

# OPIC OK's R550m for SA small businesses investment fund

According to 4-traders.com website, the Board of Directors of US Government's development finance institution, the Overseas Private Investment Corporation (OPIC), approved almost R550 million in financing for a new private equity investment fund for South African small businesses.

The fund, Medu Capital Fund III, will be managed by an experienced SA middle market private equity fund manager with strong Black Economic Empowerment (BEE) credentials and invest in small and middle-market SA companies. The fund has a target capitalisation of R 2.5Bln.

Medu was founded in 2003 by Nhlanganiso Mkwanazi and Ernest January with the support of Brait, a South African private equity investment manager and financial services firm. Medu has been investing in engineering, manufacturing and infrastructure-related industries.

"In South Africa, like most emerging markets, small businesses suffer from limited access to long-term growth capital, as well as quality management and corporate governance," said OPIC President and CEO Elizabeth Littlefield, adding that as a BEE investor, Medu "addresses this challenge by providing South African small businesses - many of them family-run - with institutional-quality management, often for the first time. As a result, they will emerge as more enduring, sustainable companies," 4-traders.com reports.

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