

2022/ 2023

ANNUAL REPORT





We would like to express our appreciation to eThekweni Municipality, our primary funding partner, and the member firms who have contributed to the success of the Durban Chemicals Cluster over the past 15 years. Your ongoing support has been instrumental in our journey.

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LETTER FROM THE CHAIRPERSON



As the chair of the Durban Chemicals Cluster, it is my pleasure to present our annual report for the 2023 financial year.

This last year has again been an eventful year and it appears that business unusual is now the norm. As a sector, we have battled the odds on a number of fronts such as load-shedding, a weak economic environment, major disinvestments and downscaling of operations. However, we have seen beyond these challenges. As the DCC, we have acknowledged that we need to be thinking bigger and more long term and in response drafted a new strategy with the key themes being to rebuild the industry as a world-class chemicals manufacturing hub with the DCC being a regional hub for innovation in chemicals manufacturing.

We need to be industry-focused and promote market development both locally and internationally. The DCC has a key role as a facilitator and supporter of competitiveness and growth through a stronger focus on engagement with stakeholders, and advocacy. Our aligned vision is to rebuild and lead a chemicals manufacturing industry that is growing and transformed, with all stakeholders aligned and operating under a common vision.

There has also been a growing emphasis on sustainability and eco-friendly practices across the chemical sector. Our members have demonstrated great resilience and adaptability by embracing these trends, integrating greener technologies, and fostering sustainable production processes. This, while also battling the increased need for alternative energy solutions competing for capital expenditure. Your commitment to environmental stewardship is commendable and aligns perfectly with the global shift towards a more sustainable future.

The cluster continues to increase its activities within education and best practice sharing while providing excellent programmes to develop emerging entrepreneurs. Through the DCC programmes, 41 people were trained in lean fundamentals and leadership programmes. Additionally, we held 14 shared learning sessions to share best practices. Our 2021 Business Accelerator Programme continued into 2022 with 9 SMEs securing 21 commercial opportunities with large customers. Given the reduced threat of Covid-19, we were back in factories this year demonstrating practical best practices on the shop floor to our members.

We also carried out a cross-industry study of potential energy wheeling solutions to augment our supply and limit dependence on the national provider. Key next steps include establishing the legislative framework for energy wheeling within eThekwin and determining the commercial model for energy trading within eThekwin and between the clusters. We will communicate updates throughout the process.

I extend my appreciation to our cluster members, funders and partners for your support and active participation in our programmes and in our collective thinking about the strategy that will see us through the coming years. I wish to thank eThekwinini for their renewed support for another 3 years as we execute our new business plans.

Collaborative efforts between eThekwinini Municipality, other funders, firms representing industry, and the facilitation team have enabled us to achieve significant milestones and our shared vision will continue to propel the Durban Chemicals Cluster to new heights of success and prominence, being a strong voice of the industry. As we move into the new year, I am excited to see our plans start taking shape, supporting growth and innovation. Let us continue to work hand in hand, striving for excellence, and driving positive change within our industry.

Best Regards,



Rudi van Niekerk

Chairperson, DCC
Regional General Manager, H&R Africa



LETTER FROM THE CITY

The eThekweni Municipality aims to create a business environment that is supportive of investment in the chemicals sector through which companies can expand their businesses, create jobs, and expand economic opportunities. The support of priority economic sectors such as the chemicals manufacturing sector is in line with the strategic development principles of the IDP. The strategic partnership with the DCC is an example of a strong industry partnership that aligns with the intentions of the National Industrial Development Policy Framework, eThekweni's Integrated Development Plan as well as the Economic Development and Job Creation Strategy of promoting and supporting the Chemicals Sector.

The eThekweni Municipality recognises the Durban Chemicals Cluster as an invaluable partner in our collective efforts to enhance the economic prosperity and well-being of its members by creating a platform for stakeholders to facilitate engagement and to assist businesses in overcoming their challenges and identifying new opportunities for investment, economic growth and job creation. This in turn must drive economic output, productivity, poverty reduction, social well-being and prosperity.

The cluster's role as a catalyst for innovation, collaboration, and skills development has transformed the landscape of the chemical sector in our region.

The programmes and projects implemented have not only bolstered the competitiveness of the chemical sector but have also created numerous employment opportunities.

I am happy to see that during the last year, 21 commercial opportunities were secured between 5 lead enterprises and 79 SMEs, through the Business Accelerator programme. Your dedication to supporting local businesses, fostering entrepreneurship, and promoting diversity within the sector has been instrumental in building a robust and inclusive chemicals industry.

I look forward to seeing how the new cluster strategy and the new 3-year business plan that we have signed will continue our efforts to grow and transform the chemicals industry.

Once again, we extend our deepest gratitude to the Durban Chemicals Cluster for work and achievements throughout the year. We look forward to continuing our partnership and creating a brighter future for the chemical industry in our region.

Together, we can create an inclusive environment that nurtures innovation, attracts investment, and propels our region to greater success.



Councillor Thanduxolo Sabelo

Chairperson: Economic Development and Planning Committee

Q&A WITH DCC FACILITATION TEAM

How does a cluster function and what are some of the benefits of clustering?

O'Neill Marais (Cluster Facilitator): A cluster is different to other industry forums, industry membership bodies, or public support functions in that it is positioned at the intersection of three entities – private industry, public institutions, research and education institutions.

A cluster is a regionally focused body and connects these three entities to find collective solutions to industry problems like stimulating growth, increased competitiveness, and developing industry-specific skills. Clustering also provides an effective solution to rapidly identify common weaknesses, challenges, opportunities, and pockets of best practice and to then act with the impact and speed of a small flexible organisation.

The cluster offers a unified voice for local industry stakeholders to advocate for the expansion of local manufacturing capabilities. It is also a cost-effective way for smaller developing companies to address common problems through exposure and access to best practices of and strategy insights from established firms.

Lastly, the cluster is a mechanism for amplified growth because your success is often linked with the success of those around you.

O'Neill Marais

Facilitator, DCC



The new DCC strategy has been developed to guide the next 3-5 years. What can we expect the cluster to focus on?

Meghan King (Chief Facilitator): The previous cluster strategy was developed at the onset of the Covid-19 pandemic. The DCC responded quickly to specific industry needs at that time and the previous strategy reflected this. The strategy was effective, and we were able to support businesses through that uncertain period.

However, the conditions of business have changed and now is the right time to redesign the strategy to reflect a longer-term vision for the cluster based on current market conditions, current infrastructure challenges and global trends.

The strategy was developed in collaboration with our member firms, and the focus was to move from a widespread approach to a more targeted approach that aligns specific activities along the value chain. We will focus on specific strategic goals that are actionable and achievable through the cluster activities to achieve the vision of rebuilding the industry and becoming an innovation and production hub for chemicals in South Africa and beyond.

Key themes for the chemicals sector are to increase competitiveness through innovation, increase productivity of the workforce, become an attractive destination for investment and build a sustainable pipeline of talent that will lead the industry for the next generation.

The new strategy will crystallise these themes into an actionable plan for the benefit of Durban Chemicals Cluster firms and the wider industry.



Meghan King

Chief Facilitator, DCC



THE CHEMICALS GROWTH DRIVERS REPORT: GREEN GROWTH – THE NEW WAY TO COMPETE

GLOBAL INDUSTRY OUTLOOK

As Environmental, Social and Governance (ESG) assets are to exceed \$50 trillion globally by 2025, sustainability has evolved from a responsibility to a growth strategy in the chemicals sector. Chemicals firms have responded affirmatively to this clarion call, gearing up for carbon tax and emissions trading systems by using more accurate and transparent emissions reporting methodologies. Independent organisations such as the Global Reporting Initiative have come into existence to assist by providing unbiased independent reporting.

BASF made the decision to take ownership of its own greenhouse gas accounting and developed the Strategic CO₂ Transparency Tool (SCOTT 2.0), a pioneer in this regard. Arkema makes use of a similar methodology, with its eyes set on bio-circularity, the use of biodegradable raw materials to ensure recyclability, such that its vertical value chain can be as circular as possible.

