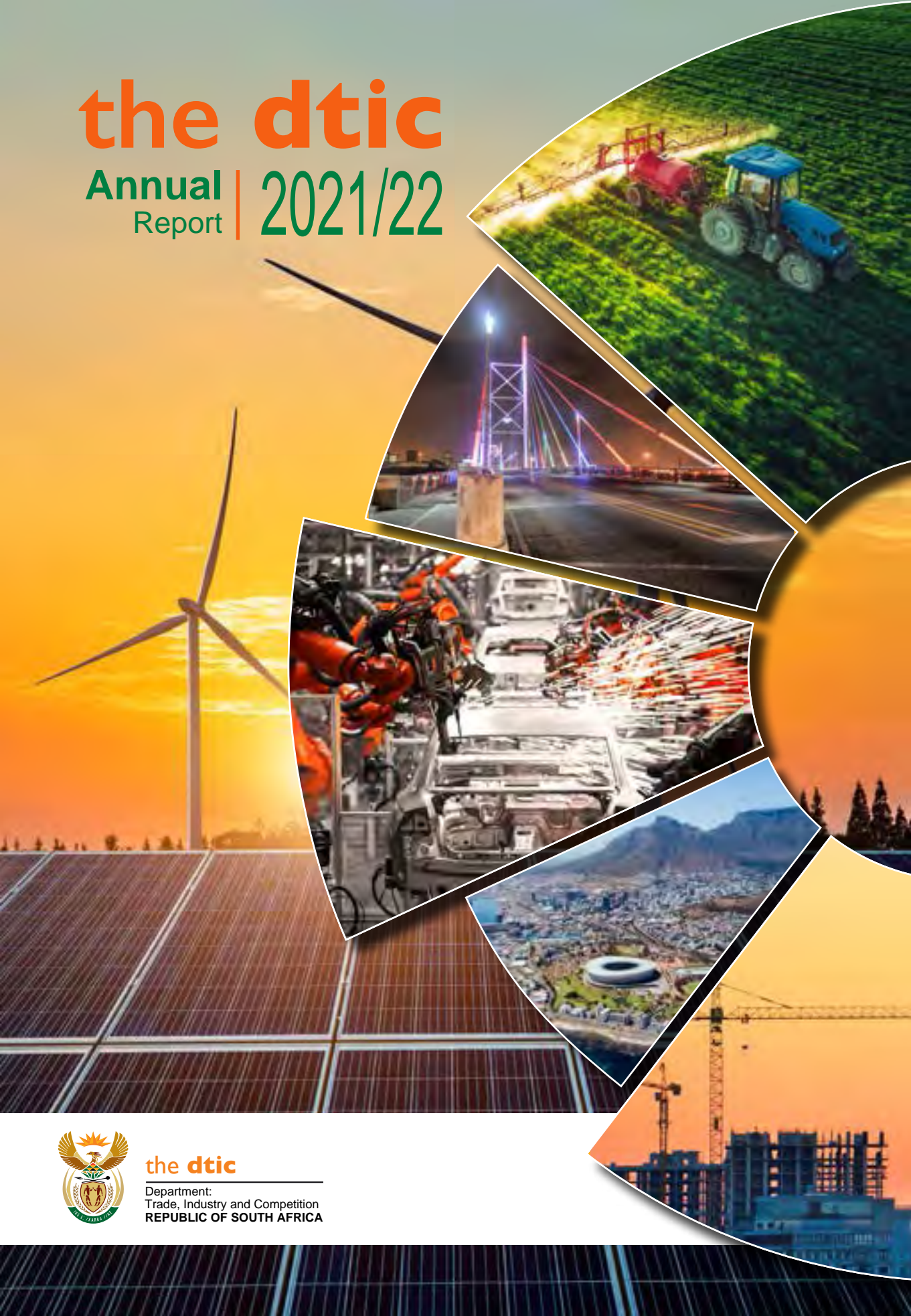


# the dtic

Annual Report | 2021/22



the dtic

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA



# the dtic

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**Annual Report**  
2021/22



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# Contents

1. Abbreviations and Acronyms	03	<b>Part A</b> General Information
2. Foreword by the Minister	06	
3. Deputy Ministers' Statements	12	
4. Report of the Accounting Officer	16	
5. Statement of responsibility and confirmation of accuracy for the Annual Report	22	
6. Strategic overview	23	
7. Legislative and other mandates	24	
8. Organisational Structure	28	
10. Entities reporting to the Minister	29	
<hr/>		
1. Auditor-General Report: predetermined objectives	36	<b>PART B</b> Performance Information
2. Overview of departmental performance	36	
3. Service delivery improvement plan	41	
4. Achievement of institutional impacts and outcomes	46	
5. Institutional programme performance information	52	
6. Transfer payments	118	
7. Conditional Grants	122	
8. Donor Funds	122	
9. Capital investment	122	
<hr/>		
1. Introduction	125	<b>PART C</b> Governance
2. Risk management	125	
3. Fraud and corruption	125	
4. Minimising conflict of interest	125	
5. Code of conduct	126	
6. Health, safety and environmental issues	126	
7. Portfolio committees	126	
8. SCOPA resolutions	128	
9. Prior modifications to audit reports	128	
10. Internal control unit	128	
11. Internal audit and audit committees	128	
12. Audit committee report	130	
13. B-BBEE compliance performance information	134	
<hr/>		
1. Introduction	138	<b>PART D</b> Human Resource Management
2. Overview of human resources	138	
3. Human resources oversight statistics	138	
<hr/>		
1. Report of the Auditor-General	181	<b>PART E</b> Financial Information
2. Annual Financial Statements	185	
Annexures to the Annual Financial Statements	244	<b>PART F</b> Foreign Economic Offices
Annexure A: B-BBEE Initiatives	278	

# PART A

## General Information



## 1. ABBREVIATIONS AND ACRONYMS

Abbreviation/ Acronym	Definition
AFCFTA	African Continental Free Trade Area
AGSA	Auditor-General of South Africa
AIS	Automotive Investment Scheme
AO	Accounting Officer
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CCR	Consumer and Corporate Regulation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIP	Critical Infrastructure Programme
CIPC	Companies and Intellectual Property Commission
COTII	Council of Trade and Industry Institutions
CP&EP	Competition Policy and Economic Planning
CTFL	Clothing, Textiles, Leather and Footwear
DDM	District Development Model
DFFE	Department of Forestry, Fisheries and Environment
DG	Director-General
DIRCO	Department of International Relations and Cooperation
DMRE	Department of Mineral Resource and Energy
DPSA	Department of Public Service and Administration
DSI	Department of Science and Innovation
<b>the dtic</b>	Department of Trade, Industry and Competition
EBMM	Export Barriers Monitoring Mechanism
ECF	Employment Creation Fund
eCIT	Electronic Commodity Identification Training
EDP&OI	Export Development, Promotion and Outward Investments
EDS	Export Development and Support
EFTA	European Free Trade Association
ELIDZ	East London Industrial Development Zone
EMIA	Export, Marketing and Investment Assistance
EO	Ethics Officer
EPA	Economic Partnership Agreement
EPR	Extended Producer Responsibility
ER&C	Economic Research and Coordination
ERRP	Economic Reconstruction Recovery Plan
EU	European Union

Abbreviation/ Acronym	Definition
EVP	Employer Value Proposition
EXBO	Executive Board
FDI	Foreign Direct Investment
FER	Foreign Economic Representative
FM	Facilities Management
FY	Financial Year
GDP	Gross Domestic Product
GEPP	Global Exporter Passport Programme
GPSSBC	General Public Service Sector Bargaining Council
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HOE	Head of Ethics
HSRM	Hydrogen Society Roadmap
IC&G	Industrial Competitiveness and Growth
IDC	Industrial Development Corporation
IF	Industrial Financing
IIF&A	Inward Investment Attraction, Facilitation and Aftercare
IP	Industrial Parks
IMF	International Monetary Fund
ITAC	International Trade Administration Commission of South Africa
MBSA	Mercedes Benz South Africa
MCEP	Manufacturing Competitive Enhancement Programme
MTEF	Medium-Term Expenditure Framework
MTS	Multilateral Trading System
MTSF	Medium -term Strategic Framework
NCAA	National Credit Amendment Act
NCCC	National Coronavirus Command Council
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NEF	National Empowerment Fund
NERSA	National Energy Regulator of South Africa
NIP	National Infrastructure Plan
NSG	National School of Government
NT	National Treasury
ODG	Office of the Director-General
OHS	Occupational Health and Safety
PES	Presidential Employment Stimulus
PFMA	Public Finance Management Act
PPE	Personal Protective Equipment
PPP	Public-Private Partnership
PSCBC	Public Service Coordinating Bargaining Council
RCTLF	Retail Clothing, Textiles, Footwear and Leather



Abbreviation/ Acronym	Definition
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RIS	Reimagined Industrial Strategy
SACU	Southern African Customs Union
SADC	The Southern African Development Community
SAIC	South African Investment Conference
SASA	South African Sugar Association
SEFA	Small Enterprise Finance Agency
SEZ	Special Economic Zone
SIDET	Spatial Industrial Development and Economic Transformation
SMS	Senior Management Service
SOP	Standard Operating Procedure
SSAS	Sector-Specific Assistance Scheme
SSE	Substantive Search and Examination
TASEZ	Tshwane Automotive Special Economic Zone
TPNC	Trade Policy, Negotiations and Cooperation
TR	Treasury Regulations
TSAM	Toyota South Africa Motors
US	United States

## 2. FOREWORD BY THE MINISTER



**Mr Ebrahim Patel**  
Minister of Trade, Industry and Competition

In a challenging year for the global and local economy, **the dtic** Annual Report for 2021/22 highlights a number of measures taken to promote growth and job creation.

The South African economy began to recover from the first wave of COVID-19, growing at 2,7% during the reporting period. Manufacturing exports were the highest in at least a decade. The agriculture and parts of the auto value chains had their best export performance yet. Africa opened its first anaesthetic production facility in the same year that pharmaceutical exports reached record levels and crossed the \$1-billion threshold.

But despite our collective efforts and progress, the economy and ordinary South Africans still face many

great challenges, some of which are persistent and enduring, some of which are new. Our response to these challenges must grow the number of jobs, expand the industrial base, and confront poverty and inequality.

The past two years have highlighted the risks the economy faces that require the department to develop robust contributions to de-risking our economy so as to protect the livelihoods of all South Africans, to “build forward better”. Since the start of the reporting period, the country faced three new shocks or headwinds that impact on the economy and our well-being:

- Firstly, the July 2021 unrest in KwaZulu-Natal and parts of Gauteng that led to loss of life and the destruction of infrastructure, dented business confidence and disrupted supply chains.
- Secondly, the war in Ukraine, which resulted in fuel price increases and rising costs of fertilizer, wheat, edible oils and other foodstuffs.
- Thirdly, the recent floods on our eastern seaboard – in April 2022, just after the end of the reporting period – that have led to loss of life and washed away homes, shops, factory assets and railway lines, and reminded us of the cost of climate change.

Shocks – however hard they hit us – are often the prelude to new insights in societies. Disruption can inspire innovation. The damage caused by the July unrest last year in some districts required a more agile and responsive state, as firms saw their factories, machinery and even their financial records go up in smoke. **the dtic** entities changed their way of working, and within three days of the onset of the unrest, **the dtic** had established a 24-hour hotline to support companies threatened by the unrest. Within a week, engagements had begun to help companies rebuild, and within two weeks, officials were on the ground to survey the damage and help firms get back on their feet.

We must all learn from the misfortunes that we encounter, and adapt and find ways to de-risk for the future. There are three standout lessons from the new shocks of the past year, which reinforce what we have learnt from the systemic shocks of climate change and the COVID-19 pandemic:

- One lesson is that economies and supply chains are vulnerable, and that building greater industrial resilience needs even greater prominence in policy-making.
- The other lesson is that societies need a capable state that is responsive and agile, and equipped to quickly marshal what is needed when risks materialise.

Above all, we have to grasp the lesson that the absence of economic justice places the burdens of climate, social or geopolitical disruptions on those in society that can least afford to shoulder these burdens.

These shocks are disturbing permanently the old ways of doing things. Business as usual is no longer an option – for the private sector, for governments, for development agencies, for all of us. We must innovate and adapt to this new normal – an often volatile, uncertain, complex, ambiguous and fractious world.

De-risking and diversifying supply chains is becoming a business imperative for domestic and multinational corporations. Policy-makers are talking more about regionalisation of supply chains to address geopolitical risk and the new fault lines developing in the global economy.

There is both danger and opportunity in the new landscape. South Africans have an opportunity to de-risk so that we reduce our exposure to the downside, and increase our exposure to the upside of a world that is rapidly changing. If we take this approach, it allows us to shift drastically and build a real consensus on the hard choices, and with discipline and focus grow the economy inclusively so that it can create jobs and opportunities for young people, and in a way that shares rather than concentrates wealth.

South Africa remains over-dependent on offshore sourcing and on a few products – mainly commodities – to drive growth, leaving the country as price-takers and with our economic performance over-dependent on what happens in global commodity markets. This means that we risk losing out on the greater opportunity that this new wave of diversification can bring.

South Africa can play a more prominent role in this world of regionalised production hubs. But we can only do so if we step up our focus on improving the dynamism and capacity of our industrial base and create opportunities for firms in our market to grow by:

- Intensifying industrialisation
- Spearheading transformation to build an inclusive economy
- Building a capable state to execute our strategy.

Our pursuit of industrialisation seeks to expand the level of local output, both to secure part of the local market lost to imports and to boost value-added exports. Our efforts in this regard have focused on strategic industries, as defined by their capacity to be labour-absorbing or providers of critical public goods or significant earners of foreign exchange.

The initiatives – be it in the area of encouraging localisation of production, social compacts in the form of master plans, strong industrial supply chains to underpin our response to COVID-19 and create an African medical productive hub, or our work on the Africa Continental Free Trade Area (AfCFTA) – have all sought to provide local industry with the space and opportunity to acquire the know-how and capabilities to develop dynamic firms.

