

bp Southern Africa partners with sefa to empower black business to enter energy retail sector

bp Southern Africa (bpSA) has entered into a co-operation agreement with the Small Enterprise Finance Agency (**sefa**), aimed at providing finance to empower black-owned businesses to acquire and operate service stations and related forecourt retail businesses.

The total value of the agreement is just over R58m, comprising of an initial R18m investment and a further R40m that **sefa** will receive from the proceeds of all annual loan recoveries ceded to the bp/**sefa** fund from a previous ESD Fund. The investment will be used by **sefa** to finance 50% of the capital needed by approved businesses, to acquire and develop service station properties. bpSA and **sefa** will jointly approve the beneficiary businesses.

“As part of our transformation journey and strengthening our convenience portfolio, building strong partnerships is key in ensuring the successful delivery of our business objectives, which are underpinned by a customer-centric strategy,” says Taelo Mojapelo, bp Southern Africa CEO. “As part of our retail transformation agenda, we aim to have 70% of our service stations operated by black dealers by 2025. To put that in context, bpSA currently has over 500 branded retail stations throughout the country, a number that is set to grow in the next year.”

The agreement is set to run for five years, and bpSA will contribute to the fund annually to ensure its growth and future impact. Both parties have agreed that it may be renewed.

“Service station forecourts have become retail hubs that deliver a service to surrounding communities as well as motorists and present a range of opportunities to business owners. bpSA is looking to redefine convenience in key focus markets to offer customers what they need, where and when they need it,” says Mojapelo.

The global forecourt retail market was said to be worth \$190.6 billion in 2019 with a predicted compound annual growth rate of 3.6%, higher in emerging markets, according to KPMG. It is also worth noting that in South Africa the forecourt retail business alone is worth an estimated R40bn a year, representing an opportunity for emerging dealers.

“Helping black-owned businesses enter this sector is a huge opportunity to create sustainable enterprises that provide employment opportunities. Access to capital is one of the main barriers to building a thriving entrepreneurial business community and we are proud to be working with bp to open up the energy sector to more black players,” says Mxolisi Matshamba, CEO at **sefa**. “We are delighted to be working with bpSA to drive further transformation of the country’s service stations.”

Further and according to the study conducted by SAPIA in 2019, despite being pre-Covid, the oil industry accounted for 3.2% of the country’s Gross Domestic Product and created 250 000 jobs, representing 1,5% of total employment levels in South Africa.

“The fuel industry in South Africa remains one of the strategic importance in ensuring sustainable economic growth. With the imminent recovery of the economy, the industry has a larger role to play. The strategic importance of the sector may not be fully beneficial if it is not intended to stimulate increased growth and economic transformation, and access to resources by women, youth and persons with disabilities. To this

effect, the government has created enabling platforms through the introduction of legislation, policy mandates, and regulations.

Access to finance, market, lack of skills and non-financial support have remained challenges to achieving sustainable transformation in this sector. In this regard **sefa**-bpSA agreement is a deliberate public-private partnership in promoting and advancing transformation in this industry, says Mxolisi Matshamba **sefa**-CEO.”

Interested parties are advised to apply for funding via **sefa**, which will be responsible for managing the loan process, and providing support and oversight to successful retailers.

Ends

About bpSA

bp has operated in Africa for almost 100 years, pursuing a range of interests from crude oil importation and refining to the distribution and marketing of gas and refined products through a network of over 500 service stations, Aviation, bp Marine and Castrol. The head office for bp Southern Africa (bpSA) is based in Rosebank, Johannesburg.

The core bp brands include the multi-award-winning bp Ultimate fuels, Wild Bean Café, Pick n Pay (PnP) Express and bp Express convenience brands.

About sefa

The Small Enterprise Finance Agency(**sefa**) is an agency of government with a mandate to provide finance to SMMEs & Cooperatives through a hybrid of wholesale and direct lending channels.

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