

Cape Town bag manufacturer offers employees direct shareholding

With funding from the Industrial Development Corporation (IDC), PP Excel officially opened its Cape Town plant this week, offering woven polypropylene block bottom cement and raffia bags for the African market and beyond.



Additional funding was also provided for the setting up of a workers' trust, which would facilitate an opportunity for a majority of black employees to take up direct shareholding in the company.

"This transaction is a prime example of the nature of projects we are keen to support. Not only has it attracted foreign direct investment into South Africa but it has also embraced the element of transformation by giving employees equity in the business," says Hilton Lazarus, acting head for the IDC's Chemicals Products and Pharmaceuticals business unit.

The shareholding structure of the company combines a mixture of entities, with industry track record, extensively experienced individuals and a workers' trust, thereby ensuring that all involved meaningfully contribute to the success of the organisation.

"It was a deliberate move on our side to include our employees as an integral part of the ownership structure and the success of PP Excel. We see them as the backbone of the success of this company, they are the ones that ultimately build it and keep our customers happy. It is one of our objectives, to provide our workforce with rewarding career experiences that we can offer and real empowerment by affording each one of them an opportunity to be a shareholder in the company. We are of the view that will go a long way towards generating a meaningful benefit to/for themselves and their families, going forward," says Pieter Nel, MD of PP Excel.

Exports beginning

PP Excel, which operates on a 24/7 basis, currently manufactures approximately 5 million bags a month using its technologically advanced equipment. The company has close to 100 permanent employees working in its new 5,000 m² plant in Cape Town. According to Nel, choosing this area as the base seemed like an obvious choice due to easy access to road infrastructure and proximity a world-class port and the airport, enabling them efficiency for them to export their high-quality bags.

The company currently supplies bags to three local major clients and already exports to two sub-Saharan countries.

The process of starting out was a pleasantly surprising experience for Nel, especially applying for funding and the support they have been receiving from the IDC. “I was astounded by the ease with which the application process went. It took approximately three months for our application to get approval. The level of professionalism, the skills and knowledge displayed by the IDC’s team was a breath of fresh air. The general attitude of the officials and the level of support we received was amazing,” adds Nel.

Partnering with the IDC comes with many advantages besides sectors insight, the corporation offers pre- and post-investment business support to ensure applicants are capacitated to build sustainable businesses.

“We always look at a long-term view when we invest in projects, ensuring their sustainability and growth of the overall country’s economic base in mind,” says Lizo Ntloko, IDC’s regional manager in the Western Cape.

“With some of our dedicated funds targeted mainly for youth and black industrialists, as well as other sector specific schemes at very competitive rates, we encourage entrepreneurs to take the opportunity to engage our Cape Town office and see how we can partner to grow the economy creating more entrepreneurs in the chemicals value chain industry, especially among our youth and women,” adds Ntloko.

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