Our work on spearheading transformation seeks to create opportunities for all South Africans. This involves ‘de-concentrating’ our economy, and opening up exclusive product and service markets to participation by all. It is also about our enduring commitment to support the black industrialists and workers who were previously denied access to the opportunities for economic ownership and participation.

Furthermore, it is about ensuring that the spatial strategy that informs how we build and support a new model of special economic zones (SEZs) and industrial parks in secondary towns and core hubs, is informed by the principle of trying to expand industrial activity beyond its concentration in the urban metropolitan areas.

Transformation is about building an economy that works where our people are, bringing development to rural provinces and districts. Our revised approach to spatial industrial policy, informed by the District Development Model, will see **the dtic** supporting projects that create jobs, infrastructure and innovation in districts across the country.

The Capable State is about administrative capability and efficiency, but it is more than that. It is about working in partnership with business and labour, aligning our work with other parts of the state, such as with our counterparts overseeing the energy, logistics and security-related areas of focus; and building a social compact brick by brick, partnership by partnership, within and across the state, and even more importantly, across our society.

This integrated vision of Industrialisation and Transformation is only as strong as our capability to turn them into reality.

### **Some highlights across the portfolio**

While this Annual Report covers specifically the work of the department, there has been progress in a number of areas by the various entities reporting to the Ministry (**the dtic** group). Taken together, these include new production lines in the auto, food and healthcare sectors; progress with beneficiation; work on the sugar and clothing master plans; new investment projects and jobs created; small businesses supported; and action against corruption in the National Lotteries Commission.

The following are a few examples of work done by **the dtic** and its entities:

**Auto Master Plan:** The auto industry continues to be a significant focus of industrialisation efforts. In the period:

- Mercedes Benz started to produce the new C-class vehicle in Buffalo City, one of only three locations in the world that makes this vehicle; the others being Bremen in Germany and Beijing in China.
- Toyota in eThekweni launched its locally made Corolla Cross hybrid vehicle, bringing locally made lower emission vehicles to our roads.
- In Tshwane, the financing of a new SEZ saw an initial three factories opening, employing 603 production workers. This will be expanded in the financial year that follows the reporting period, with an additional eight factories under construction during the reporting period. They are expected to expand total employment in the SEZ to about 2 000 jobs.

**Global Business Services: the dtic** finalised the development of a master plan for the global business services sector that has the potential to create thousands of jobs in the next decade. To give an example: Last year, 130 jobs in Cape Town were created by global call centre Boldr, 90% of which will be available to youth employees, based on the incentives provided by **the dtic**; while digital services infrastructure was reinforced by the announcement of R8,5 billion of investments in data centres, telecommunications and software development. Tens of thousands of workers are currently employed in the sector as a result of **the dtic** incentive scheme.

**Furniture Master Plan:** This was finalised and will focus on opportunities stretching from rural forestry plantations to the manufacture of the desks, couches, beds and fittings that fill our homes. With support from one of **the dtic**'s support schemes, PG Bison to date announced a R2,5-billion investment in new manufacturing capacity, including the construction of



Financing of the Tshwane SEZ  
saw an initial three factories opening

603 Production  
Workers  
Employed

a medium density fibreboard plant in eMkhondo that will have the capacity to replace close to R1-billion worth of imports every year.

**Other master plans:** The localisation imperative is grounded in working directly with CEOs, managers and workers in master plan processes to identify opportunities to increase local production of products that our people want to buy. For example:

- In the **Steel Master Plan**, a number of projects in the value chain leveraged R1.3 billion in new investments, and supported 2 439 jobs.
- In the **Poultry Master Plan**, the Industrial Development Corporation (IDC) and the Department of Agriculture, Land Reform and Rural Development established a R1-billion fund to support new and current expansion across the agriculture value chain that can also be accessed by poultry farmers.

- In the **Sugar Master Plan**, Shoprite is partnering with local growers and government to promote the sale of locally produced sugar in its 1 189 stores.
- In the **Autos Master Plan**, the Automotive Industry Transformation Fund is supporting 10 companies with funding of R178 million, and to access orders of R86.6 million.

**Beneficiation:** A number of projects have been supported by the IDC, including projects intended to turn South Africa's natural mineral wealth into high-tech batteries that will power green technologies like solar power and electric vehicles. Thakadu Battery Materials and Gilgamesh will produce nickel sulphate and nickel-manganese-cobalt precursor material respectively, while a new Vanadium Redox Flow Battery electrolyte manufacturing plant is scheduled to start production in March 2023.

**Local capacity, African trade and global exports:**

Building local capacity creates the foundation for our global competitiveness.

- In 2021, South Africa had its best trade balance in recent history, largely off the back of high prices for our mining output.
- Last year, we saw rapid growth in our exports of high-tech products like pharmaceuticals and trucks, with our export of trucks crossing the US\$4-billion threshold for the first calendar year on record.
- Four vaccine production investments were announced; Aspen exceeded its own targets for vaccine production; and Africa's first anaesthetic plant was opened in Gqeberha, enabling local hospitals and export markets to be serviced by a proudly South-African-made product.
- In a year in which our exports to the rest of Africa matched and surpassed their pre-COVID levels, efforts by **the dtic** contributed to finalising the rules of origin for products under the AfCFTA, including in high-potential South African exports such as fruit juices, snoek and sugar. We made good progress and now have agreed on rules of origin for about 88% of products on our tariff books – more than 4 500 products – meeting the target set last year. The value of these deeper relationships was highlighted by the more than US\$4 billion in trade and investment unlocked at the Inter-Africa Trade Fair held in Durban in November 2021, according to Afreximbank.

**Investment:** With the announcement of R366 billion in new investment pledges by investors at this year's South African Investment Conference (SAIC), the country has now secured R1.1 trillion of the President's R1.2-trillion investment pledge – and expects to reach and surpass the target at next year's investment conference. The commitments announced this year at the SAIC include projects worth R36,7 billion by black industrialists. These initiatives help create a new generation of committed local industrialists whose work benefits everyone in South Africa. Over the next

three years, the IDC and National Empowerment Fund (NEF) have committed just more than R20 billion in investment support, which can unlock a further R20 billion in counter-party investment for black industrialists, and women-, youth- and worker-owned companies, through their funding and that of counter-parties.

**Empowerment:** Broad-based empowerment programmes are a significant part of the work done to build greater economic inclusivity. The shift in recent years has been to support black industrialists and broad-based schemes. A few examples of broad-based empowerment include the following:

- **the dtic** promoted efforts at empowerment beyond the industrial sector: For example, Global Credit Rating Limited, in which Moody's has just acquired a majority stake, has a new 20% equity by African Women Chartered Accountants Investment Holdings, facilitated in the competition settlement process. The agreement was negotiated during the financial year and signed on 1 April 2022.
- **Worker ownership:** A new focus on inclusive growth saw work undertaken that resulted in settlement agreements with Burger King and Imperial Logistics, covering about 30 000 additional workers who will secure shares in their firms. Considerable work was completed on an agreement with Shoprite, signed a month following the reporting period covering more than 80 000 workers, bringing the recorded worker shareholding in the economy to well over 400 000 to date.

**Social compacting:** The use of policy instruments are an important tool to support local firms, but in the case of trade policy, it can have trade-offs on prices for consumers. The department therefore increasingly supports social compacts in which firms commit to price moderation and increased investment to boost their underlying competitiveness. Commitments by such firms on International Trade Administration Commission of South Africa (ITAC) work amounted to R370 million in new investments since January

2021, while competition settlements like that of Air Liquide saw commitments of R100 million towards localisation, and a further R100 million to support small, medium and micro enterprises (SMMEs) and black-owned firms.

**Economic recovery:** With the rollout the R3,7-billion Economic Recovery Fund, officials from **the dtic**, IDC and NEF slashed the red tape around their application processes; and worked directly with firms to take them through the process and get them the help they needed – which saw about R3-billion worth of applications approved, covering 2 128 firms and small businesses, and more than 38 000 jobs protected. Small sugar farmers, factories, shops, funeral parlours and ice-cream outlets were among the many types of businesses supported.

**Action against corruption:** During the past year, steps were taken to clean up the National Lotteries Commission (NLC), which has been under a cloud of corruption, nepotism and secrecy for a period stretching back many years. The Board was replaced by a team of South Africans with strong governance records; the Special Investigating Unit (SIU) provided its first reports; we took disciplinary steps against implicated Board members; and the Gauteng High Court affirmed the right of the Ministry to initiate a forensic investigation, which in turn contributed to the work of the SIU set up to probe maladministration in the NLC.

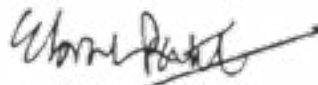
### Thank you

The work of **the dtic** is a reflection of the contributions of a number of persons. I wish to express my appreciation to Deputy Ministers Nomalungelo Gina and Fikile Majola, who provide leadership and policy support within the department; Acting Directors-General Shabeer Khan and Malebo Mabitje-Thompson, and the many dedicated staff of **the dtic** who do the hard day-to-day work in the economy; the Parliamentary Portfolio and Select Committees of Trade and Industry, which provide oversight and critical feedback to our work; and our partners in business and the investor

community as well as organised labour representing the country's workforce.

**the dtic** entities comprise regulatory (competition, consumer, companies and gambling), development finances (industrial, empowerment and export promotion), technical agencies and others; I wish to acknowledge their contribution and the role played by the boards, tribunal members, management and staff. The close working relationship with other departments has been essential to the successes of **the dtic**.

Global trade and investment flows require cross-border partnerships and we have worked collaboratively with ambassadors, investors and Cabinet members from other parts of the world. I would like to convey my sincere gratitude to each of them.



Mr Ebrahim Patel

Minister of Trade, Industry and Competition

30 September 2022

### 3. DEPUTY MINISTERS' STATEMENTS



**Ms Nomalungelo Gina**

Deputy Minister of Trade, Industry and Competition

In the 2020/21 financial year, **the dtic** continued to navigate an uncertain environment, responding to social upheavals that impacted our line mandate – the economy and businesses. The July unrest of 2021 interrupted the department's focus on mediating the return to normality of business amid adjusted lockdown levels. The destruction of business infrastructure and massive looting of the retail sector and warehouses in KwaZulu-Natal and Gauteng necessitated an immediate and integrated response involving our agencies, the Industrial Development Corporation (IDC) and National Empowerment Fund (NEF), and **the dtic** technical team, which included the Department of Small Business Development, and the KwaZulu-Natal

“

**There have been some isolated voices against our policy choice on localisation, but we are enthused by the overall support received from South African business**

”

and Gauteng governments. The R3.7-billion Economic Recovery Fund announced by Minister Patel helped to avert a greater crisis by assisting those businesses that were not insured with the South African Special Risk Insurance Association (SASRIA).

After the monumental plunge of the economy to 6.4% in 2020 owing to the COVID-19 pandemic, real gross domestic product recovered modestly by 4.9% in 2021, despite fears of a nose dive following the July 2021 civil unrest. The marked recovery of the South African economy in 2021 was driven by stronger exports as the rest of the world recovered from the COVID-19 pandemic and associated lockdown restrictions. The main boon for South Africa's growth was commodity prices and the agricultural sector (8.3%), which performed well in both crop and animal production.

Towards the tail end of the 2021/22 financial year, another shock emerged in the form of the Russia-Ukraine conflict. As a result of it, we are confronted with sustained weak growth, extreme fiscal pressures, deepening poverty, and a real threat of food shortages. The rise in oil and food prices will affect all aspects of the cost of living and doing business, and the ultimate casualty will be the poor and vulnerable people. The threat of job losses owing to disrupted food supply chains, especially wheat and sunflower, from Black Sea ports – and the escalating oil prices – are very real for us.

Despite the above difficulties, the department continued to make progress in various areas, including in the policy space:

- The Companies Amendment Bill was published for public comment after having gone through the National Economic Development and Labour Council (NEDLAC) process. Comments were received from the public, and the Bill is in the process of being reviewed in light of these comments. Reports on the proposed changes for the Liquor Amendment Bill were produced for Minister Patel's approval. This included intergovernmental consultations to identify an integrated approach to liquor abuse in South Africa.
- Work was done on the Copyright and Performers' Protection Amendment Bills in Parliament. The processes included public

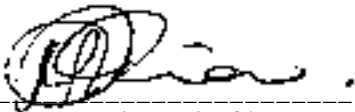


participation (call for comments, public hearings and review) and responses to Parliament.

As part of the implementation of the Reimagined Industrial Strategy (RIS), progress was made with the development of six sector master plans by the end of 2021. The implementation of localisation is in earnest, with 28 products designated by Minister Patel to date. There have been some isolated voices against our policy choice on localisation, but we are enthused by the overall support received from South African business. If anything, there have been calls for the department to designate even more as part of re-industrialisation. We are currently working towards this.

In addition, we are looking at a new approach to spatial industrial development within the context of the District Development Model. These are interesting policy matters to navigate in the new financial year.

Despite these overwhelming challenges, our team has been excellent. I take this opportunity to thank our Acting Director-General and the whole management. Lastly, I want to thank Minister Patel and Deputy Minister Majola. The collegiality in the political leadership has without doubt ensured cohesion and direction with good optics.



Ms NomaLungelo Gina

Deputy Minister of Trade, Industry and Competition

30 September 2022



**Mr Fikile Majola**

Deputy Minister of Trade, Industry and Competition

This annual report is delivered at a time when there are significant changes in the global economy due to the impact of COVID-19 and the Russia-Ukraine crisis. The crisis has led to forecasts of protracted uncertainty in oil and gas supplies, major shifts in food prices, and deepening unemployment nationally.

**the dtic** contributes towards the achievement of priority 2, Economic Transformation and Job Creation; and priority 7, A better Africa and World. To achieve these, **the dtic** and its entities mobilise resources and interventions that ensure ease of doing business, cutting red tape to make it easier for investors to invest in our country.

The country's economy is expected to continue to recover as restrictions are lifted completely and production reaches pre-pandemic levels. Economic

growth has been largely driven by stronger exports and strengthening commodity prices. For this growth to be substantial, there is a greater need to create a stronger social compact that will serve as the basis for ensuring economic reconstruction and recovery.

