

CONCESSIONARY LOAN FINANCE

Concessionary loan finance for the tourism sector is available from the IDC and the DBSA. Both institutions have dedicated capacity to deal with tourism applications, with especially the IDC Tourism Strategic Business Unit well geared to deal with applicants.

Industrial Development Corporation	
Provider	IDC Tourism Strategic Business Unit
Type	Medium to long-term loans, with 5 -10 year repayment terms and variable interest rates In unusual circumstances, may consider risk participation in the form of equity or quasi-equity (mainly for large-scale or 'special' projects such as strategically important empowerment ventures
Who qualifies	Local and foreign investors, developing new or expanding their current tourism operations. Focus has traditionally been on tourism accommodation but focus has recently broadened
Details	Minimum loan size is R1-million. Minimum contribution of 40% required in owner's equity but less may be accepted for historically disadvantaged entrepreneurs. Interest rates vary but are linked to prime and vary depending on the profile of the project; under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments
Contact details:	Telephone: 011 269-3000 Facsimile: 011 269 3116 Call Centre: 0860 693 888 Email: callcentre@idc.co.za Website: http://www.idc.co.za
Development Bank of Southern Africa	
Provider	DBSA
Type	Medium to long-term loans, with variable repayment terms and interest rates. May also consider equity participation and providing guarantees to leverage private sector support by reducing the perceived risk of investment.



	Mainly functions as a supply infrastructure funder but will consider commercial infrastructure
Who qualifies	Local investors developing new tourism infrastructure or expanding their current tourism operations
Details	Significant owner's equity (30%+) required. Capital grace period may be negotiated to accommodate cashflow needs during start up period. Interest rates are linked to prime and vary depending on the profile of the project; under certain circumstances a small discount on prime may be negotiated. Repayments are tailored to suit cash flow requirements through capitalisation and moratoriums on capital repayments.
Contact details:	Telephone: 011 269-3000 Facsimile: 011 269-3116 Website: http://www.dbsa.org