

Emerging KwaDukuza entrepreneur receives a boost thanks to private public partnership

Issued by [Sappi](#)

26 Jul 2022

A local businesswoman in KwaDukuza received a welcome boost to her business on Friday, 15 July, when she took delivery of a brand-new bulldozer and front-end loader at the Sappi Stanger Mill in KwaZulu-Natal. Thanks to Sappi's active Enterprise Supplier Development (ESD) programme which aims to integrate local and emerging entrepreneurs into its supply chain, an attractive financing deal was structured for Ms. Mpume Gumede, Director of Thuba Construction with the Ithala Development Finance Corporation Limited (IDFC),



Thuba Construction was awarded a five-year contract by Sappi to provide bagasse handling services at its Stanger Mill - a core service critical to the operations of the mill where Sappi produces its well-known Typek office paper brand. The mill utilises approximately 100,000 tons of bagasse a year – the only one of its kind in South Africa using industrial sugar cane waste - as its basic raw material in the manufacture of office paper and tissue wadding, which is obtained from the adjacent Gledhow Sugar Company.

Sappi and the IDFC signed an MOU on 23 June 2022, where it was agreed that they would collaborate in providing financial and non-financial assistance to emerging entrepreneurs from Sappi's local communities who had been awarded contracts by Sappi. The first result of this partnership is the successful funding of Thuba Construction, and a grateful Mpume comments: "Ithala went above and beyond to assist in getting me the funding I require to fulfil my contractual obligations. They held my hand throughout the process to ensure that my application was successful and within the parameters of their funding policy." She went on to say, "I had such challenges in sourcing funding from traditional funding institutions, but Sappi were very patient and helpful and introduced me to their partner Ithala and with their help, we were able to get this wonderful new equipment from John Deere, who have been really great in providing training and support for our operators. I cried tears of joy when the loan was approved, because now I know I will be able to fulfil my contract to Sappi's specifications," she said.



Commenting at the event, Mthokozisi Jali, general manager of Sappi Stanger, highlighted the importance of empowering the communities in which Sappi co-exists, saying: “Sappi has always been supportive of investing in our local communities, as this creates harmony and mutually beneficial growth of the economy on all fronts. Through this, we are able to grow together and yield outcomes that are not just beneficial to the community, but South Africa as a whole.” His words were echoed by Lesiba Lamola, Sappi’s ESD and Regional Sourcing Manager who reiterated that Sappi strives to be part of the solution in stimulating a culture and spirit of entrepreneurship from its local communities. “Bringing on board a partner such as IDFC to support us in our endeavours of incorporating the community into our business is really bearing fruit. This is just the start to what we hope will be long and prosperous partnership with Ithala,” he said.

With the last two years characterised by notable challenges in a number of different sectors of business activity across South Africa – including economic weakness, constrained fixed investment, the effects of the Covid-19 pandemic and the July 2021 unrest - these events have had a ripple effect on both consumers and business.



“These conditions have necessitated heightened efforts on our part in advancing the delivery of our developmental mandate. Remaining close to our customers and partnering with the private sector who share our values of driving socio-economic transformation in the province is a key ingredient in supporting the provincial government’s economic recovery plan. In addition to ensuring they are able to repay their loans, their success means capital repayments are re-invested in further lending operations, thus growing our economic impact,” said Manqoba Mbatha, business finance marketing manager of IDFC.

The KwaZulu-Natal provincial government Economic Recovery Strategy places a high value on entrepreneurial growth as government views entrepreneurship as a critical driver to stimulate growth and provide jobs. In support of the strategy, IDFC have taken the responsibility for facilitating the development and empowerment of KwaZulu-Natal-based business enterprises, and in addition to promote job creation in the province. IDFC will continue to work diligently to bring the much-needed economic growth in our provincial economy.

In closing Mbatha commented: “Through IDFC’s business finance solutions, we are pleased to constantly provide financial muscle and support the entrepreneurial spirit of KwaZulu-Natal businesses. We want to thank Sappi for entrusting us with the task of being a strategic partner in transforming the lives of ordinary citizens in our province. We are critically proud of the fact that Thuba Construction is 100% women owned, which forms part of the strategic imperative of empowering women. We wish her all the best in her business and look forward to a fruitful and mutually beneficial relationship with both Thuba Construction and Sappi.”

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Sappi



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