

INVESTMENT GRANTS

There are two principal grant mechanisms in place to support investment in new private sector tourism, both administered by the DTI.

Small & Medium Enterprises Development Programme (SMEDP)	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies	Local and foreign investors, developing new or expanding their current tourism operations
Scale	<p>Payable over two years in quarterly tranches Third year grant available provided certain special qualifying criteria are met.</p> <p>Annual grant payment calculated as follows:</p> <ul style="list-style-type: none"> • R0+ - R5-m 10% per annum • R5m+ - R15-m 6% per annum • R15m+ - R30m 4% per annum • R30m+ - R50m 3% per annum <p>Maximum cumulative payment is R3-million</p>
Other details	Excludes infrastructure qualifying for the CIP grant, but includes on land, buildings and other capital equipment
Contact details:	<p>Tel: 0861 843 384</p> <p>Tel: (011) 254 9405</p> <p>Fax: 0861 843 888</p> <p>Email: cip@thedti.gov.za</p> <p>Website: http://www.dti.gov.za</p>
Critical Infrastructure Programme	
Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies?	Scheme aims to improve competitiveness of SA industries; stimulate economic growth and employment; and spread economic activity to rural areas.
Scale	Up to 30% of the development costs in qualifying infrastructure



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Foreign Investment Grant

Provider	Department of Trade and Industry
Type	Tax-free cash grant incentive
Who qualifies?	This grant aims to encourage foreign entrepreneurs to invest in new manufacturing concerns in South Africa by compensating the foreign entrepreneur for the qualifying costs of moving new machinery and equipment from abroad to South Africa. The manufacturing and tourism sectors qualify. The condition for manufacturing is that the sub-sector not be over-saturated as per DTI evaluation. This grant is not available for foreign investors from the South African Development Community (SADC) or South African Custom Union countries (SACU). This grant is only available to registered incorporated legal entities in South Africa.
Scale	Approved qualifying foreign entities may qualify for the Foreign Investment Grant up to a maximum of R3million. The grant is only available to new qualifying investments and offered once only to any foreign single entity. The FIG will be the lower of the actual cost or 15% of the value of new machinery and equipment relocated from overseas.
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