SOUTH AFRICAN CONTEXT

For chemicals firms, there are and needs to be emerging strategies for risk mitigation as well as growth opportunities enabled by accurately measuring greenhouse gas emissions to minimise carbon tax and bio-integration of value chains. The disparity between carbon taxation in South Africa (\$9/ tCO₂e) and the European market (\$85/ tCO₂e) through CBAM (Carbon Border Adjustment Mechanism) from 2025, and globally at an average of \$50 / tCO₂e will increase the exposure for producers in South Africa exporting to global markets.

Greenhouse gas accounting as set out by the Carbon Tax Act of 2019 carries with it allowances that can lower carbon tax to as little as 10% of the SARS-administered tax rate of R144/tCO₂e. This can be achieved by investing in sustainable raw material sources, decreasing unsustainable practices and transparently reporting greenhouse gas emissions per the Department of Environment, Forestry and Fisheries. One avenue open to bio-integration is the use of agricultural products as replacement inputs for traditionally oil-based chemicals as raw materials.

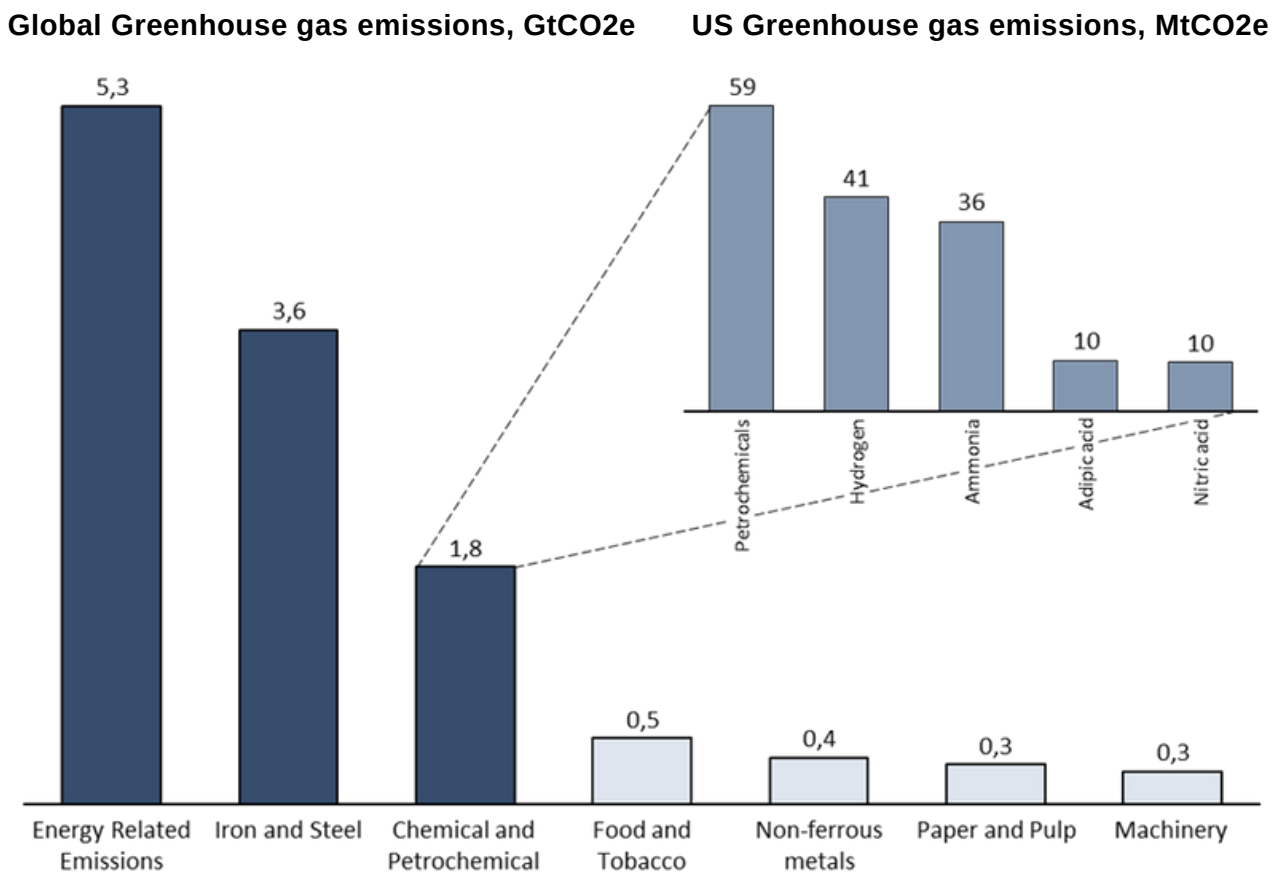
SUSTAINABILITY MATTERS

In the last decade, sustainability has been a growing factor in investment decision-making. In the two years of 2020 and 2021, there was an increase of 15% in sustainable responsible investments, making these investments about 36% of all managed assets.

The chemicals industry is intrinsically tied to many other industries worldwide.

These linkages are so ubiquitous that over 96% of all manufactured goods can be directly linked to chemicals. Reducing the carbon emissions in the chemicals industry would have a cascading effect of reducing emissions in other industries as well. A breakdown of global emissions by industry sector reveals that the chemicals industry is independently responsible for about 20% of all industry-related greenhouse gas (GHG) emissions,

The US is the global leader in this industry. The below chart shows the heaviest emitting sub-sectors – hence, any emissions reduction strategies within the global chemicals sector would have the greatest impact within these sub-sectors.



Heavy industries have the greatest opportunity to reduce emissions

CONSUMER DEMANDS

While chemical companies are less end-consumer-facing than other industries, the demand for sustainable products from these consumers is still felt. In a survey by Blue Yonder (which surveyed more than 1,000 US consumers), 64% of consumers admitted to being willing to spend more money on cleaning products if the product was manufactured sustainably. That said, the EU and US markets are a lot more conscious of this than developing markets. For example, a McKinsey survey reveals that only 46% of South Africans said they were willing to pay “a bit more” but only 18% said they were willing to pay “a lot more”.

The Global North is leading the industry towards sustainability, with the Global South following suit. As of 2020, the global green technology and sustainability market was estimated to be worth US\$10.3 billion per year. A forecasted CAGR of 21.9% will see it reach US\$74.6 billion by 2030.

Part of the reason for this accelerated growth will be the use of artificial intelligence, the Internet of Things (IoT), cloud computing and blockchain analytics among manufacturing industries. As these technologies approach commercial maturity, the room for growth is quite large.

MEETING THE CHALLENGE

When sustainability is being demanded by three key stakeholders (investors, government and consumers), it's clear how implementing such practices would avoid losses for firms living in countries with stringent sustainability laws, as these are the new rules of the game.

Sustainability as an operational approach not only allows companies to grow, but it also acts as security to allow the company not to fall backwards, securing investments, job growth and resulting economic growth. While some companies may think ‘sustainability’ is a buzzword, others are using sustainable practices in their strategic choices and the benefits are evident.

Sustainability and the bottom line are not mutually exclusive, but can, in fact, be complimentary.

To access a copy of the full Chemicals Growth Drivers report, email dcc@bmanalysts.com.



ACTIVITIES AND PROGRAMME IMPACTS FROM FY2023

15

years of adding
value to chemical
manufacturers

38

cluster members and
27 SME members

15

firm diagnostics
completed

31

small businesses
supported

375

modules completed by
learners on lean and
leadership skills
programme

234

participants from 156
firms cumulatively in
DCC shared learning
programmes

21

commercial opportunities
secured between 5 lead
enterprises and 9 SMEs,
through the Business
Accelerator programme

31

unemployed youths
complete CHIETA-
sponsored safety, health,
environment training

DCC ANNUAL GENERAL MEETING 2022: BEYOND GREEN: UNLOCKING OPPORTUNITIES IN SUSTAINABLE COMMERCIALISATION

The cluster hosted a successful annual general meeting on 4th October 2022, that rekindled the spark of collaboration and propelled us forward on our shared journey towards sustainability. This highly anticipated event brought together esteemed members and stakeholders, fostering an atmosphere of genuine connection, fruitful discussions, and purposeful engagement.