### **African Continental Free Trade Area (AfCFTA)**

The AfCFTA is full steam ahead, having been signed by 54 African Union members and ratified by 43 member states. The AfCFTA is the largest free trade area in the world, with huge potential to improve and strengthen trade relations among member states.

It is important to highlight that under the chairmanship of South Africa, the Council of Ministers agreed that negotiations on trade-in services and outstanding rules of origin be concluded by June 2022 and September 2022, respectively. Currently, 45 member states have submitted their tariff offers ensuring that trade liberalisation commitments are met. South Africa as part of the Southern African Customs Union (SACU) is in the process of finalising a revised offer that will meet the modalities, and have a 90% offer on the table for consideration.

We have progressed nationally with the establishment of the national committee that will be charged with the task of developing action plans to identify products that South Africa can export to other African countries.

### **Master Plans**

Domestically, it has been important for us to achieve stability and success in industrial policy through social compacts collaborating with all the stakeholders in industry, labour and other NEDLAC partners. The RIS is a product of coordination by the Presidency operationalised through master plans, which ensure a shared vision between government, industry, labour and other social partners.

The process of master planning has ensured a uniform approach, purposeful interaction and key interventions in the identified sectors of automotive; retail, clothing, textiles, footwear and leather; poultry; sugar; furniture; and steel. To date, six master plans

“ **the dtic contributes towards the achievement of priority 2, Economic Transformation and Job Creation; and priority 7, A better Africa and World.** ”

have been approved and implementation has commenced. Furthermore, priority will be given to the development of new master plans in key sectors such as cannabis, which will bring to the fore a local rural economy, and its integration into the development corridors of science and technology.

### **Special economic zones, industrial parks revitalisation and digital hub programmes**

The special economic zones (SEZs), industrial parks revitalisation and digital hubs programmes are key to revitalising our economy and pursuing inclusive growth, hence the adoption by **the dtic** of the Spatial Industrial Development Framework.

In 2019, Cabinet directed that **the dtic** should play a more active role in the planning, development and management of SEZs in order to revive the programme. The new approach is directly aligned with the District Development Model, which ensures that all role players from national, provincial and local government play a role in the functionality, viability and stability of the SEZ model.

The SEZ programme has attracted 169 operational investors, valued at R22,06 billion to date, and there is still potential for growth with pledges in some of the new SEZs. The SEZ model has the potential for investment attraction, as we noted in the period under review the strong growth of operational investments at Coega SEZ, from R7,06 billion to R11,18 billion, and Dube TradePort investment growth in excess of R500 million, despite the challenging global supply chain disruptions posed by the pandemic.

There have been some important strides to note in the SEZ space in line with the Automotive Master Plan. Some of the achievements to date are the launch of 16 new facilities at the East London Industrial Development Zone (ELIDZ) for automotive component manufacturers to supply Mercedes Benz SA, and the process of completing the construction of 12 factories at the Tshwane Automotive SEZ, unlocking financial and non-financial support to local industries through an investment of about R4.33 billion.

Revitalisation of industrial parks has been slow, however, we should note that support has been provided from **the dtic** to upgrade security features, and refurbish and improve infrastructure in line with tenant requirements and regulatory compliance.

**the dtic** has collaborated with other initiatives and government departments to roll out digital hubs in various industrial parks. Through these efforts there is noticeable investment by tenants totalling R6 billion for the 2021/22 financial year, which can be bolstered through the support of all players in line with the revitalisation programme and new approach.



Mr Fikile Majola  
Deputy Minister of Trade, Industry and Competition  
30 September 2022

## 4. REPORT OF THE ACCOUNTING OFFICER



**Mr Shabeer Khan**  
Acting Accounting Officer

### Overview of the operations of the department

The period under review marked the second year of operation for **the dtic**. Despite the global challenges, **the dtic** continues to be firmly focused on delivering on its mandate of industrialisation, localisation, inclusive growth, investment and trade promotion.

The department achieved an overall performance of 90% against the outputs and targets set out in the 2021/22 Annual Performance Plan (APP). The achievement was against the global pandemic of COVID-19, which continued to disrupt operations and economies around the world.

**the dtic** in collaboration with its entities played a critical role in supporting government efforts to stabilise the economy and provide relief to struggling businesses as a result of the COVID-19 pandemic and July 2021 public unrest. Industrial support provided by the department and its entities cushioned against job losses and business closures.

While confronted with the unpredictable nature of COVID-19, **the dtic** made considerable strides in attracting investment through the South Africa Investment Conference, and improved exports through export promotion and support to business seeking to trade outside South Africa. Detailed achievements on investments, exports and other areas of work are provided in 'Part B: Performance Information' of this report.

Furthermore, **the dtic** monitored the implementation of the RIS by tracking the progress of master plans on the automotive; retail clothing, textiles, footwear and leather; poultry; sugar; furniture; and steel sectors.

Additionally, **the dtic** provided technical support and coordinated the development of master plans led by other departments such as the agriculture and agro-processing; tourism; forestry; aerospace and defence; digital economy; and ocean economy master plans.

On the trade front, South Africa, led by **the dtic**, played a leading role in negotiating the implementation of the AfCFTA, chairing all AfCFTA negotiating bodies since September 2020. So far, state parties have reached agreement on rules of origin covering 87.7% of tariff lines against the 90% required to initiate preferential trade in goods among themselves.

On addressing economic concentration, **the dtic** intervenes on mergers and acquisitions to advance public interest, such as workers' ownership in the economy, investment and localisation through interventions in selected mergers. In this regard, Employee Stock Ownership Plans (ESOPs) have been agreed with several companies.

**the dtic** remained vigilant on the developments of COVID-19 and put in place the necessary precautions to prevent operational disruptions.

### Overview of the financial results of the department

The 2021/22 financial year has seen the country continuing its recovery journey from the outbreak of the COVID-19 pandemic. Amid this, the country was also hit by the public unrest that erupted in July 2021. In its response, it was necessary for government to once again undertake two budget reviews.

This was given effect through budget reprioritisation of R700 million towards the Economic Recovery and Reconstruction Plan (ERRP) in support of businesses affected by the July 2021 public unrest. As per the Second Special Appropriation Bill (2021), additional funding support of R1.3 billion was allocated to support businesses affected by the COVID-19 lockdown restrictions and public unrest in July 2021. Furthermore, as part of phase two of the presidential

employment intervention, an additional R800 million was allocated to the Social Employment Fund, which supports the creation of employment through community-based economic activities. This has resulted in budget growth of 21%, from R9.7 billion to R11.8 billion.

In the latter part of the 2021/22 financial year, government's procurement space was faced with the Constitutional Court judgment where the Preferential Procurement Regulations 2017 were found to be invalid.

Depicted below are details of revenue collected, budget and expenditure prepared in accordance with the Modified Cash Standard of accounting.

### Departmental receipts

During the 2021/22 financial year, departmental revenue collected amounted to R122 million, a downward spiral from R140 million in the 2020/21 financial year.

The impact of the COVID-19 pandemic continued to be felt by many businesses, and this was evident with the under-collection of revenue in, among others, penalties imposed on the construction industry in terms of the Voluntary Rebuilding Programme (VRP) settlement agreement for the Tirisano Fund. Furthermore, debt of R1 million was written off due to non-recoverability.

However, on a positive note, the collection of liquor licence fees recorded an upward trend from R3.4 million in the 2020/21 financial year to R6.9 million in the 2021/22 financial year.

Departmental receipts	2021/22			2020/21		
	Estimate	Actual amount collected	(Over)/ Under collection	Estimate	Actual amount collected	(Over)/ Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	4 900	6 907	(2 007)	4 900	3 376	1 524
Liquor licences	4 900	6 907	(2 007)	4 900	3 376	1 524
Sale of goods and services other than capital assets	629	598	31	737	662	75
Sale of scrap, waste and other used current goods	14	68	(54)	11	36	(25)
Fines, penalties and forfeits	93 810	48 944	44 866	93 890	63 675	30 215
Interest, dividends and rent on land	52 197	694	51 503	57 120	678	56 442
Sale of capital assets	-	-	-	360	65	295
Financial transactions in assets and liabilities	78 550	64 861	13 689	70 033	71 755	(1 722)
<b>Total</b>	<b>230 100</b>	<b>122 072</b>	<b>108 028</b>	<b>227 051</b>	<b>140 247</b>	<b>86 804</b>

### Programme expenditure

Total expenditure in the 2021/22 financial year was R11.6 billion or 98.3% of the budget. When compared with R9.04 billion or 97.5% for the same period in the 2020/21 financial year, expenditure for 2021/22 increased by R2.6 million or 28%. This was due to, among others, disbursements made to support businesses affected by the COVID-19 pandemic and July 2021 public unrest – as well as support for the creation of employment through community-based economic activities (i.e. the Social Employment Fund).

The table below depicts the department's expenditure on programme level over a two-year period.

Programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	787 258	721 265	65 993	820 518	814 096	6 422
Trade Policy, Negotiations and Cooperation	218 786	217 792	994	109 400	103 159	6 241
Spatial Industrial Development and Economic Transformation	159 008	122 403	36 605	110 551	105 388	5 163
Industrial Competitiveness and Growth	1 638 387	1 638 076	311	1 642 529	1 626 286	16 243
Consumer and Corporate Regulation	324 629	323 388	1 241	292 289	288 484	3 805
Industrial Financing	6 494 979	6 465 945	29 034	5 012 427	4 921 274	91 153
Export Development, Promotion and Outward Investments	415 155	399 015	16 140	400 457	377 812	22 645
Inward Investment Attraction, Facilitation and Aftercare	65 653	53 713	11 940	58 921	56 735	2 186
Competition Policy and Economic Planning	1 643 136	1 634 534	8 602	775 430	713 548	61 882
Economic Research and Coordination	65 014	37 965	27 049	50 750	32 932	17 818
<b>Total</b>	<b>11 812 005</b>	<b>11 614 096</b>	<b>197 909</b>	<b>9 273 272</b>	<b>9 039 714</b>	<b>233 558</b>

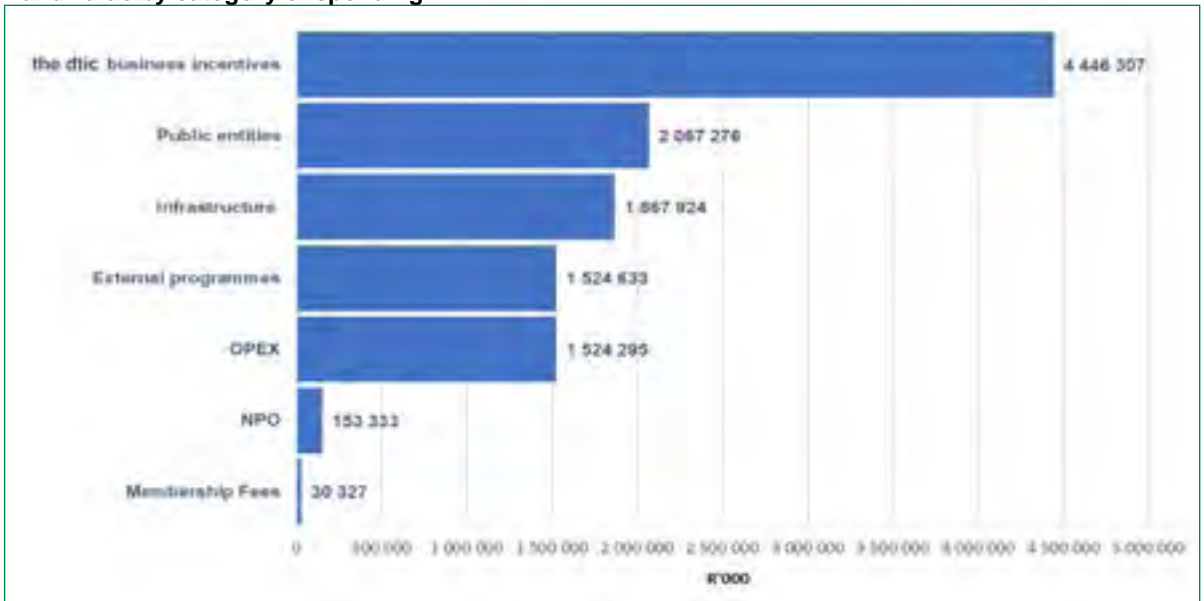
As depicted below, the R11.6 billion spent comprises R6.3 billion or 54.4% disbursed to beneficiaries across the various incentive programmes – i.e. R4.4 billion was disbursed to beneficiaries in the automotive, black industrialist and agro-processing sectors and industrial loans for manufacturers under the manufacturing development incentives, while R1.9 billion was financial support for bulk infrastructure, top structures and critical infrastructure to improve industrialisation, regional development, exports and employment, and attract foreign and domestic direct investment in the SEZs, industrial parks and economic areas of various municipalities.

A further R2.1 billion or 17.8% was transferred to public entities and R1.5 million or 13.1% was disbursed to external programmes, while non-profit organisations and international organisations of which South Africa is a member accounted for R184 million or 1.6%. Spending on operational costs was R1.5 billion or 13.1%.

**Category of spending as % of total expenditure**



**Rand value by category of spending**



**Virements/roll overs**

Virement from the following programme	Virement to the following programme	Amount (decrease)/ increase	Reasons
		R'000	
Programme 1: Administration		(68 457)	Limited travel and the use of virtual platforms for business meetings and engagements
Programme 2: Trade Policy, Negotiations and Cooperation		(7 989)	Limited travel and the use of virtual platforms for trade-related business meetings and engagements
Programme 3: Spatial Industrial Development and Economic Transformation		(9 344)	Limited travel and the use of virtual platforms for business meetings and engagements
Programme 4: Industrial Competitiveness and Growth		(124 218)	Slow uptake of the New Clothing Textile Footwear Leather Growth Programme (CTFLGP 2021-22)
Programme 5: Consumer and Corporate Regulation		(7 025)	Limited travel and the use of virtual platforms for business meetings and engagements
	Programme 6: Industrial Financing	265 429	Increased uptake of the services investment and automotive incentive programmes by companies across the critical sectors of the economy, as well as top structure under the SEZ programme
Programme 7: Export Development, Promotion and Outward Investments		(27 984)	Limited travel and the use of virtual platforms for business meetings and export-promotion activities/engagements
Programme 8: Inward Investment Attraction, Facilitation and After Care		(3 330)	Limited travel and the use of virtual platforms for business meetings and investment activities/engagements
Programme 9: Competition Policy and Economic Planning		(11 626)	Limited travel and the use of virtual platforms for business meetings and engagements
Programme 10: Economic Research and Coordination		(5 456)	Limited travel and the use of virtual platforms for business meetings and engagements

All virements requiring approval as per the PFMA have been approved by the National Treasury. Internal adjustments to the budget have been approved by the accounting officer or delegated official.

