



FOREST SECTOR
CHARTER COUNCIL

LEVEL THREE

FOREST SECTOR TRANSFORMATION AT A GLANCE 2024/2025

THE FOREST SUB-SECTORS

Growers | Sawmilling | Pole
Fibre | Charcoal | Contracting

REPORTING REVEALED DROP IN ENGAGEMENT

158

The 2024/25 reporting period witnessed a **17.3% drop** in reporting, especially among Exempted Micro Enterprises (EMEs). This could be attributed to limited awareness, economic pressures, disillusionment with the perceived benefits of compliance & business closures or mergers.

These findings underline the need for targeted awareness campaigns, a simplified compliance process & greater support. Reporting at a sub-sector level varies, with Contractors (56%) & Growers (23%) dominating submissions, however, it should be noted that reporting still falls short of reflecting the true number of business active in the sector. FSCC will be collaborating closely with sub-sector associations to address this issue.

MEDIUM & LARGE ENTERPRISES (MLEs)

Representing 6 of the 6
sub-sectors

AVERAGE: LEVEL THREE

- 38 verified B-BBEE scorecards (a 3 year high)
- Rise in Ownership performance to **76%** (from 72% the previous year)
- Management Control (MC) remains a persistent challenge for MLEs, with overall sector compliance stagnating around **50%**.
- Lowest Skills Development (SD) score in 3 years **60%**
- 7% decline in Enterprise & Supplier Development to **84%**

Highlights

- JSE listed companies continue to achieve remarkable ratings
- SAFCOL received B-BBEE Facilitator Status in June 2024 & maintained a Level Two B-BBEE Status

Focus Areas

- There is a clear need for intentional diversity & inclusion strategies, including targeted mentorship, succession planning & career pathways for black women in leadership roles
- To work closely with the charcoal sub-sector to increase reporting & performance

QUALIFYING SMALL ENTERPRISES (QSEs)

Representing 4 of the 6 sub-sectors

UNENHANCED

<51%
Black-ownership

AVERAGE LEVEL TWO

- Contracting sub-sector stood out in terms of reporting & performance
- Declines in average MC, SD & SED scores

Highlights

- The number of unenhanced QSEs reporting almost doubled from 5 to 9 - credit must be given to the Contracting sub-sector

Focus Areas

- Address the **5.4%** decline in reporting this year, to ensure it does not become a trend
- Consider ways in which the MC, SD, ESD & SED transformation elements of Enhanced QSEs are considered
- Work closely with all sub-sectors apart from Contractors to increase submissions

ENHANCED

51-100%
Black-ownership

AVERAGE LEVEL TWO

- Dominated submissions
- Sharp decline over the past two years from 62 to 44

EXEMPTED MICRO ENTERPRISES (EMEs)

Representing 4 of the 6
sub-sectors

AVERAGE: LEVEL TWO

- Submissions dropped by 33% to 67
- 95% of submissions were from the Contracting & Growers sub-sectors

Highlights

- 79% achieved Level One status - reflecting a strong base of black-owned businesses
- Average Black Ownership stood at 80.6% - figures notably higher than QSEs

Focus Areas

- There were no submissions from the Sawmilling & Pole sub-sectors, this needs investigating
- Adoption of the FSCC's Online Reporting System may simplify the process going forwards & improve submission rates

TAKE HOME MESSAGE

- Despite significant dips in reporting, the sector managed to maintain a Level Three B-BBEE
- Promote reporting using Online Reporting System to improve QSEs & EMEs submissions across the sub-sectors
- SAFCOL's performance to maintain a Level Two & receive B-BBEE Facilitator Status was remarkable
- Work closely with the Charcoal sub-sector to increase reporting across all three categories
- Moving forwards, we need to look at ways to record the proportion of entities reporting rather than number, this will provide a more accurate representation of the sub-sector's performance