Participants embraced this invaluable platform for networking, relationship building, and profound conversations, as we collectively shaped the future of business growth and development in a sustainable world.

The theme of the AGM was centred around these core discussion points:

- Defining sustainability
- Building a positive enterprise value case for sustainable business strategies
- Exploring the difference between developed and developing market sustainability implementation
- Unpacking the actions that local firms can take to realise sustainable business strategies

We were privileged to host a distinguished panel that provided invaluable insights on sustainability. Their expertise and experience helped to shed light on various aspects of sustainable practices. Their thought-provoking perspectives encouraged us to think beyond conventional boundaries and to consider innovative approaches to tackling environmental and social challenges to achieve positive change in both business and society.

PANELLISTS



Steve Woodhall
former Technical Manager,
Scott Bader



Liesel Kassier
Head of Green Manufacturing,
Toyota Wessels Institute of
Manufacturing Studies

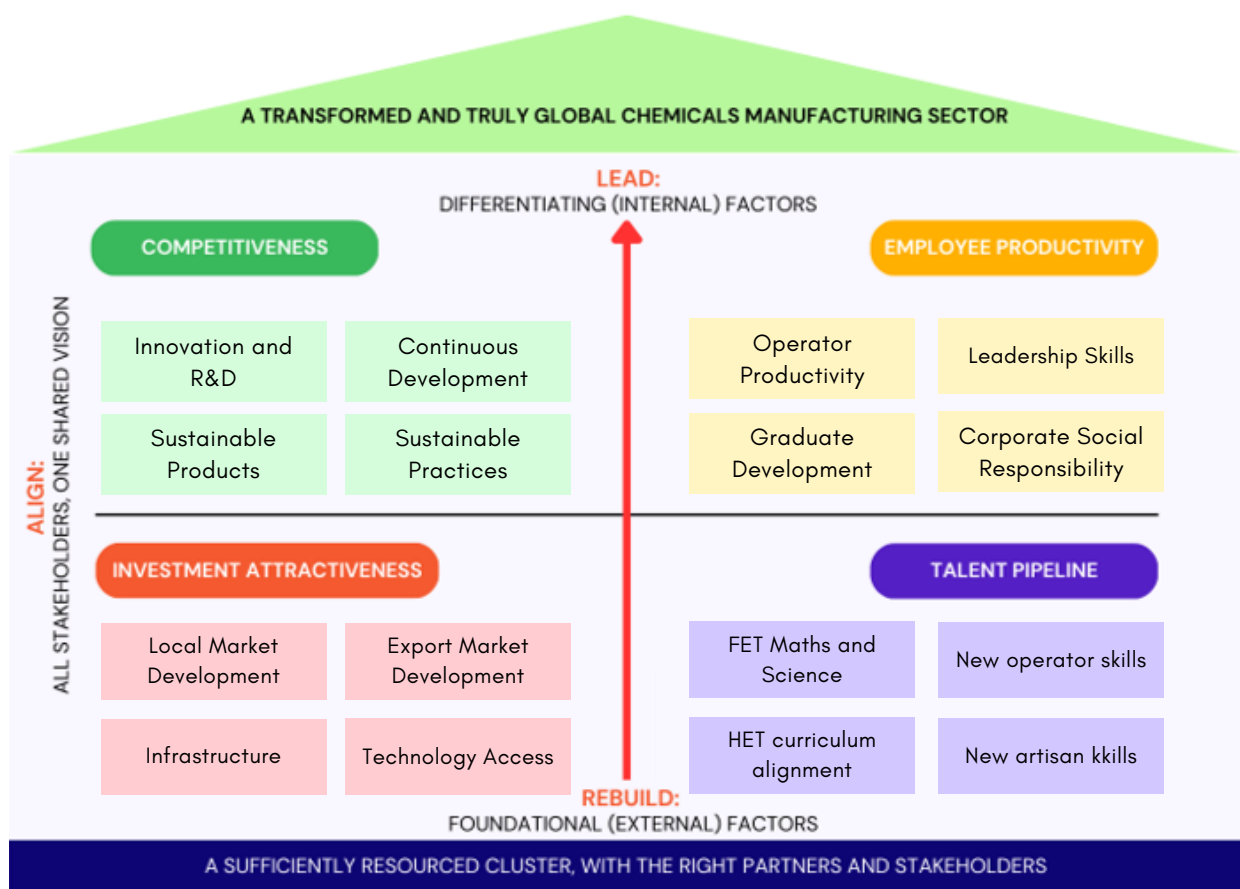


Lodewijk M. Nell
Partner at EcoMetrix Africa,
Brundtland

DCC STRATEGY DEVELOPMENT 2023 – 2026

During the early part of 2023, members were engaged both on an individual level as well as in group sessions to support the development of the new DCC strategy. The DCC strategy workshop with members and industry stakeholders was held on 23rd February 2023 to discuss input on the new strategic framework and what the focus areas should be.

The feedback from the strategy development process indicated that the DCC's current programme structure should be revised to better represent the ambitious targets set by the industry. The figure below represents the revised cluster structure.



The building blocks of the DCC's revised strategy

BUSINESS ACCELERATOR - UNLOCKING COMMERCIAL OPPORTUNITIES AND CREATING JOBS AT SME FIRMS

The marketing and screening phase of the 2022-2023 Accelerator launched in August 2022 and concluded on 30 September 2022, with 58 applications received and screened. During this phase:

- 31 high-potential SMEs were identified and invited to the Capacity Building event, which consisted of expert coaching to SMEs to develop a clear value proposition to customers as well as prepare how they will deliver their business pitch to customers
- 13 high-potential SMEs were shortlisted through further screening for inclusion in the next phases of the Accelerator

The Dragons' Den event took place on 2 November 2022 - a key component of the Accelerator for achieving significant economic transformation of Black-owned SMEs in the regional chemicals sector and supporting the participating large customers to find and develop their future, local suppliers.

- 13 SMEs presented their businesses to a panel of five "Dragons" from leading enterprises in the local chemicals industry: FFS Refiners, H&R Africa, NCS South Africa, Sherwin-Williams and SAPREF
- 21 commercial opportunities were identified by the leading enterprises for the 9 SMEs represented (AEIM Chemicals, Amatshesizwe Projects, API Solutions International, Dilex Purification, GLONS Oil, KCM Environmental Services, KLIA Business and Technology Solutions, Omari Chemicals, Quality Inspection and Engineering Services) with further engagements ongoing
- 9 SMEs were onboarded to cluster membership





Dragon's Den Event

The Business Case Development phase of the SME Business Accelerator programme began in November 2022. This phase seeks to analyse the business cases for the identified commercial opportunities and included:

- Financial and compliance due diligence risk assessment, delivered by a financial consultant to provide clarity on the SME's financial position and compliance status. The assessment is part of the process for the 9 SMEs to secure commercial opportunities with the 5 leading enterprises in the local chemicals sector
- A Scale Up X-Ray Diagnostic for 7 SMEs with confirmed commercial opportunities with customers. The X-Ray uncovers areas for improvement to enable more informed decision-making to achieve profitable and sustainable growth for SME firms

The 2021-2022 Accelerator close-out event took place on 6 December 2022 with SMEs, funders and lead firms. This marked the conclusion of the 2021 Accelerator providing the opportunity for shared learnings, celebrating successes and networking.



Dragon's Den Close-out Event

Preparations for the next iteration of the Durban Chemicals Cluster Business Accelerator will begin in Q3, especially focused on the lead firms that are already a part of the programme that might want to continue their engagements with SMEs. The next SME Accelerator is likely to launch in Q4 of 2023.

