr Davies also extolled ELIDZ’s support to the government’s drive to investor attraction and also recognized the meaningful strides made

by the IDZ since inception. He shared with the attendees that, to date the organisation has secured 42 investors with an investment value of over R8 billion. Of these investors, 36% are foreign owned, while 28% are locally owned, 23% are 100% black owned and 49% are BBBEE compliant.

He concluded by outlining the two government financial support programmes that made it possible for Yekani Manufacturing to realize their vision, such as the BIS with R50 million and the SEZ fund with R305 million for built infrastructure. The company also secured a loan from Standard Bank to augment the R355 million.

Currently the company manufactures innovative technology products for clients in the Automotive, Defence, Aerospace/Aviation industries as well as consumers. Their immediate and future goals include launching their new smart phone and educational tablets into the local and international markets.

After the launch, the Minister and Premier made their way to the ELIDZ Head Quarters for a brief meeting with the Board of Directors and a quick update on the successes, challenges as well as an indication of how the organisation is traversing the transition into an SEZ.



AN ELECTRICAL BREAKTHROUGH FOR LOCAL VILLAGE

The East London Industrial Development Zone (ELIDZ) hosted a high-level two-day inter-governmental and business delegation from the Eastern Cape Province and Lower Saxony, Germany.

Led by Eastern Cape Premier, Phumulo Masaulle and Lower Saxony State Prime Minister, Stephan Weil, the meeting sought to discuss and take stock of the developments surrounding the mini-grid, a breakthrough energy project between the two governments.

The mini-grid, generating 75 kilowatts of energy driven by the Eastern Cape government and its German Lower Saxony government counterpart,

is set to bring development opportunities to a remote village of Upper Blinkwater in Fort Beaufort forward by a decade.

The ground-breaking pilot project is a culmination of a Joint Declaration of carrying out co-operative projects signed between both governments in August 1995. In the agreement, both governments undertook to promote the development of efficient and democratic administration at a provincial level

and to establish cooperation in the areas of business, education, tourism and most recently youth exchanges, sport, renewable energy and agriculture.

According to Premier Masaulle, the flagship project, that is expected to bring about numerous socio-economic benefits to 100 or more communities, is underway and will become operational towards the end of 2018.

“Through the programmatic focus areas of this agreement we will be able to improve lives of many of South Africans living in the peripheries of the province. As such, if this venture yields resounding success, with our German counterpart, we will look at replicating it across the Eastern Cape Province”, said Premier Masaulle.

Furthermore, Prime Minister Weil said, the province of Eastern Cape and the state of Lower Saxony look back on 23 years of solid cooperation. “The pilot project in Upper Blinkwater is an excellent example for our agreements being filled with life”, he said.

“With this mini-grid project we want to improve the living conditions and opportunities of development of the people in the rural areas of the Eastern Cape. Hence, we want to give the rural population a better future - economically and socially” added Weil.

Meanwhile, then MEC for the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) Sakhumzi Somyo whose team, together with German partners, was instrumental in driving the project, explained “That’s why this project is so important to the province because it is a microcosm of how enabling energy is to our province and a testament to the province’s vision to pursue an environment that promotes sustainable energy and livelihood development”, he said.



However, role players are realistic about the challenges, which the project will need to overcome.

These challenges include stores inventory management, land issues, energy usage to mention just a few.

Furthermore, project partners including the ELIDZ, Eastern Cape provincial departments, research and funding agencies and universities of Fort Hare and Nelson Mandela will have to devise a plan to overcome the projected challenges.

The multi-million rand project is funded by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), State of Lower Saxony, DEDEAT and Eastern Cape Rural Development Agency, an agency of Eastern Cape Department of Rural Development and Agrarian Reform.

The project team is also in the process of securing funding for projects for the productive use of energy. These include potable water, a dipping tank and irrigation, and infrastructure for a community garden.

SUNDALE DAIRY ACQUIRES NATIONAL CHEESE FACTORY

The award winning Sundale Free Range Dairy in the East London Industrial Development Zone (ELIDZ) has joined forces with Just Milk, the largest organisation of dairy farmers in the country to acquire the iconic cheese operation, Cookhouse Creamery, previously owned by Dairy Belle.

The move puts Sundale firmly on the national map and cements their position on shelf with other big names in the industry. The acquisition builds on a R 4-million investment in a cheese factory in 2016.

Cookhouse is located in what can be considered the dairy belt of South Africa. A mere 24 kilometres east of Somerset East, it is the home to many dairy farming operations. The valley is fed by the Great Fish River, which provides for the agricultural crops and natural vegetation, supporting pasture-fed grazing in this farming community. Cookhouse has also achieved much acclaim in the renewable energy sector as home to possibly the largest wind farm in Africa.

