



Trade & Investment KwaZulu-Natal



Condom manufacturing in KZN

Introduction

- In 2005 number of condom users was expected to reach 742 million people by 2015
- It is estimated that 350 million couples do not have access to contraceptives
- In response to this challenge there is an observed shift in countries where condoms are introduced as a birth control alternative.
- Aggressive and strong actions by governments have resulted in unprecedented increases in condom usage in developing countries
- For example young men aged between 15-24yrs are condom users.
- Uganda 55%, Botswana 88%, Namibia 69% & SA 60.3%.

SA Health Pty Ltd

Condom Manufacturing

Project Background

- This is a partnership between a local company i.e. SA Health protection services and a US based company HBM to form HBM-SA Health protection services:
- Project value R60 million (phase one)
- Potential jobs 200
- Target market : South Africa, Nigeria, Ghana, Lesotho, Guinea, Mozambique etc

HBM-SA Protection Health facility

- SA Health have partnered with HBM to set up a plant at Dube Trade Port.
- HBM group was established in 1996 its headquarters are based in the USA while manufacturing is happening in China
- SA Health protection services is a local medical disposable supplier which provides high quality products to both public and private sector
- Dube Trade Port was identified as an ideal site as the factory will also be exporting around SADC
- The current supply to the local market is through imports and this will change once the factory is set up

HBM-SA Protection Health facility

•Reasons for HBM-SA Health Protection to set up a local manufacturing:

- There is a high demand of the product here in South Africa and Africa
- Importing the product in high volumes and requires a lot of capital in order to meet the local demand/volumes
- Having a local factory will enable a quicker turn around and will add value in creating jobs which are much needed currently in South Africa
- Currently due to a high labour increase facing the far east, condom manufacturing companies like HBM are looking at setting up factories in Africa which is the future

Progress to date

- To identify DTP as an ideal site and the draft lease has been signed between project owners and the developer
- The company has been afforded a technical assistance funds (TAF) to finalize their engineering drawings
- Building plans have been finalized still to be approved by the municipality
- Finance application has been submitted with IDC and a due diligence has been conducted
- Visiting an existing plant in China still outstanding as part of due diligence
- Also the finance application has been submitted to KZN Growth Fund and it is at appraisal stage
- We have lodged the 12i tax incentive with the DTI
- The plant is expected to open on third quarter of 2016

TNT Medical Solutions

Latex Condom Factory

Company Profile

TNT Medical Solutions is the medical supply business that operates in KwaZulu Natal.

The currently supply medical consumables to the KZN Department of Health.

One of the key products supplied by TNT to the Department of Health is latex condoms.

Project summary

Project Name	: TNT Medical Solutions
Sector	: Plastics manufacturing
Project Value	: R20m
Job Creation	: 90 permanent jobs
Location	: Mooi River

Project Description

TNT is now in the process of establishing a manufacturing facility that will produce latex based condoms for government and non branded condoms for primarily public sector, corporate and NGO's.

The manufacturing facility will be located at Mooi River.
State of the art machinery will be sourced from Malaysia.

Progress to date

- A site has been acquired in Mooi River which is zoned for agriculture
- EIA and zoning applications still to be undertaken on the new site
- Business plan has been updated with full financials
- Engaging with NEF to look at funding of this project
- Municipality has been engaged with for the supply of bulk services

Conclusion

- Such projects need support as they substitute imports, exports to other countries which has an effect in our current account.
- This creates local jobs, transfer skills and other multiplier effects in the economy throughout the manufacturing value chain
- According to NDP SA inc must industrialize to value add in goods it consumes and exports
- The projects meet all the regulatory requirements that are applicable to the manufacturing of latex products
- The products have been tested by SABS and meets all the requirements for SANAS
- Both projects are at a funding stage



Thank You

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