CASE STUDIES FROM THE BUSINESS ACCELERATOR PROGRAMME

KLIA Business & Technology Solutions

KLIA is a 100% black-owned SME that provides professional engineering services (maintenance, consulting, project management and LEAN manufacturing), specialised shipping services, tank washing and high-pressure cleaning services. KLIA is a licenced Bunkering Services provider and an accredited training provider.

Participated in the 2022 Business Accelerator, and accessed large customers (FFS, NCS South Africa, H&R Africa, Sherwin-Williams and SAPREF) through market access initiatives. KLIA was awarded “Best Business Case” and R25 000 in the Dragon’s Den. Furthermore, KLIA unlocked the opportunity to:

- Provide cleaning services for NCS South Africa’s effluent pit and pipe marking, in addition to developing a training manual for their Coatings division.
- Provide high-pressure cleaning services for Sherwin-Williams reactors and tanks, with possible investment in specific cleaning equipment.
- Expand current services to H&R by providing tank cleaning services and developing a tailor-made training programme for H&R.
- Provide tank-cleaning services to FFS and SAPREF.

Next steps for this SME: Further engagements with customers on the identified commercial opportunities to confirm customer requirements and needs.

KLIA will receive mentorship and upgrading support through the cluster to stabilise delivery, scale production and meet customers’ growth needs.



SME Owner: Jason Govender

API Solutions International (Pty) Ltd

API Solutions International (Pty) Ltd is a 100% black-owned SME based in Prospecton, that possesses a high degree of competence with Sugar Centrifuges and Evaporator Descaling equipment. The company also has an in-house manufacturing workshop, that manufactures the evaporator descaling equipment for the African continent and can thus provide custom-made solutions to evaporator descaling that falls outside of what off-the-shelf equipment can provide.

API Solutions joined the Accelerator in October 2022 and had the opportunity to pitch to several large customers (FFS Refiners, NCS South Africa, H&R Africa, Sherwin-Williams and SAPREF).



**API Solutions International (Pty) Ltd
owner, Sunthosh Balchund**

Outcome: Awarded “Most Promising/Innovative Supplier to the sector” and R25 000 in the Dragons’ Den. The member was onboarded as a cluster member. Furthermore, API Solutions unlocked the opportunity to supply balancing, maintenance, full inspection and other specialised services to FFS Refiners, with the potential to provide centrifugal services to their Jacobs and Secunda branches.

Further, they were offered the opportunity to develop a centrifugal filtration system for NCS South Africa’s Kettle 1 charging lines.

Next steps: The next steps for API include:

Continuing engaging with customers (FFS Refiners and NCS South Africa) on the identified commercial opportunities to confirm customer requirements and needs.

- Continuing on the Accelerator programme with the X-Ray Diagnostic and coaching from an industry expert that aims to understand the current state of the business and what interventions may be required to scale their business and team.
- API Solutions will receive further mentorship and upgrading support through the cluster to stabilise delivery, scale production and meet customers’ growth needs.



SME TESTIMONIAL

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“[The DCC Business Accelerator] has been one of the most elevating experiences since starting [KLIA]. Over the past years, our heads have been underwater, grinding away to nurture business from a grassroots level. This programme has afforded us the opportunity to pick up our heads and play at a level that feels like we are at a corporate level, getting expert training, coaching and guidance. To be a part of this experience is so encouraging and motivating. To have been recognised and acknowledged through the phases of the programme was special indeed and to be a winner was super amazing...I am still feeling like I am walking in the clouds. It has really done something for me personally, at a very deep level.”

– Jason Govender,
Managing Director of KLIA Business & Technology Solutions



SKILLS DEVELOPMENT

Skills graduation: Commemorating the Success of the TLDP and ELDP Graduates

A truly memorable event within our skills programme was the graduation ceremony held for the learners that were trained through the TLDP and ELDP. We were delighted to commemorate the successful completion of our TLDP and ELDP 2022 skills programme, as we celebrated the graduation on 30th March 2023. Our accomplished graduates have now attained mastery in lean manufacturing and leadership.

The graduation ceremony showcased impactful testimonials delivered by our graduates, providing a glimpse into their extraordinary journeys and notable accomplishments. The learners shared their invaluable experiences and the insights they acquired through the programme. Additionally, members had the privilege to network with fellow industry professionals, rejoice in the remarkable accomplishments of our learners, and relish their camaraderie. This graduation ceremony not only served as a moment of pride for all graduates but also as a testament to the transformative power of the skills programme in fostering meaningful change within the chemical manufacturing industry.

Photos from the Skill Graduation for 2022 learners





Empowering Growth: Unlocking Potential for Enhanced Productivity through Skills Development

The 2022 skills programme saw 375 modules completed through cluster programmes.

The DCC presented a comprehensive skills programme that catered to the diverse needs of our members. This programme consisted of two engaging online training initiatives: the Team Leader Development Programme (TLDP) and the Emerging Leader Development Programme (ELDP) as well as a new in-person version of the TLDP called the TLDP Blitz.

The ELDP, tailored for middle managers, featured a 6-module curriculum that includes a blend of theoretical knowledge and assessments, providing participants with a well-rounded learning experience. The course focused on vital areas such as conflict and change management, as well as identifying business opportunities and improvement areas.

The 7-module TLDP course equips leaders with lean fundamentals and is aimed at team leaders. This comprehensive programme included theoretical and practical assessments, allowing participants to apply their learning in real-world scenarios. Key learning outcomes encompassed motivating teams, identifying and reducing waste, and measuring and displaying performance.

On 25 & 26 April 2023, the DCC hosted the cluster's first TLDP Blitz lean fundamentals training at AlcoNCP, Durban. AlcoNCP is a multinational chemical company. The training was aimed specifically at chemicals and bulk handling of liquids industries.

The training enabled employees to practically understand lean manufacturing fundamentals, with the goal of inspiring them to enjoy their jobs, empowering them to solve problems and reduce waste using the 8 wastes and 6S. Learners are now equipped with valuable skills and knowledge and have earned a certificate of completion. They will now be able to demonstrate that they have the skill set to contribute to process improvement initiatives and make a meaningful impact on your organisation's success.



Pictures from Lean fundamental training at AlcoNCP

CASE STUDIES FROM THE SKILLS PROGRAMMES

TLDP Learner Implements 6s techniques at KZN Resins

Lussina Kallichuran, an employee at KZN Resins implemented the 6s techniques learned. She found that:

- The waste area was not cleaned regularly, resulting in redundant waste taking up space
- Raw material toxicity levels were not labelled, creating a hazard to workers
- Products were not stored in an organised and accessible manner

Solution

- Root Cause analysis was to determine issues
- Proposed solution: regular waste sorting, separate storage, routine checks, and signage/demarcation
- New routines were established with revised checklists

Impact of Solution

- A tidier and safer environment for employees leads to cost savings through the optimisation of storage space leading
- Higher output and reduced labour costs lead to increased employee morale and productivity

Before



After



TLDP Learner Implements 6s techniques and reduces raw material inventory by 8% in 1 month