**Unauthorised expenditure**

The department did not incur any unauthorised expenditure for the 2021/22 financial year.

**Fruitless and wasteful expenditure**

The department did not incur any fruitless and wasteful expenditure for the 2021/22 financial year.

**Strategic focus over the short- to medium-term period**

the dtic's Annual Performance Plan for 2022/23 provides details on the strategic focus over the short term. The department is in the process of revising the Strategic Plan based on the three strategic outcomes, namely industrialisation, transformation, and capable state. The outcomes will drive the dtic's strategic focus for the medium term.



## Public-private partnerships

**the dtic** Campus public-private partnership (PPP) is based on a partnership with the City of Tshwane, under which the City owns the land. The agreement was signed in August 2003. In terms of the agreement, **the dtic** will enjoy the peaceful and undisturbed benefits of a sustained collaborative working and unified service delivery environment provided by Rainprop (Pty) Ltd as the private-sector partner that signed an experience delivery agreement with **the dtic**. A separate Project Enablement Agreement, ensuring renewal rights under succeeding re-biddings of the PPP or some other future arrangement, binds the City and **the dtic**.

The construction of **the dtic** Campus was finalised during the first half of 2004, whereafter the move and decant took place between May and November 2004. The retail areas on the campus became operational shortly thereafter. The campus accommodates **the dtic** and a few of its public entities, the United Nations Industrial Development Organisation (UNIDO) office and the Ministry of the Department of Small Business Development.

After particular contractual compliance and service-related challenges were experienced, Rainprop initiated a rectification process underpinned by an updated lifecycle replacement and maintenance plan. These plans are based on a complete condition assessment undertaken in 2020 on all moveable assets and infrastructure. The Facility Management Company was replaced following an open bid process during 2021/22 to ensure sustainable and improved service delivery.

## Discontinued key activities/activities to be discontinued

During the period under review, no activities were discontinued.

## New or proposed key activities

During the period under review, there were no new or proposed activities.

## Supply chain management

The prescribed transversal system Logistical Information System (Logis) is utilised for the provisioning of goods and services, record-keeping and reporting thereof. Apart from the system controls, a number of additional internal control measures have been implemented to detect and prevent irregular expenditure. The department also makes use of the Central Supplier Database (CSD) implemented by the National Treasury.

## Gifts and donations received in kind from non-related parties

A list of the nature of the in-kind goods and services provided by the department or received from parties other than related parties is disclosed as an annexure to the Annual Financial Statements.

## Exemptions and deviations received from the National Treasury

The department did not request any exemptions in terms of the PFMA or Treasury Regulations as may be applicable to any reporting requirements.

## Events after the reporting date

No events that would impact on the financial position of the department took place after the reporting date of 31 March 2022.

Yours faithfully



Mr Shabeer Khan  
Acting Accounting Officer

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully



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Mr Shabeer Khan  
Acting Accounting Officer

## 6. STRATEGIC OVERVIEW

### 6.1. Vision

A dynamic industrial, globally competitive South African economy, characterised by meaningful economic transformation, inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

### 6.2. Mission

**the dtic's** mission is to:

- promote structural transformation, towards a dynamic industrial and globally competitive economy
- provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development
- broaden participation in the economy to strengthen economic development
- continually improve the skills and capabilities of **the dtic** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens
- coordinate the contributions of government departments, state entities and civil society to effect economic development
- improve alignment between economic policies, plans of the state, its agencies, government's political and economic objectives and mandate.

### 6.3. Values

- Advance South Africa's Constitution, notably the chapters on human rights, cooperative governance and public administration
- Promote decent work outcomes (more and better jobs), industrialisation, equitable and inclusive growth and social inclusion
- Operational excellence with regard to service delivery standards, international best practice, Batho Pele Principles, continuous improvement and ethical conduct
- Intellectual excellence with regard to continuous shared learning, innovation, relevant knowledge and skills improvement and knowledge management
- Quality relationships with regard to improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork.

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1. the dtic is responsible for the following legislation:

Act	Purpose
Abolition of the Fuel Research Institute and Coal Act, 1983 (Act No. 30 of 1983)	Repeal the Fuel Research Institute and Coal Act, 1963 (Act No. 35 of 1963) and provide for the vesting of the assets and liabilities, and the transfer of the employees of the Fuel Research Institute to the Council for Scientific and Industrial Research (CSIR).
Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Provide for an internationally recognised and effective accreditation and monitoring system for South Africa by establishing the South African National Accreditation System (SANAS) as a juristic person; to recognise SANAS as the only accreditation body in South Africa for the accreditation of conformity assessment and calibration, as well as the monitoring of good laboratory practice (GLP).
Alienation of Land Act, 1981 (Act No. 68 of 1981)	Regulate the alienation of land in certain circumstances and provide for matters connected therewith.
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Establish a legislative framework for the promotion of black economic empowerment (BEE), empower the Minister to issue codes of good practice and publish transformation charters, establish the B-BBEE Advisory Council and provide for matters connected therewith.
Companies Act, 2008 (Act No. 71 of 2008)	Provide a new legislative framework for the incorporation, registration and management of companies; establish a Companies and Intellectual Property Commission and National Consumer Tribunal; and provide for matters connected therewith.
Competition Act, 1998 (Act No. 89 of 1998)	Provide the Competition Commission with the powers to conduct investigations and market inquiries on competition abuses, regulate mergers and acquisitions, and promote the administrative efficiency of the Competition Commission and Competition Tribunal.
Consumer Protection Act, 2008 (Act No. 68 of 2008)	Promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose, establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit certain unfair marketing and business practices; promote responsible consumer behaviour; promote a consistent legislative and enforcement framework relating to consumer transactions and agreements; establish the National Consumer Commission; and repeal certain laws.
Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	Provide for the application in South Africa of the Convention on Agency in the International Sale of Goods adopted by the United Nations International Institute for the Unification of Private Law.
Copyright Act, 1978 (Act No. 98 of 1978)	Regulate copyright in respect of, among other things, artistic works, dramatic works, computer programs, and musical and literary works.
Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	Strengthen prohibitions on trade in counterfeit goods; confer powers on inspectors and the police to enter and search premises, with and without a warrant; and confer powers on customs and excise to seize and detain suspected counterfeit goods.
Designs Act, 1993 (Act No. 195 of 1993)	Consolidate the law relating to designs, provide for the registration of designs, and delineate the rights pertaining thereto.

Act	Purpose
Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Establish the Export Credit Insurance Corporation (ECIC) and promote trade with countries outside South Africa by providing for the insurance, on behalf of the South African government, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions.
Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	Provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.
Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	Regulate the alienation of certain interests in housing development schemes for retired persons, and provide for matters connected therewith.
Industrial Development Corporation Act (Act No. 22 of 1940)	Constitute a corporation, the object of which shall be to promote the establishment of new industries and industrial undertakings and the development of existing industries and industrial undertakings, and to provide for other incidental matters.
Intellectual Property Laws Rationalisation Act, 1996 (Act No. 107 of 1996)	Provide for the integration of intellectual property (IP) rights subsisting in the former homelands (Transkei, Bophuthatswana, Venda and Ciskei) into the national system; extend South African IP rights legislation throughout South Africa; and repeal certain IP laws.
International Trade Administration Act (Act No. 71 of 2002)	Foster economic growth and development in order to raise incomes and promote investment and employment in the Republic and within the Common Customs Area by establishing an efficient and effective system for the administration of international trade subject to this Act.
Legal Metrology Act, 2014 (Act No. 9 of 2014)	Provide for the administration and maintenance of legal metrology technical regulations in order to promote fair trade and protect public health and safety and the environment, and provide for matters connected therewith.
Liquor Act, 2003 (Act No. 59 of 2003)	Establish national norms and standards to maintain economic unity within the liquor industry, provide for essential national standards and minimum standards required for the rendering of services, provide for measures to promote cooperative governance in the area of liquor regulation, and provide for matters connected therewith.
Lotteries Act, 1997 (Act No. 57 of 1997)	Establish the National Lotteries Commission (NLC), and regulate and prohibit lotteries and sports pools.
Manufacturing Development Act, 1993 (Act No. 187 of 1993)	Establish the Manufacturing Development Board, provide for the establishment of programmes for manufacturing development, and provide for matters incidental thereto.
Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Provide for the use of the measurement units of the International System of Units, provide for the designation, keeping and maintenance of national measurement units and standards, provide for the establishment and functions of the National Metrology Institute of South Africa (NMISA), and provide for the repeal of certain laws.
Merchandise Marks Act, 1941 (Act No. 17 of 1941)	Make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold, and the use of certain words and emblems in connection with business.
National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	Provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.

Act	Purpose
National Credit Act, 2005 (Act No. 34 of 2005)	Establish the National Credit Regulator (NCR) and Consumer Tribunal, and promote a fair and non-discriminatory marketplace for access to consumer credit, and, for that purpose, provide for the general regulation of consumer credit and improved standards of consumer information.
National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	Establish a trust for the promotion and facilitation of the ownership of income-generating assets by historically disadvantaged persons; set out the objects of the trust; provide for the powers, appointment and mode of operation of the trustees; provide for the establishment of other investment entities for the attainment of the objects; provide for the powers of the Minister to give implementation directives; provide for the sale of shares in state-owned commercial enterprises at a discount to the trust or by the trust to the beneficiaries; provide for the control of the financial affairs of the trust; provide for the establishment of an investment-holding company by the trust; provide for the promulgation of regulations; provide for the dissolution of the trust; and provide for other incidental matters.
National Gambling Act, 2004 (Act No. 7 of 2004)	Provide for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; provide for the continued regulation of those matters, and, for that purpose, establish certain uniform norms and standards applicable to national and provincial regulation and the licensing of certain gambling activities; provide for the creation of additional uniform norms and standards applicable throughout South Africa; retain the National Gambling Board; establish the National Gambling Policy Council; repeal the National Gambling Act, 1996 (Act No. 33 of 1996); and provide for matters incidental thereto.
National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	Provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and provide for the establishment of the National Regulator for Compulsory Specifications (NRCS).
National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	Empower the responsible minister to manufacture, produce, acquire, hire or import goods, acquire, hire or supply services, exercise control over goods and services, and the manufacture, production, processing and treating of goods, and provide for the establishment and administration of a National Supplies Procurement Fund.
Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	Provide for control over weapons of mass destruction and establish a council to control and manage matters relating to the proliferation of such weapons in South Africa, determine its objectives and functions, and prescribe the manner in which it is to be managed and controlled.
Patents Act, 1978 (Act No. 57 of 1978)	Provide for the registration and granting of letters, patents for inventions, and for the rights of a patentee.
Performers' Protection Act, 1967 (Act No. 11 of 1967)	Provide for the protection of the rights of performers of literary and artistic works.
Property Time-Sharing Control Act, 1983 (Act No. 75 of 1983)	Regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.

Act	Purpose
Protection of Businesses Act, 1978 (Act No. 99 of 1978)	Restrict the enforcement in South Africa of certain foreign judgments, orders, directions, arbitration awards and letters of request; and prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
Protection of Investment Act, 2015 (Act No. 22 of 2015) [assented to by the President on 15 December 2015, but has not yet commenced]	Provide for the protection of investors and their investments, achieve a balance of rights and obligations that apply to all investors, and provide for matters connected therewith.
Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	Provide that certain corporate laws shall apply throughout South Africa, repeal certain corporate laws, and provide for the retrospective incorporation of certain putative close corporations.
Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	Provide for the registration of copyright in cinematograph films and for matters connected therewith.
Share Blocks Control Act, 1980 (Act No. 59 of 1980)	Control the operation of share block schemes – any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
Space Affairs Act, 1993 (Act No. 84 of 1993)	Provide for the establishment of a council to manage and control certain space affairs in South Africa, determine its objectives and functions, and prescribe the manner in which it is to be managed and controlled.
Special Economic Zones Act, 2014 (Act No. 16 of 2014)	Provide for the designation, development and management of special economic zones, establish an advisory board and a fund, regulate the issuing, suspension, withdrawal and transfer of permits,; and provide for matters connected therewith.
Standards Act, 2008 (Act No. 8 of 2008)	Provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services, and, for that purpose, provide for the continued existence of the South African Bureau of Standards (SABS) as the peak national institution; provide for the repeal of the Standards Act, 1993 (Act No. 29 of 1993), and provide for transitional arrangements.
Sugar Act, 1978 (Act No. 9 of 1978)	Consolidate and amend the laws relating to the sugar industry, and provide for matters incidental thereto.
Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	Empower the President to suspend temporarily laws or conditions, limitations or obligations thereunder if their application unduly impedes economic development or competition.
Trade Marks Act, 1993 (Act No. 194 of 1993)	Consolidate the law relating to trade marks; and provide for the registration of trade marks, the certification of trade marks and collective trade marks, and for the protection of rights relating thereto.
Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	Provide for the continued operation of certain laws relating to the use of certain emblems and representations, and extend the scope of such laws.


## 8. ORGANISATIONAL STRUCTURE













## 9. ENTITIES REPORTING TO THE MINISTER




The table below indicates the entities that report to the Minister.