According to Sundale Dairy Chief Executive Officer, Pierre van Rensburg, the organisation’s interest in Cookhouse is twofold. “It allows us to extend operations beyond the borders of East London without compromising on our promise of producing authentic pasture fed dairy in its purest form. The site is also the original home of Dutch-style Gouda, which was first produced in South Africa in 1937 at Cookhouse. It enjoys a special place in the history of dairy in the country and we are proud to be a part of its continued legacy. For us what is also important is to get Dutch-style Gouda right, we need to get it from the cow to the dairy on the same day. Which is why Cookhouse is a natural fit for Sundale as we also like being close to our cows.”

Elize de Vos, General Manager at the Sundale Cookhouse Creamery, says, “At our peak, this facility employed 107 people. We look forward to developing it to the point where we can again become leading employers in the Cookhouse community.” She went on to say that “the community eagerly await the start of operations at the factory. They are very enthusiastic about the regeneration of the creamery and grateful for the jobs that the construction works have already created in the area.” Elize has worked at the creamery since 1993 and according to Van Rensburg, “her background in dairy technology and her intimate knowledge of the industry makes her the ideal person to head operations for us here in Cookhouse.”

The milk produced for the cheese is procured from the Just Milk Riverside Farm which currently produces 12 million litres per annum. The initial production will yield Gouda rounds, cheddar and mozzarella with plans to produce fixed weight cheddar and Gouda packs in early 2019. Edgar Brotherton of Just Milk said that “The projections for the plant have allowed us to invest in a start-up farm that will supply an additional four million litres per annum for the new dairy. The farms, all within a 30km radius of the Cookhouse Creamery, yield about 300 000 litres per day. This is dairy country at its best and our association with Sundale allows us to expand further.”

Sundale remains the largest employer in the ELIDZ and the Cookhouse operations is set to boost the company's socio-economic impact even further. According to HR Manager, Brian Chitwa, "We have started recruiting and have invited applications from former Dairybelle employees. There has been an overwhelming response from the local community. All applicants will go through the recruitment process which will include interviewing, screening, taking of references, validation of qualifications, etc. We will start operations with a team of about 30 people, including engineers and personnel for the finance department."

The Cookhouse facility was subject to massive upgrades to ready it for operations, which were envisaged to start in July.



^ Cookhouse Main Entrance

< Cookhouse Management Team
from left to right, Edgar Brotherton,
Elize de Vos and Pierre van Rensburg

COLLECTALL LEADS THE WAY IN ENVIRONMENTAL STEWARDSHIP

East London IDZ-headquartered specialist waste management company, Collectall, continues to call the Zone their home. Established in 2006 as a response to environment challenges facing the region as result of landfill waste, the company focuses on recycling and re-purposing industrial waste.

The company has been building on its existing offerings, as such it has implemented waste separation systems on-site for all major Zone tenants to facilitate their manufacturing with zero impact on the environment. This as the company aims to achieve Zero waste to landfill for its clients.

Collectall Financial Director Bronwyn Shaw says the company is constantly on the lookout for innovative ways of repurposing industrial waste. "Currently, we are pioneering into Waste-to-Energy. When successful, this will ease the reliance on coal for energy production and will compliment some of the efforts made by the government to preserve the environment", she said.

Waste-to-energy (WTE) is the process of generating energy in the form of electricity or heat from the primary treatment of waste.

Furthermore, Shaw adds that the company also embarks on awareness campaigns through provision of literature and training intended at highlighting the importance of recycling and taking care of the environment.

Meanwhile, the company directors identified the location within the East London IDZ as an ideal opportunity to grow into a high-end waste

management facility that would substantially expand the company's waste handling capacity and infrastructure.

Subsequent to the move, the company landed contracts with ELIDZ tenants, which made them the primary collector of the Zone's commercial waste, "We approached all the companies before they located within the Zone individually and presented client specific waste management solutions. We have specialities in high-end environmental systems and most systems have been well received and supported by the Zone tenants, partly due to their international affiliations and high manufacturing standards".

Through these contracts, the company has created over 100 jobs for the local residents.

Shaw also added that some of the lessons they have learnt over the years and would like to impart onto budding waste collectors and recyclers is "Start small and persevere, our industry does not have enough incentive schemes, making it very difficult to grow and create a sustainable industry. But through tenacity and conviction you will make it", she said.

The company has assisted a number of international companies in designing and implementing environmental management systems in order for them to be on par with international requirements such as ISO 14001 certification. These include Mercedes Benz South Africa, Lear Corporation and Nestle.

A WISE MOVE FROM FROTEK INJECTS GROWTH INTO THE COMPANY

When the Industrial Development Zone (IDZ) programme was conceptualised in the late 90s by the South African government, the objective was to create a conducive and highly incentivised environment to boost foreign direct investment into the country.

The East London IDZ has over the years delivered on that objective. To that end, Frotek, a German based family owned business is proof that the IDZ is doing its bid to attract and diversify investment in the region.