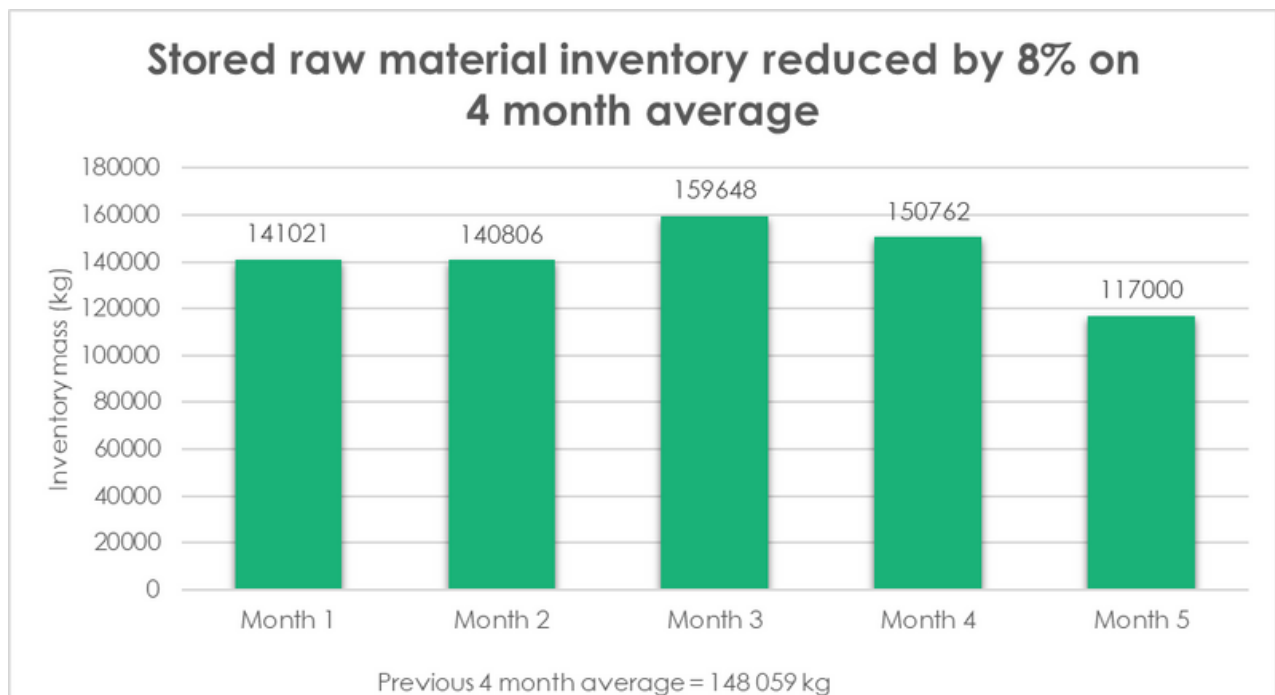
Learner reduces raw material inventory by 8% in 1 month at Associated Additives

Aspiring chemicals sector leader, Vinod, took on the challenge of optimising inventory management in an assay process as part of their ELDP practical project. By implementing key improvements, Vinod achieved improved process efficiency and cost reduction. The process faced a significant issue: inventory holding due to the disparity between raw material procuring and equipment processing capacity.

Vinod proposed and implemented two solutions:

- Processing the first raw material every 3 days so aligning the workflow with the equipment's capacity and reducing idle inventory
- Reducing the processing time from 3 days to 2 days, which further minimised idle inventory and improved efficiency

Vinod's strategic approach and collaboration with the production team led to impressive outcomes. Over the course of one month, the stored raw material inventory was reduced by a remarkable 8%. This optimisation resulted in increased process efficiency, reduced costs, and improved overall productivity



Vinod's dedication to monitoring and exploring further improvement opportunities, such as acquiring more efficient processing equipment, ensures the sustainability of the gains made.

SKILLS ELDP TESTIMONIAL

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"I have completed the ELDP course and found it to be quite interesting and educational. The information provided delved into each topic and the quizzes reinforced the learnings. Together with the practical component, my mentor put the learnings into perspective when it was implemented and integrated into my work."

– Lussina Kallichuran from KZN Resins



GROWTHFINDER DIAGNOSTICS

Besides being used to support SMEs as part of the Business Accelerator programme, 8 diagnostics were carried out with cluster members and 7 X-ray diagnostics, tailored to small firms, were carried out with SME firms.

The GrowthFinder diagnostic tool, used to identify key opportunities for firms and provide them with the intelligence needed to make smarter decisions in pursuit of growth, was also used to provide insight to the DCC team to help shape the product/programme offerings for maximum impact. During the coming year, the diagnostic will include an in-person site visit and assessment from a DCC manufacturing expert. Registrations are open for the programme in 2023.

Revised modularised growth and performance diagnostic product – GrowthFinder



COLLABORATIVE LEARNING THROUGH THE SHARED LEARNING PROGRAMME

The Shared Learning manufacturing meetup events are highly engaging sessions that focus on areas related to competitiveness, sustainability, growth and localisation. The events over the last year have included online webinars, in-person best practice tours and hybrid sessions.

These events are demand driven and focused on themes and topics of relevance to cluster members, with inputs and content presented by leading firms and experts. Some event topics have included:

- Reviewing ITL's responsive approach to addressing water challenges
- Jockey SA's empowering leadership development
- Implementing Renewable Energy Solutions panel discussion
- Sumitomo's Strategic Leadership Development
- Linde + Wiemann's Enhanced focus on their supply chain management
- TWIMS Management Technology Sandbox Event



Selected DCC Shared Learning Manufacturing Meetups

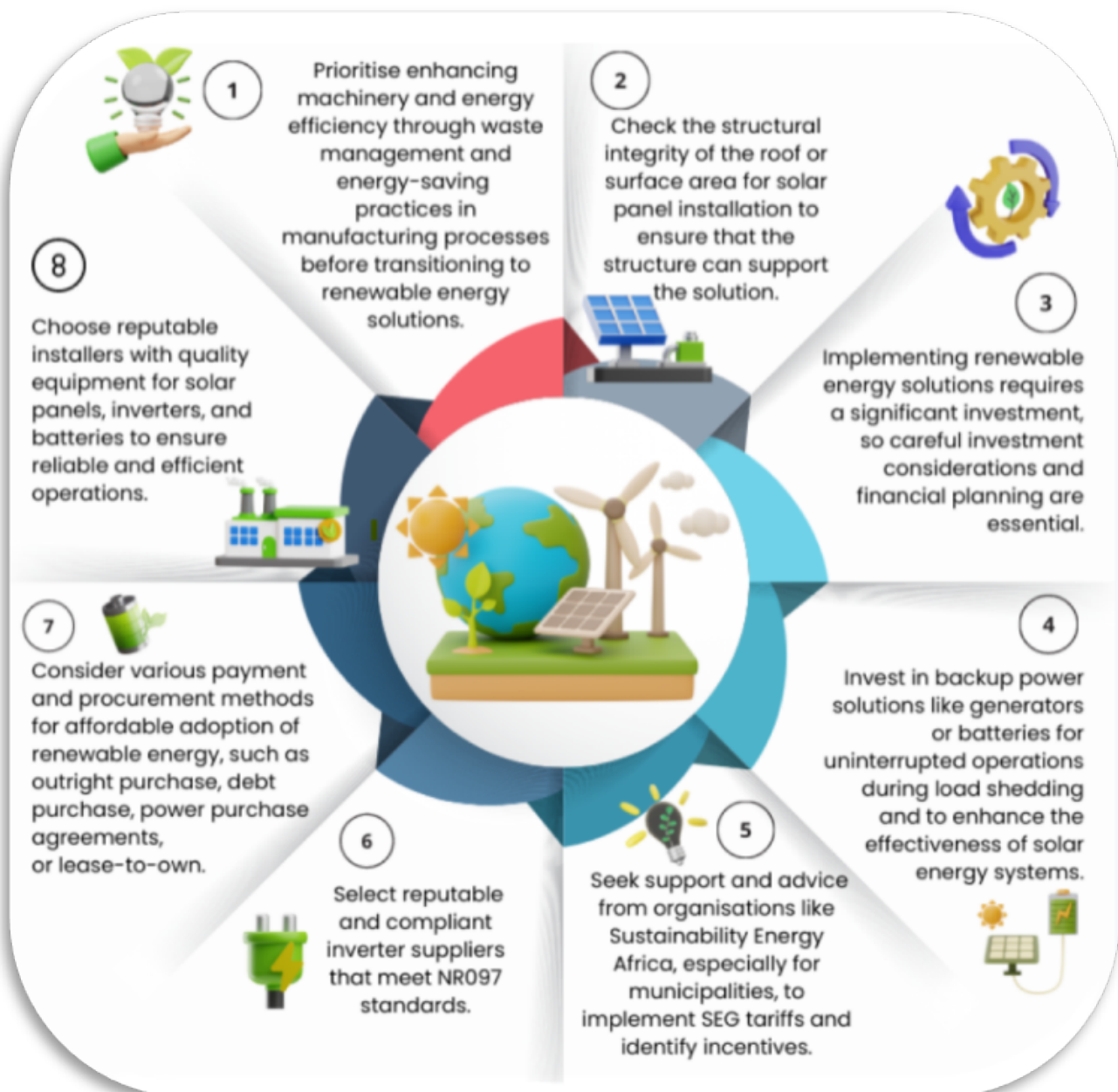
ONE NEW IDEA

The shared learning programme introduced the “one new idea” concept to their meet-up sessions, inviting all participants to derive at least one new idea from every event that could be implemented within their own firms.