Name of entity	Legislative mandate	Financial relationship	Nature of operations
<p>Companies and Intellectual Property Commission (CIPC)</p> 	<p>Companies Act, 2008 (Act No. 71 of 2008), as amended</p>	<p>Self-funded</p>	<p>The CIPC was established by the Companies Act, 2008 (Act No. 71 of 2008), as a juristic person to function as an organ of state within the public administration, but as an institution outside the public service. The main functions of the commission are as follows:</p> <ul style="list-style-type: none"> <li>• Registration of companies, cooperatives and intellectual property rights (trade marks, patents, designs and copyright) and the maintenance thereof</li> <li>• Disclosure of information on its business registers</li> <li>• Promotion of education and awareness of Company and Intellectual Property Law</li> <li>• Promotion of compliance with relevant legislation</li> <li>• Efficient and effective enforcement of relevant legislation</li> <li>• Monitoring compliance with and contraventions of financial reporting standards, and making recommendations thereto to the Financial Reporting Standards Council (FRSC)</li> <li>• Licensing of business rescue practitioners</li> <li>• Report, research and advise the Minister on matters of national policy relating to Company and Intellectual Property Law.</li> </ul>
<p>Export Credit Insurance Corporation (ECIC)</p> 	<p>Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)</p>	<p>Transfer payment</p>	<p>The ECIC is established by the Export Credit and Foreign Investment Re-Insurance Amendment Act, 1957 (Act No. 78 of 1957), as amended. It promotes trade with countries outside the Republic by providing for the insurance, on behalf of the Government of the Republic, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions, and provides for matters connected therewith.</p>

Name of entity	Legislative mandate	Financial relationship	Nature of operations
<p>National Consumer Commission (NCC)</p> 	<p>Consumer Protection Act, 2008 (Act No.68 of 2008)</p>	<p>Transfer payment</p>	<p>The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose, establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit certain unfair marketing and business practices; promote responsible consumer behaviour; and promote a consistent legislation and enforcement framework relating to consumer transactions.</p>
<p>National Consumer Tribunal (NCT)</p> 	<p>National Credit Act, 2005 (Act No. 34 of 2005), as amended</p>	<p>Transfer payment</p>	<p>The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application, or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs and can exercise any other power conferred on it by law. It also reviews decisions made by the National Credit Regulator, the National Consumer Commission and single-member panels of the tribunal. Decisions made by a three-member panel of the tribunal may, in turn, be taken on appeal or review to the High Court.</p>
<p>Companies Tribunal</p> 	<p>Companies Act, 2008 (Act No. 71 of 2008), as amended</p>	<p>Transfer payment</p>	<p>The Companies Tribunal adjudicates in relation to any application that may be made to it in terms of this Act, and makes any order provided for in this Act in respect of such an application. It also assists in the resolution of disputes as contemplated in Part C of Chapter 7 of the Act, and performs any other function assigned to it by or in terms of the Act, or in any law mentioned in Schedule 4.</p>

Name of entity	Legislative mandate	Financial relationship	Nature of operations
<p>National Credit Regulator (NCR)</p> 	<p>National Credit Act, 2005 (Act No. 34 of 2005), as amended</p>	<p>Transfer payment</p>	<p>The NCR promotes a fair and non-discriminatory marketplace for access of consumer credit; provides for the general regulation of consumer credit and improved standards of consumer information; promotes black economic empowerment and ownership within the consumer credit industry; promotes responsible credit granting and use; provides for debt reorganisation in cases of over-indebtedness; regulates credit information; and provides for the registration of credit providers, credit bureaux and debt-counselling services.</p>
<p>National Empowerment Fund (NEF)</p> 	<p>National Empowerment Fund Act, 1995 (Act No. 105 of 1995)</p>	<p>Self-funded</p>	<p>The NEF's focus is to promote and facilitate black economic equality and transformation. The NEF provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be government's funding agency in facilitating the implementation of B-BBEE in terms of the BEE Codes of Good Practice.</p>
<p>National Gambling Board (NGB)</p> 	<p>National Gambling Act, 2004 (Act No. 7 of 2004)</p>	<p>Transfer payment</p>	<p>The NGB was established to monitor and investigate, when necessary, the issuing of national licences by provincial licensing authorities. It establishes and maintains national registers regarding various gambling activities.</p>
<p>National Lotteries Commission (NLC)</p> 	<p>National Lotteries Act, 1997 (Act No. 57 of 1997)</p>	<p>Self-funded</p>	<p>The NLC monitors and enforces the implementation of the national lottery. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of lottery sales to worthy causes.</p>

Name of entity	Legislative mandate	Financial relationship	Nature of operations
<p>National Metrology Institute of South Africa (NMISA)</p> 	<p>Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)</p>	<p>Transfer payment</p>	<p>The NMISA is responsible for realising, maintaining and disseminating the International System of Unit (SI). It maintains and develops primary scientific standards of physical quantities for South Africa and compares those standards with other national standards to ensure global measurement equivalence.</p>
<p>National Regulator for Compulsory Specifications (NRCS)</p> 	<p>National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)</p>	<p>Transfer payment</p>	<p>The NRCS is responsible for the administration and maintenance of compulsory specifications and the implementation of regulatory and compliance systems for compulsory specifications.</p>
<p>South African Bureau of Standards (SABS)</p> 	<p>Standards Act, 2008 (Act No. 8 of 2008)</p>	<p>Transfer payment</p>	<p>The SABS aims to develop, promote and maintain South African national standards, promote quality in connection with commodities, products and services, and render conformity assessment services and matters connected therewith.</p>
<p>South African National Accreditation System (SANAS)</p> 	<p>Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)</p>	<p>Transfer payment</p>	<p>The aim of SANAS is to accredit or monitor for Good Laboratory Practice compliance purposes organisations that fall within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP-compliant facilities.</p>
<p>Industrial Development Corporation (IDC)</p> 	<p>Industrial Development Corporation Act, 1940 (Act No. 22 of 1940)</p>	<p>Self-funded</p>	<p>The IDC's mandate includes proactively maximising its development impact through effective and sustainable industrial development, not only in South Africa, but across the continent. It is further mandated to contribute to an inclusive economy by, among others, funding black-owned companies, black industrialists, women and youth-empowered enterprises.</p>

Name of entity	Legislative mandate	Financial relationship	Nature of operations
Competition Tribunal 	Competition Act, 1998 (Act No. 89 of 1998)	Transfer payment	The Competition Tribunal is an independent adjudicative body. It is required to grant exemptions, authorise or prohibit large mergers or prohibit a merger, adjudicate in relation to any conduct prohibited in terms of chapter 2 or 3 of the Act, and grant an order for costs in terms of section 57 of the Act on matters presented to it by the Competition Commission.
International Trade Administration Commission of South Africa (ITAC) 	International Trade Administration Act, 2002 (Act No. 71 of 2002)	Transfer payment	The aim of the ITAC, as stated in the Act, is to foster economic growth and development in order to raise incomes and promote investment and employment in South Africa and within the Common Customs Union Area by establishing an efficient and effective system for the administration of international trade subject to this Act and the Southern African Customs Union agreement. Its core functions are customs tariff investigations, trade remedies, and import and export control.
Competition Commission 	Competition Commission Act, 1998 (Act No. 89 of 1998)	Transfer payment	The Competition Commission was established in terms of the Competition Act, 1998, to regulate competition between firms in the market.

PART B

Performance Information





## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings reported in the auditor's report under the heading 'Predetermined Objectives' in the section 'Other Legal and Regulatory Requirements'.

Refer to page 181 of the Report of the Auditor-General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

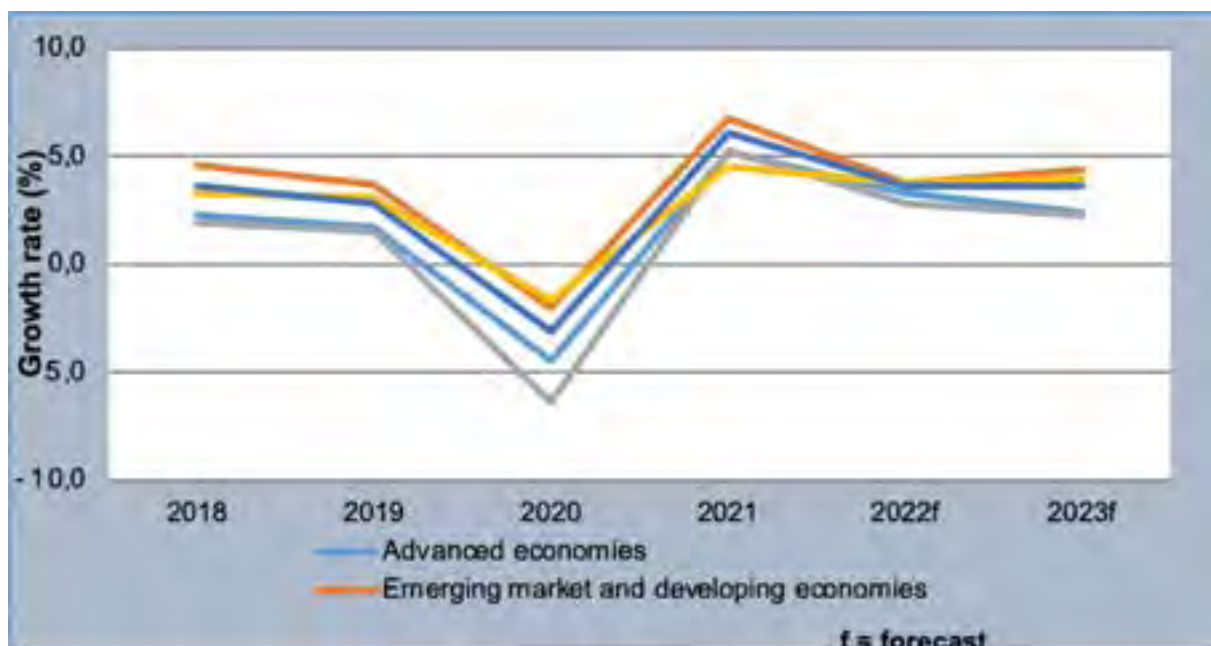
### 2.1. Service Delivery Environment

#### Global economic context

In 2021, the global economy rebounded by 6.1% following a contraction of 3.1% in 2020, however, the ongoing Russia-Ukraine conflict is expected to contribute to a significant slowdown in global growth, estimated to slow to 3.6% in 2022 and 2023. The war unfolded while the global economy was beginning to recover from the COVID-19 pandemic, with a significant divergence between the recoveries of advanced economies, and emerging and developing markets.

In addition, frequent and wider-ranging lockdowns in China have slowed activity there, which could cause new disruptions in global supply chains. Higher, broader and more persistent price pressures also led to a tightening of monetary policy in many countries. Advanced economies expanded by 5.2% in 2021 compared to the 4.5% contraction in 2020, with the Euro area increasing by 5.3% in 2021 compared to a 6.4% decline in 2020 (IMF: World Economic Outlook, April 2022). Emerging market and developing economies expanded by 6.8% in 2021 compared to a contraction of 2.0% in 2020, while Sub-Saharan Africa grew by 4.5% in 2021 compared to a decline of 1.7% in 2020.

#### Forecast growth rates of key country categories (percentages)



Source: International Monetary Fund (April 2022)



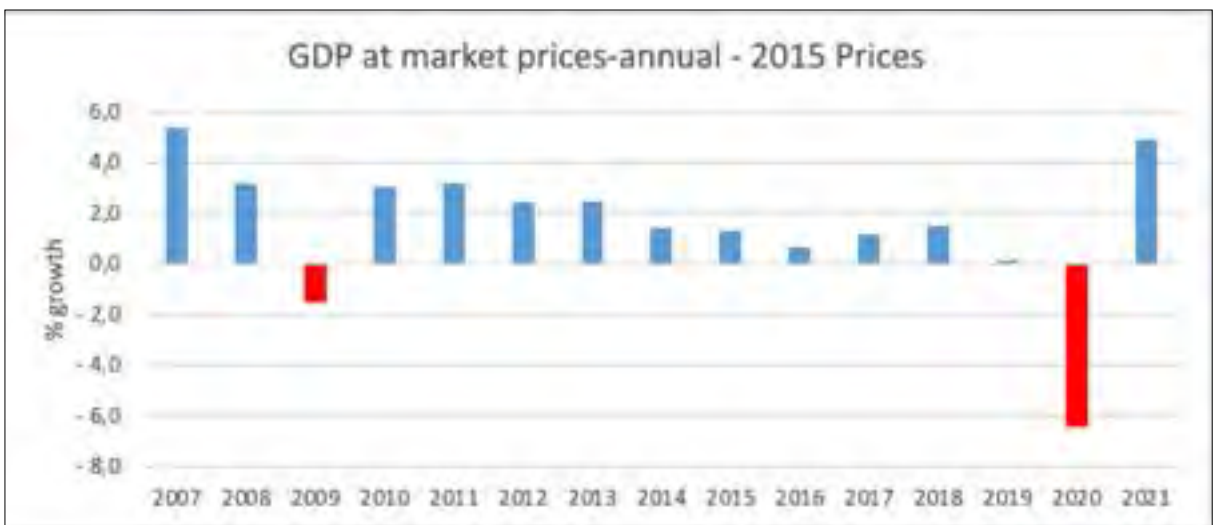
## Domestic economic context

Following a plunge of 6.4% in 2020 amid the COVID-19 pandemic, real GDP recovered modestly by 4.9% in 2021. This was despite fears of a nose dive following the July 2021 civil unrest in parts of South Africa's top-two economically significant provinces of Gauteng and KwaZulu-Natal. The marked recovery of the South African economy in 2021 was driven by stronger exports as the rest of the world recovered from the pandemic and associated lockdown restrictions. Strengthened commodity prices weighed in substantially in the growth of government revenue amid a broad recovery in South African exports, particularly from the mining sector.

From a sectoral perspective, the positive growth posted for 2021 was mainly derived from the primary sector, with agriculture (8.3%) bolstering higher yield in crop and animal production, and mining (11.8%) capitalising on favourable commodity prices. The trade, catering and accommodation sector added positively to the performance of the economy throughout the financial year, driven mainly by retail and motor trade. Transport, storage and communication also added to the positive outcome of the year, and this could be attributed to increased economic activity in land transport and transport support services. Internet connectivity rose with the increased demand of working from home and virtual online schooling. Despite this marked recovery, the construction sector (-1.9%) remains in troubled waters.

