



Trade & Investment KwaZulu-Natal

Condom manufacturing in KZN

SA Health Pty Ltd

Condom Manufacturing

Project Background

SA Health has been distributing condoms and male circumcision kit for almost 8 years. This has been achieved through importing the product (male condoms) from China and Malaysia. In response to the local content production, black industrialisation & Market needs, SA Health has formed a strategic partnership with a technical partner HBM (condom manufacturing and surgical product company headquartered in New York, USA with 6 manufacturing sites in China). The project will be based in Dube Trade Port (DTP) SEZ. Strategically positioned to enable the company to distribute to African countries such as Mozambique, Zimbabwe and eventually to the rest of the continent.

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

Fundamental Principles address by the project

- Reduction of HIV/AIDS spread through product availability and product features such as flavoured condoms which are popular to the youth.
- FDI – Technology transfer, Knowledge transfer, Skills transfer and Capital
- Import substitution of the product thus increasing turnaround time for product availability
- Employment creation

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 with 6 manufacturing sites 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 has signed a lease with SA Health to establish the phase 1 of manufacturing.
- The project will be an import substitution of latex based products such as condoms and latex gloves.

Intervention By TIKZN

- Identified 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 and plans
- Finance application has been submitted to KZNGF and are awaiting for a final approval from Investment Committee.
- Facilitating a 12i tax incentive and Jobs Fund grant.

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 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
- Project is in the final funding stage



Thank You

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