



Trade & Investment KwaZulu-Natal

SA Health Condom Manufacturing Project

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 is 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 R150 million (phase one)
- Potential jobs 200
- Target market : South Africa, Nigeria, Ghana, Lesotho, Guinea, Mozambique etc

Fundamental Principles addressed 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.

Progress to date

- The factory was launched on the 19 July 2016 by MEC for Economic Development, Tourism & Environmental Affairs at Dube Trade Zone Auditorium.
- Factory construction phase is 80% complete by the developer Shree Properties.
- Construction phase created more than 103 temporary jobs which includes the following skills, Engineers, Artisans, Welders and General workers.
- The equipment and machinery is expected to arrive in South Africa on the 12 November 2016.
- December 2016 will be start of the commissioning of the plant

Conclusion

- Project of this nature has demonstrated the ability of Black Industrialist to implement manufacturing project from concept to completion.
- Project implemented within the Special Economic Zone such as DTP enjoys services and project timelines are met within budgeted time.
- The Project is currently being assessed for Black Industrialist Incentive scheme.
- 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



Thank You

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