Russia's war on Ukraine has created a new source of uncertainty in the world economy. The conflict is expected to exacerbate supply chain bottlenecks and global inflationary pressures (via higher energy and food prices), which will most likely result in a more rapid tightening of monetary policy and ultimately compromise the 2022 growth prospects.

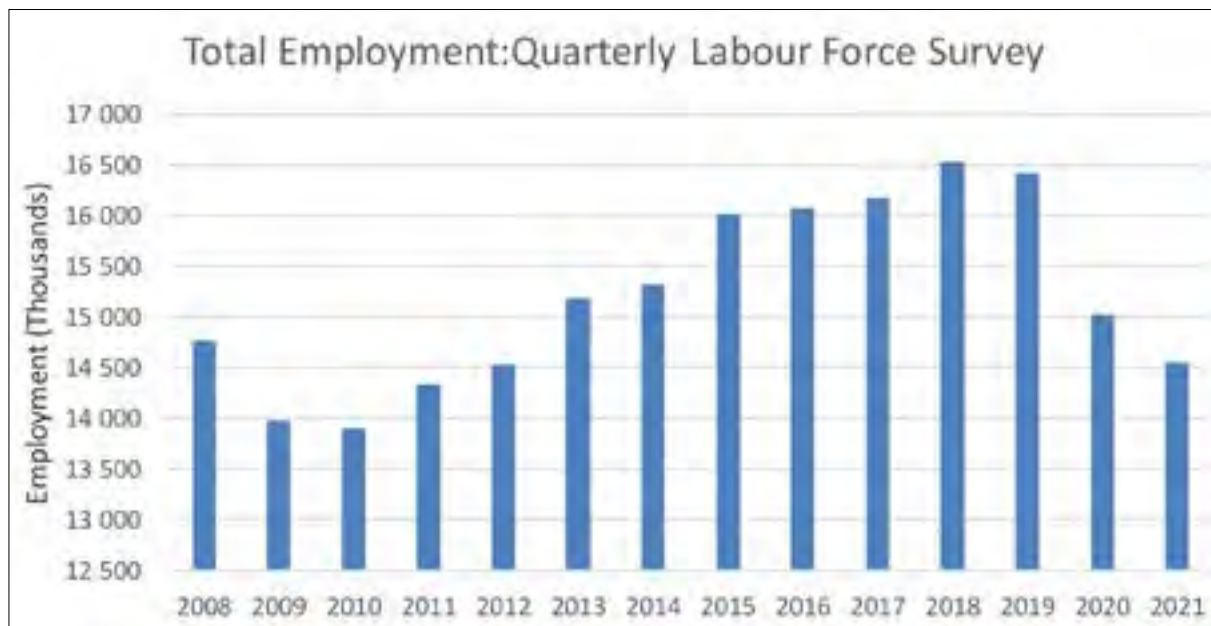
## Percentage change in GDP



Source: Data – Statistics South Africa

## Employment

In 2021, the South African workforce declined by 3.2% or 479 000 jobs. This left the number of employed at 14.5-million people, from 15 million in 2020. Meanwhile, unemployment for the year increased by 9.5% or 688 000 people. Consequently, the unemployment rate for the year under review edged up by 2.8 percentage points to 35.3% as economic recovery remained shaky. Sectors that suffered the most losses include community and social services (-283 thousand), manufacturing (-174 thousand) and trade (-167 thousand).

**Total employment: Quarterly Labour Force Survey**

Source: Statistics South Africa

**Trade Performance****The state of global trade**

According to the World Trade Organisation (WTO) report of April 2022, the volume of world merchandise trade is expected to increase by 8% in 2021, after having fallen by 5.3% in 2020, continuing its rebound from the pandemic-induced collapse that bottomed out in the second quarter of last year. Trade in services, however, remains depressed. Production and distribution of vaccines will be key to how the world's economy performs. Remote working helped to boost sectors like electronic goods, while restrictions and border closures hit travel and transport services.

**South Africa's trade with the world**

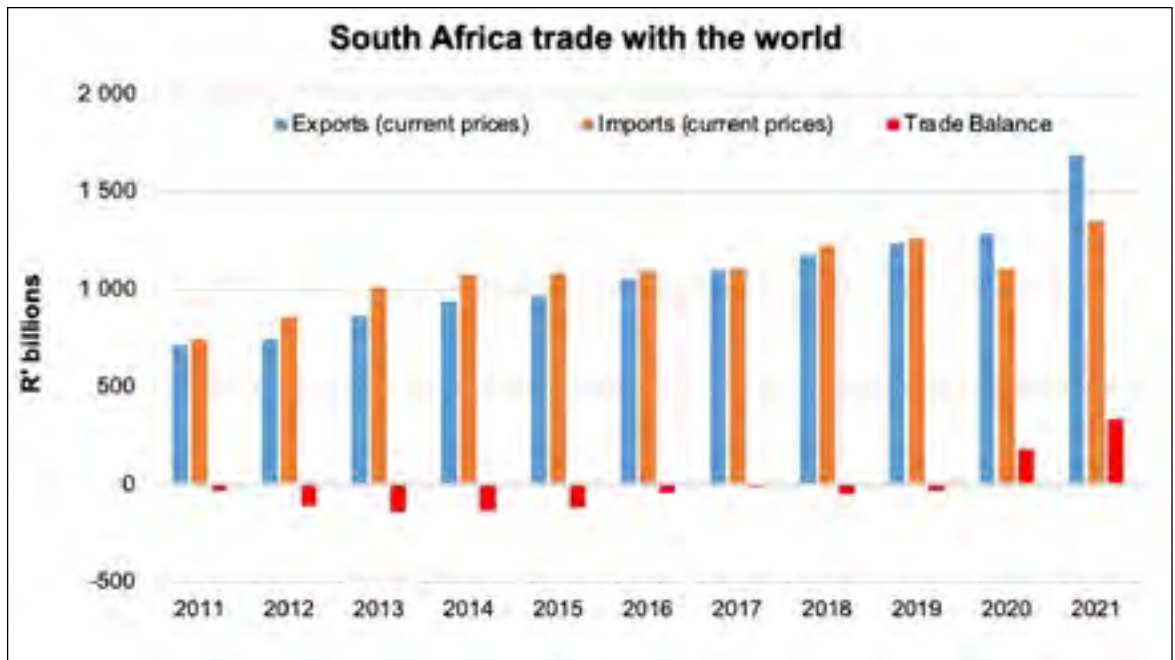
In 2020 and 2021, South Africa was trading in surplus with the rest of the world. In 2021, trade surplus rose to R340 billion, from R181 billion in 2020. The increase in South Africa's trade surplus with the rest of the world was driven by the commodity price boom, while imports also somewhat increased in the same period.

The value of merchandise exports soared to R1.7 trillion in 2021, from R1.3 trillion in 2020 (an expansion of approximately 31% or R402 billion in exports). Overall exports of goods increased because of the rise in mining and manufacturing exports in 2021. Mining exports were weighed up by metal ores, except gold and uranium; mining of coal and lignite; and extraction of crude petroleum and natural gas; as well as service activities incidental to oil and gas extraction.

Manufacturing exports were weighed up by basic metals, fabricated metal products; transport equipment; furniture; coke, refined petroleum products and nuclear fuel; and chemicals.

In 2021, products from the petroleum and automotive sectors dominated South Africa's import of goods from the world.

## South African trade with the world



Source: South African Reserve Bank

## Trade with Africa

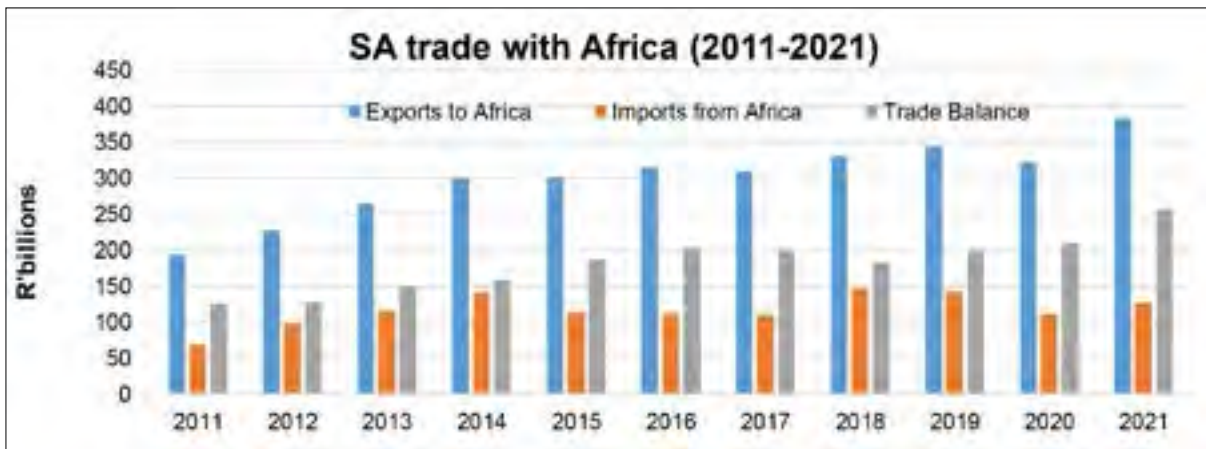
South Africa's exports to Africa increased to R383 billion in 2021, from R322 billion in 2020, while imports rose to R127 billion, from R112 billion in the same period.

South African exports to the continent were largely driven by products from mining and quarrying (65%) and manufacturing (16%). The top five sub-sectors exporting to Africa were manufactured chemical products; basic iron and steel; food products, beverages and tobacco; transport equipment (i.e. motor vehicles, and parts and accessories); and furniture.

The Southern African Development Community (SADC) was the most significant trading bloc for South Africa both in terms of exports and imports, accounting for more than 89% of all South Africa's exports to Africa. Key markets in the SADC were Botswana, Mozambique, Namibia, Zimbabwe and Zambia.

Africa and South Africa's trade prospects are expected to improve gradually, but substantially in the medium to long term as implementation of the continent-wide agreement on the African Continental Free Trade Area (AfCFTA) takes place. The AfCFTA entered into force on 1 January 2021, though some aspects of the agreement, such as the rules of origin and tariff lines, are still being finalised.

### South African trade with Africa



Source: Quantec

### Exports of agro-processed fruits (grapes, avocados and citrus)

South Africa was in the top 10 world rankings in 2021 based on its export share of grapes, avocado and citrus – second for citrus, after Spain; sixth for grapes; and eighth for avocados. Exports of other major agro-processed products such as grapes (390,000 tons) and grapefruit (290,000 tons) also increased substantially (20%) in the same period. In 2021, the top two export destination for grapes, avocados and citrus were the Netherlands and the United Kingdom, accounting for 69% of grapes, 78% of avocados and 29.6% of citrus. South Africa’s top-two export destinations for these products were ranked significantly higher than the other top 10 destinations.

### South African export partners for grapes, avocados and citrus

#### Grapes

World Market Trends for HS 080610

##### Market Trends

Viewing countries from 2020 to 2021

Country	Market Share Year 2020	Market Share Year 2021
1 Peru	12.62%	12.33%
2 China	12.77%	11.94%
3 Chile	11.68%	10.84%
4 Italy	10.11%	10.62%
5 Netherlands	8.64%	7.25%
6 South Africa	6.50%	7.25%
7 United States of America	5.90%	6.62%
8 Spain	4.1%	4.42%
9 Australia	3.32%	4.27%
10 USA	3.12%	3.68%

#### Avocados

World Market Trends for HS 0805

##### Market Trends

Viewing countries from 2020 to 2021

Country	Market Share Year 2020	Market Share Year 2021
1 Spain	23.8%	21.4%
2 South Africa	8.2%	11.1%
3 China	10.4%	10.8%
4 Egypt	5.3%	5.62%
5 Netherlands	4.3%	5.62%
6 United States of America	5.32%	5.5%
7 Turkey	3.42%	3.2%
8 Mexico	1.1%	4.2%
9 Syrian Arab Republic	3.0%	5.2%
10 Chile	2.2%	2.1%

#### Citrus

World Market Trends for HS 080440

##### Market Trends

Viewing countries from 2020 to 2021

Country	Market Share Year 2020	Market Share Year 2021
1 Mexico	41.2%	41.9%
2 Netherlands	15.6%	15.6%
3 Peru	11.2%	11.2%
4 Spain	9.4%	8.1%
5 Chile	3.9%	3.8%
6 United States of America	2.4%	2.2%
7 Italy	1.7%	2.0%
8 South Africa	1.3%	1.6%
9 Colombia	2.1%	1.4%
10 New Zealand	2.1%	2.3%

## South African export partners for grapes, avocados and citrus

South African export of grapes			South African export of avocados			South African export of citrus		
Country	Market share		Country	Market share		Country	Market share	
	2020	2021		2020	2021		2020	2021
The Netherlands	41,7%	46,7%	The Netherlands	59,4%	59,4%	The Netherlands	21,2%	20,5%
United Kingdom	23,5%	22,0%	United Kingdom	20,5%	18,6%	United Kingdom	9,6%	9,1%
Canada	6,9%	5,1%	Russia	5,4%	4,8%	United Arab Emirates	7,4%	7,5%
Malaysia	1,9%	2,8%	Germany	0,5%	2,8%	Russia	7,3%	7,1%
Hong Kong	2,9%	2,1%	Spain	1,5%	2,8%	United States	5,3%	6,7%
Vietnam	1,9%	2,0%	France	1,0%	2,3%	China	5,7%	6,5%
Germany	1,8%	1,8%	Portugal	1,8%	1,7%	Canada	4,5%	4,3%
United States	0,9%	1,6%	Namibia	1,3%	1,0%	Saudi Arabia	4,4%	4,2%
Russia	2,2%	1,6%	United Arab Emirates	0,9%	1,0%	Bangladesh	4,1%	4,0%

### 3. SERVICE DELIVERY IMPROVEMENT PLAN

The Department of Public Service and Administration (DPSA) issued the Service Delivery Improvement Plan (SDIP) circular number one of 2020/21 informing departments of the review of 2008 SDIP directive. The review aims to align the SDIP to the Strategic Planning and Annual Performance Framework as well as the service delivery improvement value chain outlined in the Public Service Regulations of 2016. This circular granted departments a gap year for the 2021/22 financial year.