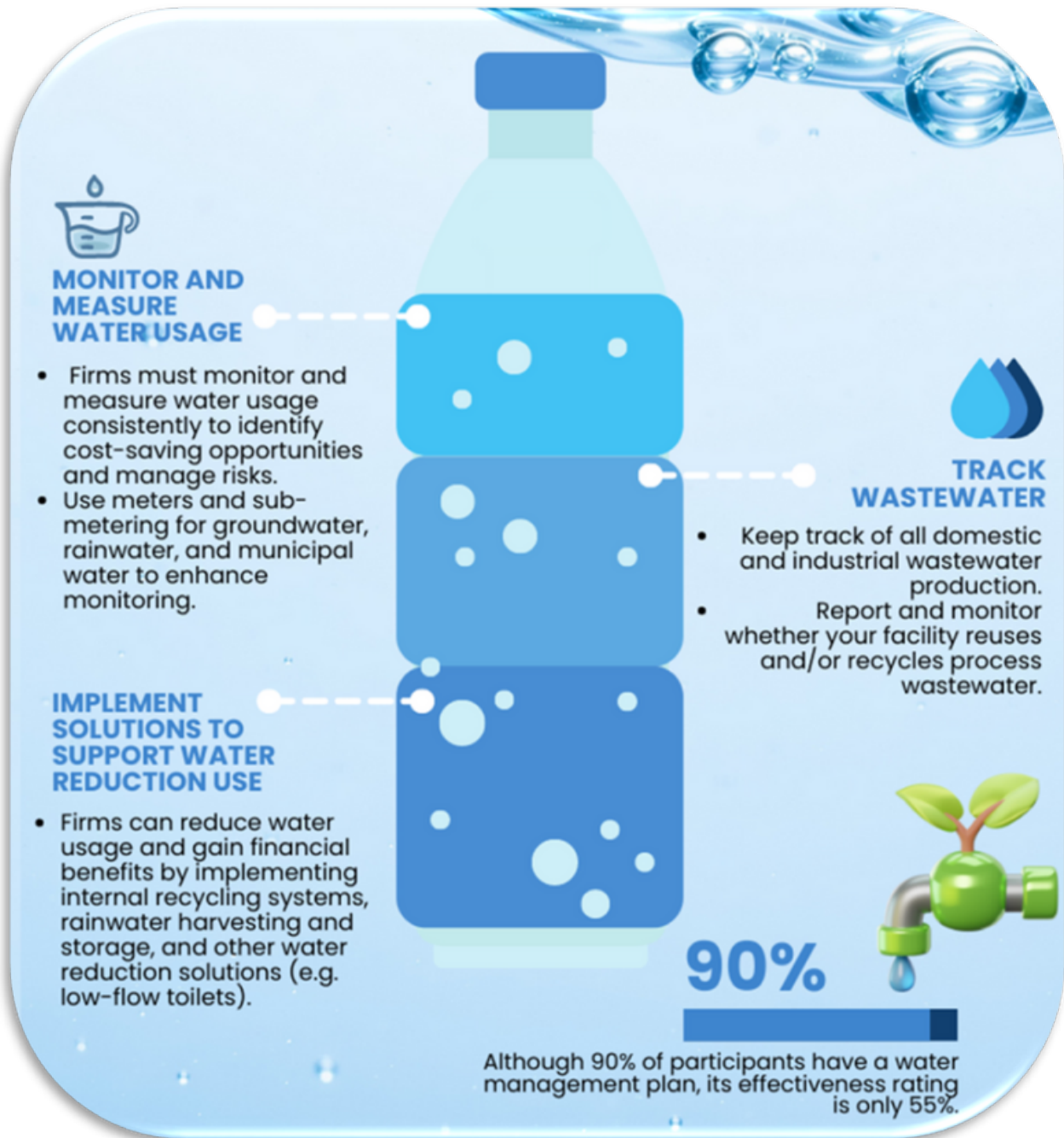
- 95% of participants derived one idea from the ITL’s water management session
- 100% of participants derived one new idea from the session at Jockey
- 88% of participants derived one new idea from the implementing Renewable Energy Solutions Session

Lessons learned from Shared Learning Manufacturing Meetups

Key lessons from the renewable energy Manufacturing Meetup:



Findings from Manufacturing Meetup – Addressing water challenges



Findings from Manufacturing Meetup – Leadership Development

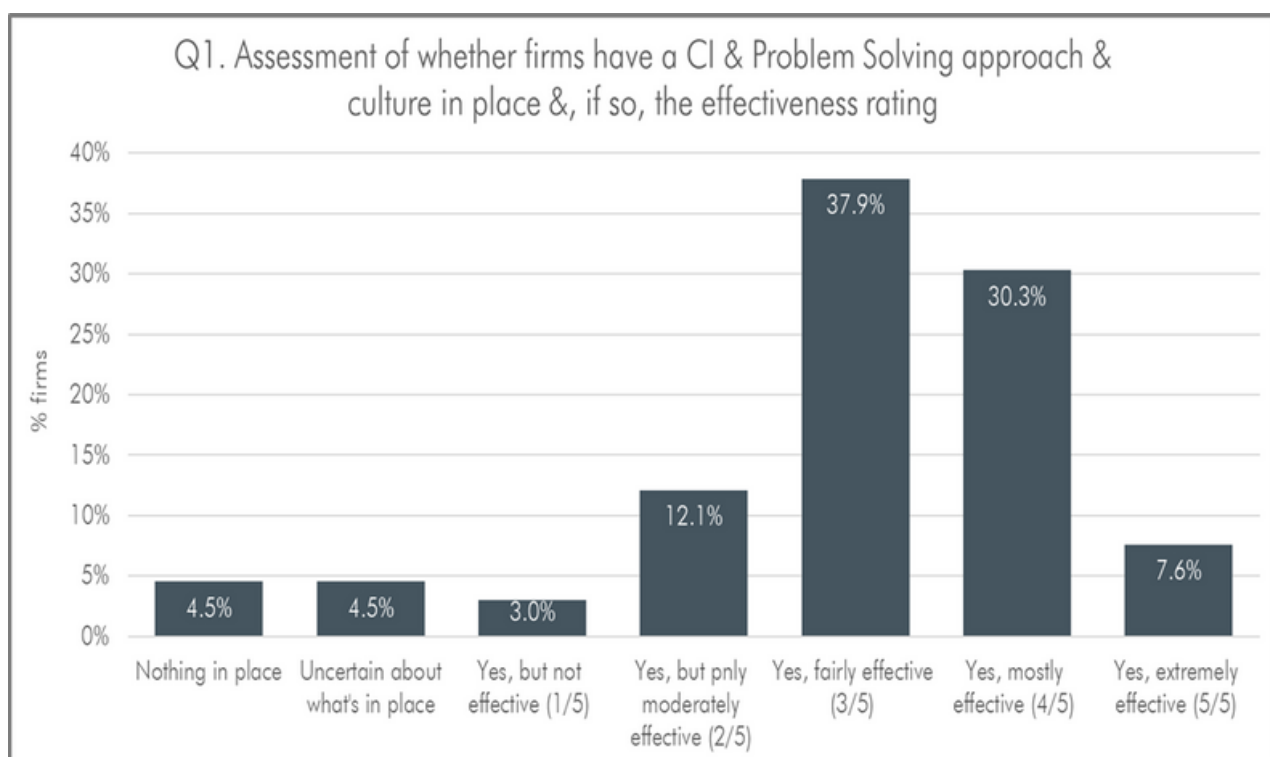


Findings from Manufacturing Meetup – Goodyear's Continuous improvement and Problem Solving approach to driving excellence

Having a Continuous Improvement (CI) and Problem-Solving approach is vital for all operations, according to Nabeel Hussain, Quality Manager at Goodyear Tire and Rubber Company. This supports firms to:

- Identify and solve problems in less time and achieve measurable results
- Involve everyone in the Problem Solving process
- Use data and process flow to focus on problems
- Develop practical and detailed solutions

Fewer than 40% of poll participants believe that their approaches are at least mostly effective.



