



National African Federated Chamber of Commerce and Industry

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OFFICE OF THE SECRETARY GENERAL

To: Print and Electronic Media Houses

Subject: **The National African Federated Chamber of Commerce & Industry (NAFCOC) and NAFCOC Construction (NAFCON) response to the Mooikloof Mega City Project of Balwin Properties launched by the President on the 4th of October 2020.**

From: The Office of the Secretary General

Date: 6th October 2020

To: All Print and Electronic Media Houses

NAFCOC and NAFCOC Construction (NAFCON) has noted with great concern details surrounding the launch of the Mooikloof Mega City Project of Balwin Properties Limited by President Cyril Ramaphosa where Public Works Minister Patricia De Lille and Human Settlement Minister Lindiwe Sisulu were in attendance on Sunday the 4th of October .

As a result, NAFCON would like to bring attention to the media and the office of the President about our concerns of how the Mooikloof Mega City Project has been conceived, accelerated, and launch prioritised as a Special Presidential Investment Project. We know that Balwin Properties issued a Sens notice only 20 July 2020 after buying a portion from Century City, as they have indicated how they are going to buy the portions thereof. NAFCOC as a Chamber representing majority of those who struggle raising finance with commercial banks, would like to have transparency on how government is funding this Public Private Partnership in terms of land acquisition and various capital flow in this project.

We also know key to any development, is bulk infrastructure which is expensive to even the historical land developers without government lending a hand into this type of mega projects. NAFCOC further expresses its concern that money access in Mega City Projects is designed to benefit those with support from the banks, government infrastructure designed to benefit white developers whilst using presidential strategic investments in the exclusion of black property developers. It is hard to believe that Private Public Partnerships such as this Mega Project seems a pipe dream and far reach for black property developers, 26 years into democracy.

Black property developers, and black professionals do not have the same support of banking institutions and government like what we witness in this project, let alone having an ear to bring their projects forward because of their balance sheet and the magnitude of this level as it indicates how government is hell bend to exclude black business with all white architects, urban planners, construction companies and professionals that benefitted from apartheid.

Balwin Properties has bought the land from Johan Franck and Paul Helliwood in return, the former owns 70% and latter 30% of the purported R33billion project. This begs the question. How does a government that constantly speaks of economic inclusion give this type of project a thump up and be gazetted without black business? Is our government saying that black people are only worth it as employees and land ownership of property that was based on spatial development and job reservation to only enjoy the fruits of separate development?

FACTS ABOUT NAFCOC

The National African Federated Chamber of Commerce and Industry (NAFCOC) is a Federated Chamber comprised of over twenty industry specific sectors of the country's economy with approximately 2.3 million total membership and an anticipated target of 5 million SMMEs by 2023. NAFCOC was established in 1964 after numerous consultation with great and visionary leaders such as OR Tambo and his fellow comrades in Zambia and has remained one of the oldest and largest business chambers in South Africa with a representation in all 9 provinces, all regions and local municipality levels of South Africa. NAFCOC's main objective is to unite, promote and encourage the development of black and small business in South Africa and thereby draw the majority from the peripheries to the frontlines of economic activity and decision making. Dr. Richard Maponya is our founding President and our Head Quarters are named after him and situated at RIVONIA-JHB RSA.

NATIONAL EXECUTIVE:

National Acting - President: SG Mosena **Deputy President:** SG Mosena; **Senior Vice President:** TL Khumalo; **2nd Vice-President:** SM Ramodike
Secretary General: SS Sikhosana; **Assistant Secretary General:** GA Zondi; **Treasurer General:** TE Letsoela.
Chairperson of Provinces: IN Masekwameng; **Additional:** E Modise; M Mini; & V Nunwana:



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Why must government relegate black business on the peripheries of economic development whilst white businesses are planning and designing new separate development that continue in economic exclusion and making black people as consumers of the same market they intend to serve?

How did this project pass the pillars as espoused in the BBBEE ACT? We are interested to know the BBBEE element to the Mooikloof Mega City Project. It is 26 years into democracy and black business are not even thought of in planning and design face of the Mega Projects. Instead subcontractors will be deterred by ridiculous rates coming hand in cap at the mercy of white business who always get better rates.

NAFCON will not be surprised to learn that the entire supply /value chain will also be reserved for white owned companies that will be dictating terms and conditions including rates to black SMMEs and manual labour jobs like brick layering and tiling are for exploited illegal/undocumented foreign nationals.

As the biggest Chamber of Business in the country, that carries membership and mandate of millions of small business, it would be gravely amiss if we do not raise these matters. It is our sincere hope that a response from the relevant parties will be forthcoming.

End Statement

Issued by Secretary General of NAFCOC

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