#### 3.1. Organisational environment

**the dtic** offers many innovative and renowned corporate services solutions to improve business performance tantamount to leading industry standards. **the dtic** is recognised as one of the best-practice departments in leadership, management, learning and development. This manifests in an ongoing effort to improve corporate services solutions and processes. These efforts are noticed in the incremental improvement over time of variables such as turnaround times, automation initiatives, and expanding progress in human resource (HR) learning and development. The department's RIS with the new focal points becomes central to addressing the challenges of the economy. As a direct response, the improvements in corporate services will significantly contribute to the RIS.

The minister provided strategic direction by identifying the need to build internally a capable state through the following HR programmes: The design of a fit-for-purpose structure; culture change; coaching; upskilling and reskilling of staff; and the development of a recognition framework for departmental programmes and **the dtic** entities.

## Employer value proposition

The employer value proposition (EVP), which is underpinned by **the dtic**'s values, positions the department as an employer of choice. It provides prospective employees with career offerings regarding what is in it for them should they choose to join the department. The EVP encourages employees to want to stay by providing a benchmark of what they stand to lose should they leave the department. The EVP was repositioned during the 2021/22 financial year to create more symbiotic offerings across **the dtic**.

### VALUE DISCIPLINE TRIANGLE



## Workforce

The broader government effort to reduce the wage bill has reduced the department's ability to fill key positions. The delays in the re-organisation process to rationalise and maximise the utilisation of human resources following the merger of the Department of Trade and Industry and the Economic Development Department has had a negative impact on staff well-being, as many have had to take on additional responsibilities and act in positions for extended periods. This was further compounded by key positions remaining vacant for extended periods. In an attempt to minimise adverse effects on operations, the department focused its energies on optimising staff through the reassignment of roles and responsibilities.

Regarding digitalisation of work catapulted by COVID-19, tools of trade were provided to all staff to ensure business operations continuation. The normal protocols regarding COVID-19 were upheld.

## Employment relations

The department maintains a healthy working relationship with organised labour to promote good relations between the employer and employees. Only 19 disciplinary matters were recorded during the 2021/22 financial

year, 14 of which were informal cases and five were formal cases. These were addressed within an average period of 18 and 358 days, respectively. The average turnaround time of 358 days in the formal cases is mainly due to a matter being handled by the General Public Service Sector Bargaining Council (GPSSBC), while some cases were postponed due to the unavailability of parties, including of the chairperson. The majority of the other cases related to failure to disclose financial interests in time.

The department dealt with 31 grievances during the period under review, which resulted in average turnaround times of 29 days for the 24 cases below senior management service (SMS) level, and 241 days for the seven SMS cases, against the targets of 30 days and 45 days, respectively. Eighty-seven per cent of the 31 grievances were resolved. The number of grievances lodged represented 1.3% of the staff complement of 1 221 employees. The reduction in turnaround times to acceptable levels will continue to receive attention in the 2022/23 financial year.

### **Employee health and wellness**

**the dtic's** staff are the department's most valued asset. **the dtic** has one of the most progressive and holistic wellness programmes, which includes a flexi-time policy, an on-site medical clinic with an occupational nursing sister and visiting doctor, and a 24/7 counselling service for staff and family. In addition to the several measures and good practices put in place, employees were encouraged to work remotely and subsequently on a rotational basis during the period under review to prevent the spread of COVID-19.

### **Performance management**

The automated performance management and development system is another critical tool that **the dtic's** management uses to ensure that services are rendered according to set standards. The service standards form the basis for concluding performance agreements, and facilitate the effective monitoring of good performance and under-performance. The department has put corrective measures in place to deal with non-compliance in terms of the submission of performance agreements.

### **Towards intellectual excellence**

As a knowledge-based department, learning, skills improvement, information management, automation and innovation are critical for delivering **the dtic's** programmes and services. Various training needs have been identified and rolled out. A total of 469 planned and unplanned training interventions were attended by employees, including policy formulation and implementation, information and capacity-building sessions, workshops, seminars and conferences. In addition, the department continued to support employees in developing themselves through formal studies. To this end, 205 employees participated in the departmental bursary programme. These comprised 81 undergraduate, 58 postgraduate and 46 master's degree qualifications, 15 doctorates, and five advanced certificates.

## **3.2. Key policy developments and legislative changes**

### **Companies Amendment Bill**

The Companies Amendment Bill was published for public comment after it had gone through the NEDLAC process. Comments were received from the public. The Bill is in the process of being reviewed in light of these public comments.

### **Review of the Liquor Amendment Bill**

Reports on the proposed changes for the review of the Liquor Amendment Bill were produced for the minister's approval. This included intergovernmental consultations to identify an integrated approach to liquor abuse in South Africa.

## Copyright and Performers' Protection Amendment Bills

Work was done on the Bills in Parliament. The processes included public participation (call for comments, public hearings and review) and responses to Parliament.

In addition, the following changes were made in the industrial policy environment with key specific sectors of the economy.

## Industrial procurement

### 2017 Preferential Procurement Regulations (PPRs)

On 2 November 2020, the Supreme Court of Appeal (SCA) made the following orders:

- It is declared that the 2017 Preferential Procurement Regulations, 2017, are inconsistent with the Preferential Procurement Policy Framework Act (PPPFA) 5 of 2000 and are invalid. The declaration of invalidity is suspended for a period of 12 months from the date of this order.

On 16 February 2022, the Constitutional Court made the following order:

- The appeal is dismissed with costs.

The Constitutional Court found that section 2(1) of the PPPFA provides that an organ of state “must” determine its preferential procurement policy, which it must implement within the framework set out in section 2 of the Act.

- How can it still lie with the minister also to make regulations that cover that same field?
- It can neither be “necessary” nor “expedient” for the minister to make regulations that seek to achieve that which can already be achieved in terms of section 2(1) of the Act.

The essence of the judgment is that the Minister of Finance cannot, by regulation, exercise a power that the Act confers upon other organs of state. For this reason, the 2017 PPRs were declared invalid in totality since they are matters of preferential procurement policy, which must be determined by organs of state. Organs of state, therefore, are not required to include local content requirements in tenders. The local content requirements were regulated in terms of the 2011 and 2017 PPRs. As the minister did not have the power to make those regulations, local content requirements through the PPRs are not valid. This legislation will have an impact on driving the localisation agenda of every master plan and other sectors in the future.

## Agro-processing

Regulations prohibiting the listing of multiple countries of origin on poultry packaging were finalised and came into effect on 1 September 2021.

Warp knit fabrics, classifiable under tariff subheading 6005.3, used for upholstered furniture, were implemented on 28 May and guidelines published on 11 June 2021.

The Competition Commission extended the sugar industry exemption from the Competition Act, 1998, to 30 June 2023.

## Automotives

A draft sector Green Paper was compiled, containing a proposed roadmap on electric vehicles to local production; setting out options under consideration by automakers, unions and government; and detailing the requisite steps and tentative timeframes. Public comment on the document was collated for consideration in the development of the White Paper.



The South African Revenue Service (SARS) gazetted the relevant notice on 25 June 2021 that enabled the International Trade Administration Commission of South Africa (ITAC) to publish on the same day the final information documents and guidelines for industry to align with the implementation on 1 July 2021 of the Amended Automotive Production and Development Programme – Phase Two (APDP2) and the revised Automotive Investment Scheme (AIS).

### **Chemicals, cosmetics, plastics and pharmaceuticals**

Extended Producer Responsibility (EPR) regulations were introduced by the Department of Forestry, Fisheries and Environment (DFFE) to provide a framework for the development, implementation, and monitoring and evaluation of extended producer responsibility schemes, to ensure the effective and efficient management of the identified end-of-life products, and to encourage collection and recycling of waste. This seeks to advance the transition towards a greener economy and an improved recycling rate.

The EPR scheme came into effect on 5 November 2021 as part of the new Section 18 Regulations to the Waste Act, creating a true circular economy for packaging.

### **Green industries**

The determination by the Minister of Mineral Resources and Energy to increase the self-generation cap from 50MW to 100MW was a significant development. This will allow companies interested in developing green hydrogen projects to install meaningful renewable-energy-generation capacity. The increased cap also allows many energy-intensive industries to supplement their Eskom supply of electricity with self-generation. This will in turn lead to fewer disruptions to their production processes.

The approval by Cabinet of the Department of Science and Innovation's (DSI) Hydrogen Society Roadmap (HSRM) will be vital for the development of a vibrant local hydrogen economy. The green hydrogen commercialisation strategy articulates a path towards the creation of new export commodities as well as the revitalisation of sectors such as steel and cement. The successful implementation of this strategy will lead to greater employment opportunities for South Africans as companies ramp up production and expand existing production capacity to meet the new demand from exports.

Suntech Solar Power Pty (Ltd) launched legal action against **the dtic** to prevent the implementation of two exemptions on aluminium frames and solar PV panels. Furthermore, the application seeks to halt the announcement of commercial close on the current two rounds of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). The application will negatively affect local manufacturers of designated products required for renewable energy installations, such as panels, frames, inverters, transformers, structural steel and cables, as the REIPPPP has the potential to generate large orders for these products.

The proposed gas pricing methodology by the National Energy Regulator of South Africa (NERSA) will have a significant adverse effect on large industrial gas users, so much so that many will be forced to shut down or relocate their manufacturing facilities to Mozambique. The minister has been notified, and a ministerial bilateral meeting between the Department of Mineral Resources and Energy (DMRE) and **the dtic** will be scheduled.

The substantial oil find by Total Energies off the Namibian coast in the Orange Basin is a significant development to be noted. Although this find is not in South African waters, the Orange Basin straddles across both Namibia and South Africa, improving the chances of a significant hydrocarbon find in South African waters. The key obstacle to potential hydrocarbon discoveries in South African waters is the recent High Court judgment against Shell Oil and Gas. This judgment blocked Shell from shooting seismic surveys off the South African coast, which

are a necessary first step toward the discovery of hydrocarbons. Without the ability to conduct seismic surveys, there will be little exploration activity in South Africa.

### Metals fabrication, capital and rail transport equipment

The National Infrastructure Plan (NIP) 2050 was published for public comment.

The President announced in his State of the Nation Address (SONA) that Transnet will start the process of providing third-party access to its freight rail network from April 2022, by making slots available on the container corridor between Durban and City Deep in Gauteng. This will improve operational efficiencies in railways and reduce congestion in ports.

### Technical infrastructure

The minister amended the Legal Metrology Regulations that were gazetted in 2018, giving affected parties a two-year grace period in which to comply with the legislation. The amendment extends the interim arrangement for the legal use of selected measuring equipment until a legal metrology technical regulation is published. This amendment empowers regulators such as the Road Traffic Management Corporation to continue to fulfil their legislated mandate.

## 4. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

### 4.1. Significant Achievements MTSF 2019-24

#### Impact statement: Reimagined Industrial Strategy towards economic growth

**the dtic** contributes towards the achievement of priority 2, Economic Transformation and Job Creation; and priority 7, a Better Africa and World. Notable progress has been made by the department in the implementation of key commitments during the period under review.

#### Key achievements

##### Master plans

Since June 2019, a number of master plans have been developed or are being developed to create conducive conditions for industries to grow. To date, six master plans (retail, clothing, textile, leather and footwear; automotive; furniture; sugar; poultry; and steel and metal fabrication) led by **the dtic** have been approved and implementation has commenced. These master plans find expression in the Economic Reconstruction and Recovery Plan (ERRP) and focus on increasing local production, improving industrial dynamism and overall competitiveness in key sectors, job creation and inclusion. The department will continue to drive implementation of approved master plans and other sector strategies to stabilise industries and protect jobs.

Following are selected highlights from **the dtic**'s implementation of the MTSF.

- **Sugar master plan:** The South African Sugar Association committed to a five-year R1-billion transformation plan investment, of which R200 million was allocated for the 2021/22 season.
- **Furniture master plan:** PG Bison announced a R2,5-billion investment in 2021 for capacity expansion of the existing Bison Board.
- **Automotive master plan:** Attracted investments estimated at R70 billion, including the following:
  - » R16-billion investment by Ford Motor in the Tshwane Automotive Special Economic Zone (TASEZ).
  - » Toyota South Africa Motors (TSAM) expanded its production line in eThekweni by launching the Toyota Corolla Cross on 26 October 2021. This investment was the result of a R2.4-billion commitment made at the 2019 South Africa Investment Conference.

- » Mercedes Benz South Africa (MBSA) unveiled the new C-Class sedan produced in the East London plant following a R13-billion investment commitment.

### **Retail, clothing, textile, leather and footwear**

- R6 billion new investment pledges
- Bader SA (Pty) Ltd, located in Ga-Rankuwa, invested R300 million in additional capacity to manufacture automotive leather and split leather
- The Foschini Group (TFG) expanded its local clothing manufacturing business in South Africa, with the opening of a new Prestige Clothing factory for the hearing impaired in Hillbrow, Johannesburg
- Mr Price Group's total investment in South Africa amounts to R4,2 billion in procurement and R385 million in development, and a further R300 million in retail expansion with the addition of more than 100 stores.

### **Industrial parks**

Industrial parks are recognised as catalysts for broader economic and industrial development in their respective regions. The Industrial Parks Revitalisation Programme (IPRP) is structured with the intention to enhance infrastructure in industrial parks, improve the occupancy rate, and drive retention and the expansion of investors, which will lead to economic growth and job creation. The IPRP has been implemented in 12 industrial parks and seven provinces across the country, with phase one already completed and phase two currently implemented in six industrial parks. The 12 industrial parks provide significant sustainable jobs in their respective areas, however, the COVID-19 pandemic and July 2021 civil unrest resulted in a 10% shedding of jobs from 52 000 in 2020/21 to 46 000 in 2021/22.

