



TRADE & INDUSTRIAL POLICY STRATEGIES

BLACK INDUSTRIALISTS CASE STUDIES

Sindane Mining Ventures

August 2022

The Black Industrialists Policy aims to increase the participation of black South Africans in operational management, rather than just financial ownership, of enterprises in key sectors and value chains. The programme was launched in 2015 by the Department of Trade, Industry and Competition, supported by the Industrial Development Corporation and the National Empowerment Fund.

The Black Industrialists Conference in August 2022 examined the impact of the Black Industrialists Programme and explored support measures to boost entry of black-owned businesses and producers into the mainstream economy. It also showcased the work of black industrialists. As an input into the conference, TIPS prepared nine case studies on black industrialists. Renee Grawitzky conducted the research and interviews, and TIPS provided the industry context and looked at the broader developmental objectives.

This case study profiles Sindane Mining Ventures, a civil engineering and equipment-rental company. Other companies profiled are: CapeBio Technologies; Easy Farm; Equal ELM Trading; Flat-Foot Engineering; Ikusasa Green; Microfinish; Pambili Media; and PepsiCo ESOP. Copies of the case studies are [available here](#).

Sindane Mining Ventures: civil engineering and equipment-rental company

Sindane Mining Ventures is a civil engineering and equipment-rental company based in Waterval Bowen in Mpumalanga. It provides municipal and mining construction services as well as hiring out heavy construction machinery. Sindane Mining is certified to manage projects up to R200 million in South Africa, and has undertaken projects in Mozambique, Swaziland, Botswana and Namibia. The company has turnover of around R45 million annually. Its core team consists of black civil engineers and quantity surveyors, but it employs 80 to 200 people for each contract.

Richy Sindane founded the company in 2014, after a career in investment banking. He completed an honours degree in economics at the University of KwaZulu-Natal, then worked for big financial companies in Gauteng and Cape Town. After a number of years in investment banking, Sindane decided that he was tired of watching other people realise their dreams. He resigned from his job as an asset manager at Old Mutual and went back to Waterval Bowen in Mpumalanga where he grew up to pursue his dream of entrepreneurship. He saved up enough capital to “take a risk,” he says, “so I gave myself two years” to make the new business work. He went into construction in part because his father had worked in the sector for 40 years.

Sindane first purchased a front and back loader to hire out, then registered Sindane Mining for grading work. The company’s first big project was supplying equipment for a pipeline in Machachadorp. A series of contracts with local governments ensued, which laid the basis for it to break into work for big private companies.

Sindane complains that municipalities often delay payments, in some cases because corrupt officials hope for a payoff. Municipalities’ loss of revenues during the COVID-19 pandemic aggravated the situation. In 2022, late payments threatened to collapse Sindane Mining. The big financial institutions were not helpful – “The banks can be hard and brutal,” Sindane says – but the Industrial Development Corporation (IDC) stepped in with a working capital facility of R4,6 million. “If not for the IDC support, my business would have collapsed,” Sindane says. Sindane Mining is now moving to diversify its income stream, including by expanding into the rest of Southern Africa and competing for private-sector projects.

Sindane Mining has benefited from capacity building seminars and workshops offered by the Small Enterprise Development Agency (seda). The government established seda in 2004 to provide non-financial support for companies, from mentoring to networking to innovation and skills development. Sindane says its support has been invaluable in upgrading his team’s capacity and innovation. Where he sees potential, he encourages employees to go into business for themselves. He lets them use Sindane Mining’s facilities to get started. He also brings them into joint ventures when bidding for projects.

Sindane says he is proud to be creating sustainable employment. He is on a mission to prove that a black-owned and managed company can deliver and succeed, not only in the market but also for his team. They need “liberate their minds” from the notion that they cannot have confidence in a black-owned and managed company. But, he adds, this is a tough business and you cannot afford to employ people who are just waiting around for their salary. “I am strict,” he says, “as I come from a hard-core culture.”

As the experience of Sindane Mining shows, preferential procurement is crucial to opening up opportunities for black industrialists. Procurement in big business is still mainly a closed affair, with a network of nearly impenetrable relationships making it hard for newcomers to get in without a track record. Still, public procurement poses its own hazards, from the risk of corruption to haggling over details that sometimes lead to long payment delays. In this context, government agencies need to work together to ensure that black industrialists are empowered to provide a competitive product as well as upgrading procurement procedures across the spheres of the state.

Trade & Industrial Policies Strategies (TIPS) is an independent, non-profit, economic research institution established in 1996 to support economic policy development. TIPS undertakes quantitative and qualitative research, project management, dialogue facilitation, capacity building and knowledge sharing. Its areas of focus are: industrial policy, trade and regional integration, sustainable growth, and a just transition to a sustainable inclusive economy.

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