With its headquarters in Osterburg, Lower Saxony-Germany, the business boasts an international footprint of outlets in various countries, namely Ukraine, Hungary, China and South Africa. The company offers products for the assembly of industrial batteries from individual battery cells.

According to Frotek South Africa General Manager, Werner Bendisch, the company has expertise in battery technologies, as such they manufacture plastic injection moulding components for the battery and automotive industry.

"We have presence in a number of countries including the United States of America and 70% of our business is battery related. What brought us to East London was the demand for our products. We supply these products to large companies like Harpic, First National Battery and Excide, to name but a few," he said.

Bendisch added that their South African operations started out in the backyard of First National Battery (FNB) in Fort Jackson and moved on to their other plant in Buffalo View Road. The company made a growth-inspired move in 2015 when they decided to locate their business and invest R40 million into the Zone. "Being at FNB might've been an advantage back then seeing we were in close proximity to our customers, but we didn't have a company identity and couldn't diversify. So, the decision to move to the ELIDZ

was a good one because we have since been recognised as a self-standing company," he said.

The battery manufacturing company signed a lucrative deal with Yekani Manufacturing, a 100% black owned Original Equipment Manufacturer (OEM) within the ICT space. Frotek has been producing the model 2a Explorer decoder for Yekani and large customers like Multichoice. The deal is said to have brought doubled production and increased the number of jobs.

"With the new DSTV decoder, we have since bought four new injection moulding machines and employed 30 new people; currently our staff compliment is sitting at 62," added Bendisch.

Furthermore, Bendisch said they are currently producing about 300 000 of the existing decoders per annum and are anticipating the volume to increase to 600 000 by the end 2018/19.

Apart from their huge machines used for handling the heavy injection moulds, Frotek's investment has brought about new technologies

into the Zone. "Our most new equipment is the foil printing of the components and the welding processes that are involved for the assembly line," he added said.

Meanwhile, he also acknowledged that with the increase in production there would come a need for repairs and maintenance of the moulds. "To prepare for the inevitable we have decided to bring our own tool shop from Germany, which will be responsible for repairing the moulds in the factory".

For the future and beyond, the company forges ahead with plans of automating some of their production lines as it is the norm in the industry. This will reportedly increase efficiency and production at the plant.

Bendisch concluded by saying they are looking at diversifying further into the ICT space as Yekani Manufacturing also approached them into supplying them with big components.

KGI | BPO TO CREATE EMPLOYMENT OPPORTUNITIES

The Eastern Cape Province opens up to one of the fast growing sectors in the country, the call centre business.

This highly incentivized sector is tipped to be one of the few industries to help turn around youth unemployment in the region and is gradually making its way to the province. This as the East London based Industrial Development Zone, welcomes KGI|BPO onto its growing ICT & BPO sector.

Established in 2016, KGI | BPO is a subsidiary of KGI Holdings (Pty) Ltd. an Algerian and Italian based company. The first Business Process Outsourcing (BPO) centre to locate its operations in East London is set to do its bid towards rooting out youth unemployment in the city.

As such, KGI|BPO Sales and Marketing Manager, William Solomons says that the company has already started with an eight-week training, which will result in 35 call center agents receiving full time employment at the end of the programme. "Our aim is to employ 3000 call centre agents once fully operational. We also believe that through the establishment of this BPO we will do our bid in

alleviating youth unemployment in the city".

Solomons added that KGI|BPO has brought with it advanced software applications, which have the capability of handling multitudes of Inbound and Outbound calls and are geared towards improving efficiency and eliminating inconvenience. "Other benefits embedded onto these applications include the right time to call, data management and real time management," he said.

The company's decision to locate its operations in the East London IDZ was solidified by the Zone's robust ICT infrastructure, support and access to enabling stakeholders, said Solomons.

Meanwhile, at a Youth Employment Solutions Lab event organised in partnership with Harambee Youth Employment Accelerator, Border Kei Chamber of Commerce, the Buffalo City Metropolitan Municipality and the East London IDZ, to mention just a few, KGI|BPO's Chief Executive Officer Antoinette Eckersley,

said the company does not only seek to create employment opportunities for the youth but is also committed to finding lasting solutions to this challenge.

The Youth Employment Solutions Lab gave a platform to event conveners and business leaders to outline their programmatic focus areas aimed at promoting growth and accelerating youth opportunities by 2019 in the formal economy.

The organisation's growth strategy incorporates contracting local and offshore businesses in order to repatriate outsourced jobs and enhance the company's ability to offer seamless business process optimization to clients and partners.

The company's immediate plans include employing 75 call centre agents by the end September 2018, which is an addition to the 35 that would have been absorbed post training in August 2018.

BPO involves a company contracting the operations and responsibilities of specific business functions such as customer related and administrative functions to a third-party service provider. When this is done outside of a company's country, it is referred to as offshore outsourcing.

