



PROBLEM AREAS IN THE DTI'S SUBSIDY PLAN

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The Department of Trade and Industry's subsidy plan designed to encourage industrialists to start new manufacturing businesses needs to be revised to eliminate a number of problem areas.

One problem is the tight time lines. In the Western Cape a lot of manufacturing is tied to agriculture and that means it is seasonal. In terms of the subsidy rules projects have to start within 90 days of the dti's approval, but that may not be possible as the manufacturer will have to wait until the fruit is ripe for picking.

A second requirement says that claims to the dti have to be made within six months of approval. Our members in the agri-processing industry tell us that manufacturing equipment is mostly imported and has to be specially made. This can start only after a deposit has been paid and the whole process of manufacturing, importing and installing the machines can take a lot longer than six months.

Another concern is that even approved projects are subject to the availability of funds and that makes planning very difficult as there is no guarantee that the grants will come through when needed.

Many of the problems relate to a lack of clarity in the forms and on some issues like BEE requirements. It should be possible to correct these as experience is gained and we urge the dti to improve their administrative processes to ensure that the grant and subsidy scheme delivers the results we all want to see.

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President of the Cape Chamber



CAPE CHAMBER
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