

# **MEDIA RELEASE**

**6 December 2001**

## **CELEBRATION OF TRANSFER OF SAFCOL KWAZULU-NATAL FORESTRY ASSETS TO SIYAQHUBEKA CONSORTIUM**

The Minister of Public Enterprises, Mr Jeff Radebe, and the Minister of Water Affairs and Forestry, Mr Ronnie Kasrils, together with the community of Kwambonanbi will celebrate the transfer of the second forestry package to SiyaQhubeka Forests (Pty) Ltd on 6 December 2001. The event marks an important milestone in the process of restructuring of state forests where 22 000 hectares of SAFCOL commercial forestry assets will be transferred.

The event will be attended by government representatives from the Departments of Public Enterprises and Water Affairs and Forestry; Mr Narend Singh, Kwazulu-Natal MEC of Agriculture and Environmental Affairs; Mr Phineas Mthethwa, the Mayor of Kwambonambi; Mr Andrew Thompson, CEO of Mondi Ltd; Mr Moses Molefi, Chairman of Imbokodvo Lemabalabala Holdings (IL Holdings); representatives from the SiyaQhubeka Consortium as well as the local community and the Amakhosi.

The Ministers will unveil a commemorative plaque to celebrate the official launch of SiyaQhubeka Forests. The strong local community involvement will ensure that, through the forestry initiative, black economic empowerment is fostered and local communities are uplifted.

A noteworthy aspect of this R100-million transaction is the decision to remove forest plantations from part of the western shores of Lake St. Lucia, which will be phased out over a five-year period. The rehabilitated land will be incorporated into the Greater St. Lucia Wetland Park, adding 11 000 hectares to the park. In addition, SiyaQhubeka has supported moving the boundary fence of the park to include a sizeable portion of its plantations, allowing for better management and freer

movements of animals. This is a world-first for commercial plantation forestry and a World Heritage Site.

The SiyaQhubeka Consortium comprises of Mondi Limited and its empowerment partner Imbokodvo Lemabalabala Holdings (IL Holdings). IL Holdings is chaired by Moses Molefi and counts black business representatives and traditional leaders among its shareholders. The consortium's shareholding amounts to 75 percent, with Mondi holding an initial 65 percent and IL Holdings 10 percent. Government, through SAFCOL, the National Empowerment Fund and employees, will hold 25 percent of the shares.

Mondi has agreed to facilitate the sale of 14 percent of its interest in SiyaQhubeka shareholding to rural black timber farmers, neighbouring communities (including local traditional leaders) and the empowerment shareholders thereby reducing its shareholding over time to 51 per cent. The important initial steps for this will be the establishment of appropriate structures and communication to these stakeholders.

ENDS

For comment contact:

Pumla Mtyeku  
Department of Public Enterprises  
012 431 1072

Lael Bethlehem  
Department of Water Affairs and Forestry  
012 336 8753

Marion Dixon  
Mondi Limited  
011 638 3001

Andrew Zaloumis  
Lubombo Spatial Development Initiative/Greater St Lucia Wetland Park  
082 788 3000