Key takeaways:

- Deploy data-driven decision-making and a structured approach to make informed decisions and assist in identifying areas of focus. Firms could:
 - Look to incorporate daily structured problem-solving techniques
 - Measure performance to drive sustained improvements
 - Establish specific triggers and review them regularly to identify gaps
 - Adopt a simulated Problem-Solving approach that will help in the identification of issues and test potential solutions in a controlled environment,
- Prioritise training and capacity building to ensure that teams are clear on standards and able to contribute to problem-solving efforts
- Look for high-impact, low-effort opportunities when seeking out areas of improvement

SHARED LEARNING TESTIMONIAL

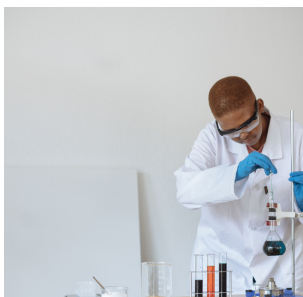
TWIMS Management Technology Sandbox Manufacturing meet-up

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“ I found the programme and events to be exciting and relevant. I also liked the fact that the programme was short, precise, edgy, and highly informative. The Sumitomo approach has to be a best in class. I think that Mr. Rademan has a deep understanding of employee development and has managed to put together a sound integrated plan for employee leadership. It is one of the best I've seen”

– Kumarasen Govender from BASF

 **BASF**
We create chemistry



ENERGY WHEELING PROJECT

Lighting the way to an energy-resilient future

Phase 1 of the energy wheeling project was completed at the end of 2022. The purpose of the project was to survey the energy requirements of local industrial firms and to set up a framework for energy wheeling between businesses based on demand. The firms included in the survey accounted for 77% of the local industrial energy demand.

The preliminary findings were:

- 47% of surveyed firms have not undertaken energy efficiency projects
- In parallel with alternative energy generation, firms need to improve efficiencies in their current energy solutions
- There is still lots of opportunity for DCC to support firms to become more energy efficient and to support each other with energy options

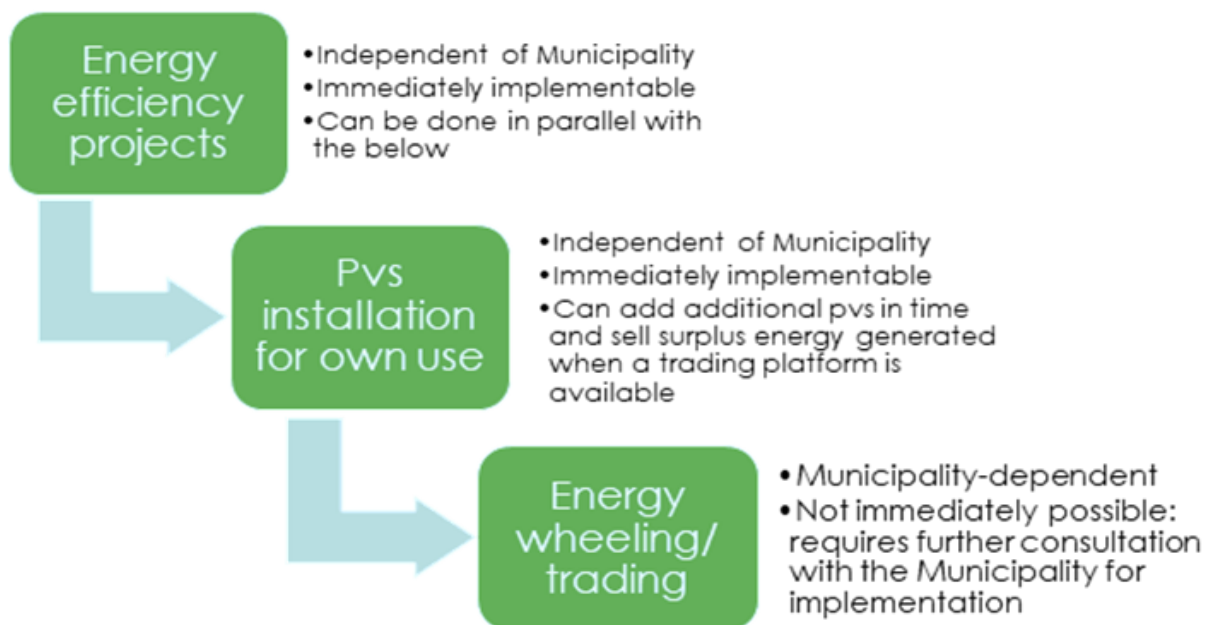
This project has highlighted that there are clear opportunities for renewable energy trading between cluster firms within the eThekweni Municipality and has proposed the establishment of a cluster-based Renewable Energy platform.

This platform will facilitate the cost-effective, large-scale trading of renewable energy, thereby maximising the collective efficiency model of clusters to the benefit of participating firms.

The following steps are suggested to move this from a research-focused to an implementation-based project:

- Establish a working team comprising representatives from each of the clusters to fully develop the trading platform framework
- The elements under project advisory services of the platform could already begin to assist companies with the installation of photovoltaics (PVS) for their own use requirements. This will allow for the opportunity for each firm to evaluate the business case for renewable implementation, such as total cost of installation, return of investment, cost savings etc. As/when the trading platform goes live, firms can then add to their existing systems to make use of broader revenue opportunities
- Both steps of the above steps require approval from the cluster executive committees before progress can be made

The Energy Wheeling project final report was distributed in May to all cluster firms. The results from the study indicated that there is further opportunity for firms to actively seek out energy efficiency projects to improve their energy usage profile. When undertaken before or in parallel with implementing renewable energy solutions (as per the figure below), these energy efficiency projects can assist firms in further driving down their costs of energy.



The recommended stepwise approach to renewable energy implementation at the firm level

Key next steps include establishing the legislative framework for wheeling within eThekwini and determining the commercial model for energy trading within eThekwini and between the clusters. We will communicate updates through the process.



AWARDS

The cluster acknowledges and appreciates the active involvement received from member firms. In recognition of their outstanding dedication and contributions to all cluster initiatives, as well as their unwavering and enduring support for industrial development in KZN, the following members are being honoured with awards for 2022/2023:

FIRM NAME	PROPOSED AWARD	REASON FOR NOMINATION
API Solutions International	Industry Gamechanger	"Most Innovative/Promising supplier to the sector" in Dragons' Den due to their niche offering (centrifugal services) pivoting from the sugar industry to supply the chemicals sector, so unlocking significant sales growth with leading customers that has resulted in 23% employment growth within the company.
FFS Refiners	Commitment to Localisation	Commitment to unlocking commercial opportunities with individual SMEs, driving meaningful transformation and localisation and willingness to implement supplier development projects with high potential SMEs.
Gold Reef Chemicals	Leadership Award	In a year of change, this firm provided solid executive oversight and strategic direction to the cluster in developing the strategy to move the industry forward.
H&R South Africa	Leadership Award	Provided executive oversight and strategic direction to the cluster while developing the new cluster strategy. A long-standing supporter of the Accelerator, this firm plays a leading role in unlocking commercial opportunities with individual SMEs, driving meaningful transformation and localisation.
Rudi van Niekerk	Chairperson Appreciation Award	In recognition of your time and dedication to the efforts of the cluster, which has benefited from your unwavering support of and contributions to our goals and revised strategy.

