

New owners to breathe life into SA's Mara Phones

Embattled local smartphone manufacturer Mara Phones has been given a new lease on life after being acquired by Lebashe Investment Group (owner of Arena Holdings), MPSA Projects and Mara Phones' local management buyout (MBO) team led by Mara Phones South Africa's managing director Sylvester Taku.



Source: Mara Phones

Lebashe Investment Group is set to acquire a significant shareholding of 70% in the Mara Phones business, which consists of a portfolio of smartphones, tablets and other smart devices.

Mara Phones said that through the partnership, the management buyout team is looking to save jobs, retain critical skills and keep the company's manufacturing facilities in Durban.

According to a [Business Insider](#) report, Mara Phones said it would focus on rebranding, marketing and creating sustainable channels, and committed to establishing a healthy working environment and protecting employees' dignity. "The aim is to position Africa as a world-class manufacturing hub of hi-tech products and to locally manufacture affordable, high-quality mobile smart devices," it said.

[The Sunday Times](#) reported that the new owners are in talks to export the soon-to-be-rebranded devices to five countries as they try to revive the business.



Ramaphosa opens South Africa's first smartphone factory

21 Oct 2019



The once government-backed Mara Phones opened South Africa's first smartphone factory at the Dube TradePort in Durban in October 2019. President Cyril Ramaphosa, who attended the ceremonious launch, referred to the factory opening as a "great moment in South Africa's drive to be a producer of advanced goods", and the development was described by many as a boost for the labour market and SA's best attempt at becoming a leader in the technology industry.

The Covid-19 pandemic and related lockdowns hit just four months later. The impact of this coupled with a lack of uptake in the South African domestic market and a shortfall in tender materialisation led to the factory ceasing operations. Its creditors, the Industrial Development Corporation (IDC) and Standard Bank liquidated the entity and put it up for auction in February. It was subsequently placed under business rescue.



SA's first smartphone factory goes on auction

8 Feb 2022



Saving jobs, stimulating KZN economy

In a statement shared by Lebashe Investment Group last week, it said the partnership with the management buyout team of Mara Phones South Africa aims to revive the business and take the smart device manufacturer out of business rescue. "The investment will see hundreds of jobs saved and the world-class manufacturing facility remaining in Durban, South Africa," it said.

Commenting on the Mara Phones acquisition, Lebashe Investment Group chairman Tshepo Mahloele said the asset appealed to him not only because it manufactured and supplied smart devices, but because of its ability and potential to integrate technology and innovation to provide solutions and enable business growth for South Africa and other African emerging markets.

He said, "As we have shown with our investments in both Arena Holdings and EOH, we have the right team and strategy to turn around distressed companies. We are looking forward to working with the local management team to introduce an urgent turnaround strategy to revive this sleeping giant.

"We are equally excited by this opportunity to invest in a project that will make a difference in an area that has been hard hit on every side. What excites us even more is the fact that our investment will save the much-needed jobs in the province of KwaZulu Natal. The province has been ravaged by the natural disasters like the recent floods and a lot of people lost their jobs after last year's riots in July. So, to be able to bring a smile to those Mara Phones South Africa employees, who have been sitting at home and slowly losing hope, brings joy to my heart."

"The MBO team's Sylvester Taku commented: "It has been an arduous year working on this transaction and we persisted even when it looked like failure was the only obvious outcome, because we understand it is more than a company we were

trying to rescue but also the aspirations of many Africans who will like to see a thriving smart devices manufacturing industry in South Africa and the continent. We could not have found a better partner than Lebashe Investment Group to recreate this business with."

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