

BP Southern Africa invests R58m to help Black-owned SMEs

BP Southern Africa is pledging R58m in total funding in a partnership with the Small Enterprise Finance Agency (Sefa) to stimulate black-owned businesses. The investment will help SMEs acquire and operate service stations and related forecourt retail businesses at BP service stations.



BP Southern Africa CEO Taelo Mjapelo and Sefa CEO Mkolisi Matshamba. Source: Supplied

The funding comes as 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.

Sefa will, in turn, finance 50% of the capital needed by approved businesses, to acquire and develop service station properties. BP 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 Mjapelo, 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, BP currently has over 500 branded retail stations throughout the country, a number that is set to grow in the next year.”



Nokwanda Khumalo joins BP Southern Africa as divisional GM

2 Aug 2023



The agreement is set to run for five years, and BP 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. BP is looking to redefine convenience in key focus markets to offer customers what they need, where and when they need it,” says Mojapelo.

Forecourt is big business

The global forecourt retail market was said to be worth over \$190bn 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 BP to drive further transformation of the country’s service stations.”

According to a 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.

Government support

“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,” continues Matshamba

“To this effect, the government has created enabling platforms through the introduction of legislation, policy mandates, and regulations,” he concludes.

“Access to finance, market, lack of skills and non-financial support have remained challenges to achieving sustainable transformation in this sector. In this regard BP/Sefa agreement is a deliberate public-private partnership in promoting and advancing transformation in this industry.”

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.