FIRM NAME	PROPOSED AWARD	REASON FOR NOMINATION
KLIA Business & Technology Solutions	Best Performing Accelerator SME	"Best Business Case" prize winner in the Dragons' Den. Unlocked significant sales growth with leading customers in the sector.
NCS South Africa	Commitment to localisation	Commitment to unlocking commercial opportunities with individual SMEs, driving meaningful transformation and localisation as a long-standing supporter of the Accelerator. Provided direction and oversight to the cluster to support the development of the new cluster strategy.
Ocean Plastic Technologies	Top Skills Participant	A smaller cluster member that has embodied skills development as a driver of continuous improvement. First two learners to complete the TLDP online and ELDP online courses in the cluster and in the whole learner cohort
Sherwin-Williams	Commitment to localisation	A new supporter of the Accelerator, displayed commitment to unlocking commercial opportunities with individual SMEs, driving meaningful transformation and localisation.
SAPREF	Commitment to localisation	Commitment to unlocking commercial opportunities with individual SMEs, driving meaningful transformation and localisation.
eThekweni Municipality	Funder Appreciation Award	For eThekweni Municipality's continued support, valuable insights, and unwavering commitment to the cluster and to the chemical industry.
CHIETA	Funder Appreciation Award	Appreciation for your dedication to fostering skills development and enhancing employability within the chemicals industry. Your unwavering support is invaluable to nurturing talent and driving growth in this sector.

THE EXECUTIVE COMMITTEE

Senior executives from member firms and officials from the eThekwin Municipality make up the DCC's Executive Committee. The Executive Committee provides strategic oversight and programmatic direction for the cluster.

Rudi van Niekerk

DCC Chairperson
H&R South Africa

Daniel Souchon

DCC Director
NCS South Africa

Trevor l'Ons

DCC Director
NCS South Africa

Claude du Plessis

Nominated Industry Representative
Gold Reef Chemicals

Leo Maistry

Nominated Industry Representative
NCS Resins

Karishma Ramcharan

Exco Member
Department of Trade and Industry

Vijay Pramjee

Refinery Representative
Engen

Takalani Rathiyaya

Funder
eThekwin Municipality

Ravesha Govender

Funder
eThekwin Municipality

Meghan King

Non-voting Chief Facilitator
BMA

Hilton Lazarus

Exco member
Industrial Development Corporation





OUR PARTNERS

THE DCC EXPRESSES GRATITUDE TO ETHEKWINI MUNICIPALITY AND
ALL SUPPORTING AND STRATEGIC PARTNERS FOR 22/23



GOVERNANCE AND COMPLIANCE

- Registered as a Non-Profit Company
- Memorandum of Incorporation (MOI) that entrenches Public-Private Partnership (PPP) model, transparent governance and clear accountability
- Clear business plan and accompanying implementation plan
- Memorandum of Agreement (MOA) governing relationship with the primary funder
- Performance management and reporting systems that are effective and efficient
- Financial control systems that are effective, efficient and transparent
- Adequate solvency and liquidity provisions
- Clean, unqualified annual financial audit
- Risk management practices that are effective, efficient and transparent
- Competition Law checklist and related safeguards
- Procurement systems that are effective, efficient and transparent
- Service Level Agreement (SLA) governing relationship with facilitation service provider
- Capacity to comply with funding agreements
- Compliance with the Companies Act; The Income Tax Act; Consumer Protection Law; the Public Finance Management Act; the Municipal Finance Management Act and the POPI Act
- Broad-Based Black Economic Empowerment (B-BBEE) level 4 contributor and 100% of expenditure can therefore be claimed as Preferential Procurement

MEMBER LISTING

NAME	CONTACT NUMBER	WEBSITE
AlcoNCP	031 560 1242	www.alconcp.com
Amatshesizwe Projects	010 510 1775	www.amatshesizweprojects.co.za
API Solutions International	031 579 1502	www.apisolutions.co.za
Associated Additives	031 468 1561	www.almstab.co.za
BASF Agricultural Specialties	031 769 2003	www.basf.co.za
BASF Coatings Services	086 110 0173	www.basf.co.za
BASF Construction Chemicals	031 769 2003	www.basf.co.za
BASF SA	031 904 7860	www.basf.com
Buckman Laboratories	031 736 8800	www.buckman.com
Dilex Purification	031 705 4707	www.dilex.co.za
Dow Southern Africa	031 716 5900	www.dow.com
Engen Petroleum Limited	031 460 3911	www.engen.co.za
Ferro Dispersions	031 480 8100	www.ferrodispersions.co.za
FFS	031 459 5300	www.ffe-refiners.com
GLONS Oil	079 142 0888	N/A
Gold Reef Chemicals	031 910 7500	www.gold-reef.co.za
H&R South Africa	031 466 8700	www.hur.com
Isegen	031 913 3200	www.isegen.co.za

NAME	CONTACT NUMBER	WEBSITE
Kansai Plascon Africa Limited	031 451 3200	www.kansaiplascon.co.za
KCM Environmental Services	032 815 0350	www.kcmenviro.co.za
KZN Resins	031 461 3883	www.kznresins.co.za
NCP Alcohols	031 560 1111	www.alconcp.com
NCS South Africa	031 713 0600	www.ncsresins.com
Ocean Plastic Technologies	031 331 0098/99	www.oceanplastictechnologies.com
Paperkem	031 713 3200	www.bimkemi.com
Protea Chemicals	031 468 5424	www.proteachemicals.co.za
Safripol	031 450 4111	www.safripol.com
Sancryl Chemicals	031 902 1422	www.sancryl.co.za
Scott Bader	031 736 8500	www.scottbader.com
Shell and BP South African Petroleum Refineries (SAPREF)	031 480 1911	www.sapref.com
Sherwin-Williams t/a Valspar	031 459 8400	www.sherwin-williams.com
Sika South Africa	031 792 6500	www.sika.com
SteriTech	031 702 7656	www.steritech.co.za
Sun Chemical South Africa	031 913 3000	www.sunchemical.com
The Flint Group	031 912 1928	www.flintgrp.com
The Great Supply	031 700 4168	www.thegreatsupply.co.za
Vopak	031 466 9200	www.vopak.com

DCC SME MEMBERS

2022/2023 DRAGONS' DEN SME COHORT	
AEIM CHEMICALS(PTY) LTD	081 281 8091
Amatshesizwe Projects	010 510 1775
API Solutions International	031 579 1502
Dilex Purification	063 606 3277
GLONS Oil	079 142 0888
KCM Environmental Services	081 476 2296
KLIA Business and Technology Solutions	079 502 0042
Strategic Configurations t/a Omari Chemicals	073 715 7572
Quality Inspection and Engineering Services	082 537 9349
2022/2023 SMES SUPPORTED	
Cleanfest	079 309 9062
Getshi Trading	031 023 0745
Isihlonti Oil & Fuel Distributors	081 590 2190
Kangolized	065 904 5167
Kapoko Trading Enterprise	072 991 1862
Manline Energy	033 846 2700
Melokuhle Multipurpose Primary Cooperative	083 426 0684
Misugeda Group	068 331 2397
Mzungezwa Holdings	076 947 9739
New Frontier Chemicals	081 867 7424
Njoms Solutions	081 479 7029
Serval Energy	067 019 2949
Techno Energy Petroleum	068 202 2253
Thembane Chemicals	078 453 5751
Thola Ukuthi Trading and Projects	073 074 3305
Thulubheke Investments	078 474 3766
Ugodo Heath and Safety Consultants	066 082 8666
Zhuzhed by Jhujhuletoir	084 863 554

ANNUAL FINANCIAL STATEMENTS



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