### **Investment promotion**

Since the first South Africa Investment Conference in 2018, significant progress has been made in the implementation of commitments. To date, 152 investment announcements have been made from the four iterations of the conference, and 45 projects have been completed, whether it be construction of a facility, the procurement and installation of new machinery or equipment, or the start of production. Total pledges received to date from the investment conferences amount to about 95% of the five-year investment target of R1.2 trillion.

### **African Continental Free Trade Agreement**

Notable progress has been made to operationalise the AfCFTA. Since its launch in 2018, the agreement has been ratified by 42 member states. Although the 2021 deadlines for the conclusion of negotiations on trade in goods and services were not met, efforts are under way to finalise the negotiations on all outstanding issues of phase one. The AfCFTA Council of Ministers, under the chairpersonship of South Africa, agreed that negotiations on trade in services should be concluded by June 2022, and negotiations on the outstanding rules of origin by September 2022.

On trade in goods, 45 member states have submitted tariff offers on 90% coverage of their tariff books. Members of the South African Customs Union (SACU) are close to finalising their offer, with only 28 tariff lines short of achieving 90%. Work continues on outstanding rules of origin on textiles and clothing, sugar and automotives, with a deadline set for September 2022. South Africa seeks to ensure that the rules of origin will support increased African content in intra-African trade.

## 4.2. ACHIEVEMENTS PER PROGRAMME

### Programme 1: Administration

Outcome	Outcome indicator	Five-year target	Progress
Implement transformation through employment equity and broad-based black economic empowerment (B-BBEE)	Percentage (%) of people with disability employed	3.5%	3.9%
	Percentage (%) of women employed in senior management positions	50%	54%
Youth empowerment	Number (no.) of interns appointed	162	54 interns appointed for 2020/22 cycle 41 interns remained in service as at 31 March 2022 No. of interns limited based on reduced CoE budget
Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery	Percentage (%) of eligible creditors payments processed within legal timeframes	100% eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days

### Programme 2: Trade Policy, Negotiations and Cooperation

Outcome	Outcome indicator	Five year target	Progress
Increased intra-Africa trade to support Africa regional development	Percentage (%) tariffs progressively eliminated	90% of tariff lines reduced by 20% per year over a five-year period (if reciprocated)	<p>SACU and AfCFTA engagements on approach to finalise outstanding rules of origin and tariff offers have taken place and continue.</p> <p>The Extra-Ordinary Summit on 5 December 2020 set out minimum conditions to operationalise AfCFTA tariff preferences with a degree of flexibility, but within the overall targets set out in the agreed modalities.</p> <p>The 35th Ordinary Session of the African Union Heads of State and Government held in February 2022 endorsed the Ministerial Directive of October 2021 to start preferential trade on a provisional basis by the 29 member states that have submitted offers in compliance with the modalities pending the conclusion of all outstanding issues on the schedules of tariff concession.</p>

**Programme 3: Spatial Industrial Development and Economic Transformation**

Outcome	Outcome indicator	Five year target	Progress
Increased and enhanced instruments for spatial development of targeted regions and economic transformation	Increased investment through SEZs and industrial parks	10 implementation reports on SEZs and 10 implementation reports on industrial parks	Two implementation reports on SEZs and two implementation reports on industrial parks submitted
Industrialisation, localisation and exports	Increased investment through industrial parks	27 industrial parks revitalised based on the current budget. Should the budget increase, the target will be revised	Eight industrial parks revitalised
Investing for accelerated inclusive growth	Increased number of black people and black-owned businesses that participate in the mainstream economy	10 implementation reports on B-BBEE legislation	To date, six reports on the implementation of B-BBEE legislation have been produced for the MTSF 2019-2024

**Programme 4: Industrial Competitiveness and Growth**

Outcome	Outcome indicator	Five-year target	Progress
Increased industrialisation through the development of master plans in national priority sectors	Developed master plans as per the RIS	Five master plans developed by end of 2021  20 progress reports on the implementation of the master plans	Six master plans developed by end of 2021, including automotives; retail RCTFL; poultry; sugar; steel and metal-fabrication; and furniture  10 progress reports on the implementation of master plans
Increased localisation through the designation of products	Designations prepared	Two designations per year	Three designations prepared for the minister, i.e. light motor vehicles; poultry; and cement
	Increased localisation through the designation of products	10 products designated by 2025	28 products designated to date

**Programme 5: Consumer and Corporate Regulation**

Outcome	Outcome indicator	Five-year target	Progress
Improved regulatory environment conducive for consumers and companies as well as providing access to redress	Improved regulatory environment in the areas of gambling, companies, consumer protection, credit, and lotteries	Development or review of legislation in the areas of gambling, companies, consumer protection, credit and lotteries or any legislation announced by the minister at the SONA	<p>The Lotteries Regulatory Impact Assessment has been finalised. Final report submitted and presented to Exco and National Lotteries Commission (NLC)</p> <p>Companies Amendment Bill was published for public comment after it had gone through the NEDLAC process. Comments were received from the public. The Bill is in the process of being reviewed in light of the public comments received</p> <p>Reports on proposed changes for the review of the Liquor Amendment Bill produced for minister's approval. Included intergovernmental consultations to identify an integrated approach to liquor abuse in South Africa</p> <p>Work was done on the Copyright and Performers' Protection Amendment Bills in Parliament. The processes included public participation (call for comments, public hearings and review) and responses to Parliament</p>

**Programme 6: Industrial Financing**

Outcome	Outcome indicator	Five-year target	Progress
Increased accessible industrial finance measures to support investment in priority sectors in line with approved master plans	Value (Rand) of projected investments to be leveraged from enterprises/projects approved	R75-billion private-sector investment leveraged and annual targets on jobs and enterprises achieved	<p>R52,155-billion private-sector investment leveraged</p> <p>2020/21: R17,966 billion 2021/22: R34,189 billion</p>

**Programme 7: Export Development, Promotion and Outward Investments**

Outcome	Outcome indicator	Five-year target	Progress
Promote the growth of exports in the economy as a generator of jobs and contributor to GDP growth	Exports to grow 1% faster than output growth in productive sectors	Export growth in constant Rands to grow 1% faster than GDP growth in constant Rands for primary and secondary sectors, based on a five-year rolling average	Value targets set are not in the department's control and, as such, it reports on the tangible and measurable contributions implemented in supporting South African exporters to increase and diversify exports. In response to the pandemic and the resultant cancellation and postponement of physical promotion events that continued in 2021 and impacted on <b>the dtic's</b> ability to promote and support increased exports, The department undertook a review of the Export Marketing and Investment Assistance (EMIA) guidelines to extend financial support to virtual promotion activities. Following the approval of the revised guidelines in July 2021, the department undertook the following physical and virtual promotion initiatives during the 2021/22 financial year: <ul style="list-style-type: none"> <li>• Africa Health 2021</li> <li>• Outward Selling Mission: St Petersburg (Russia)</li> <li>• Intra Africa Trade Fair (IATF) 2021 hosted in KwaZulu-Natal</li> <li>• Outward Selling Mission: Brazil</li> <li>• Dubai Expo 2020</li> <li>• Inward Investment Mission: Global Business Services</li> </ul>
Diversify the export bundle, by promoting export growth in priority sectors	Exports in priority sectors to grow 2% faster than output growth in manufacturing sectors	Export growth for selected HS codes in constant Rands to grow 2% faster than GDP growth in constant Rands for manufacturing, based on a five-year rolling average	
Grow the manufacturing sector to promote industrial development, job creation, investment and export	-	-	
Diversify and grow the exporter base as a contribution to inclusion and transformation of the economy	-	-	

**Programme 8: Inward Investment Attraction, Facilitation and Aftercare**

Outcome	Outcome indicator	Five-year target	Progress
Increased strategic investment	Percentage growth per annum in the value (Rand) of investment projects facilitated in pipeline	R500bn in domestic and foreign direct investment	R179.069bn

**Programme 9: Competition Policy and Economic Planning**

Outcome	Outcome indicator	Five-year target	Progress
Policy tools and implementation strategies that contribute to an efficient, competitive economic environment, balancing the interests of workers, owners and consumers, and focused on economic development	Number of policy initiatives, strategic interventions and implementation strategies enhancing competition and development in the economy	20 competition oversight reports	18 competition oversight reports on COVID-19 exemptions required by the National Disaster, as requested by the minister
		20 reports on strategic participation in competition matters	Nine reports on strategic participation in competition matters
		20 reports on impact of coordination efforts with regard to recommendations, commitments and orders. Total of 60 reports	11 reports on impact of coordination efforts with regard to recommendations, commitments and orders. Total of 38 reports

**Programme 10: Economic Research and Coordination**

Outcome	Outcome indicator	Five-year target	Progress
Socio-, macro- and microeconomic policy options developed and assessed to promote inclusive growth	Economic policy reports	48 reports	9
Policymakers and stakeholders have access to policy-relevant, high-quality economic analysis	Socio-economic research reports	38 reports	8

**5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION****5.1. Programme 1: Administration****a. Purpose**

Provide strategic leadership, management and support services to the department.

**b. Description of sub-programmes**

- i. **The Ministry** provides leadership and policy direction to **the dtic**.
- ii. **The Office of the Director-General (ODG)** provides overall management of **the dtic**'s resources.
- iii. **Corporate Management Services** provides customer-centric and integrated resource solutions in human-resource management, information and communication technology (ICT), legal services and facilities management.



- iv. **Office Accommodation** is an allocation for accommodation services to **the dtic** regional offices and ensures continued maintenance service.
- v. **Financial Management** provides support to **the dtic**, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the department's goals and objectives.
- vi. **Marketing, Communication and Media Relations** facilitates greater awareness of the department's role, increases the uptake of its products and services, and ensures that the department is portrayed positively in the media through influencing the content of media in its favour.

### c. Institutional outcomes towards which the programme contributes

- i. Implement transformation through EE and B-BBEE
- ii. Youth empowerment
- iii. Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery
- iv. Aligned institutional capabilities and capacity
- v. Implementation of shared services for **the dtic** portfolio of entities to ensure long-term sustainability through increased efficiencies and effectiveness
- vi. Improve governance at entities.

#### 5.1.1. Outcomes, outputs, output indicators, targets and actual achievements

**the dtic's** values are based on the essentials of quality relationships, operational excellence and intellectual excellence. The values describe the core principles of the department and inspire the best efforts of its employees. The values create a foundation to guide strategic and operational decisions, ethical character and accountability. In turn, the values serve as a reflection for appropriate workplace behaviour, building a positive culture and a caring department.

#### Leadership development

A robust hybrid leadership programme was developed and will be introduced through a phased-in approach to deepen skills and capability at SMS level. The programme will assist in building strengthened leadership and creating cross-functional competency pollination across the department. This approach was to enable **the dtic** to be resilient to structural and turnover challenges and maintain business continuity.

#### Recruitment efforts

The vacancy rate at the end of the period under review was 12.9%, which is an increase of 3.9% from 31 March 2021 (9%), exceeding the public sector target of 10%. The department's ability to fill vacancies has been impacted by the broader effort to reduce the government's wage bill and, therefore, only a few critical positions were filled while other key positions remained vacant. The increase in the vacancy rate is a result of the reduced compensation budget and pending decisions regarding the filling of priority posts. During the reporting period, five vacant posts were filled, one intern was appointed, one employee joined as part of a cross transfer, and two contract employees were appointed.

#### Employment equity

The department has been robust in promoting a transformed workplace – another key aspect of building a cohesive but diverse team. In this regard, **the dtic** is one of the forerunners in the public service. People with disabilities represent 3.9% of the department's workforce, exceeding the 2% target set by Cabinet. The target of 50% for women in senior management positions was exceeded, and now stands at 54%. Monitoring of and reporting on transformation in line with Cabinet targets will continue in **the dtic** through the newly established Employment Equity Committee.

Our efforts go beyond employment to providing people with disabilities with assistive devices such as hearing and reading aids, and the services of sign language practitioners, while ensuring that offices are accessible to all.

### Youth empowerment

**the dtic's** flagship programme for youth empowerment is its internship programme. During the 2020/22 financial years, 54 interns were appointed, according to budget allocation. All interns were provided with tools of the trade, and connectivity to **the dtic** systems and networks. As at the end of 2021/22 financial year, 13 interns had resigned owing to other work opportunities; thus, 41 interns remained.

The next internship intake commenced with the approval of the Internship Needs Analysis submission for the 2022/24 financial years. The department's target for the new intake is 31 interns, who will be appointed over a maximum period of two years.

## 5.1.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Implement transformation through EE and B-BBBE	Increase in the employment of people with a disability – annual adjusted HR plan	Percentage (%) of people with a disability employed	3.9%	3.9%	3.5%	3.9%	0.4%	Percentage is based on the current headcount
	Increase in the employment of women at SMS level – annual adjusted HR plan	Percentage (%) of women at SMS level	54%	53%	50%	54% women employed in senior management	4%	Percentage is based on the current headcount

Programme/sub-programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	** Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Aligned institutional capabilities and capacity	Building internal capacity	% implementation of the internal capacity building plan Structure fit for purpose, culture change, coaching, upskilling and reskilling, and recognition framework	New indicator	New indicator	50%	21.2% internal capacity building plan Structure fit for purpose, culture change, upskilling and reskilling, and recognition framework	(28.8)	Approval to proceed with appointment of service provider granted at the end of October 2021. Request for quotations was sent out in December 2021 and due to the fact that no response was received, a tender process was initiated in February 2022. Process was subsequently affected by the hold imposed by National Treasury following the Constitutional Court ruling

Programme/sub-programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery	100% eligible creditors' payments made within 30 days	Percentage (%) of eligible creditors payments processed within legal timeframes	100% eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days	Target achieved	None

Programme/sub-programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Implementation of shared services for <b>the dtic</b> portfolio of entities to ensure long-term sustainability through increased efficiencies and effectiveness	Optimisation of resources within <b>the dtic</b> portfolio of entities through the implementation of a shared services model for <b>the dtic</b> entities	Number of status reports on the implementation of the shared services framework	New indicator	New indicator	Two status reports on the implementation of the shared services framework covering ICT and forensic services	Two status reports completed. 1. Approved cyber-security and ICT service continuity policy framework 2. Shared entity document libraries that are accessible to all entities through the SABS MS-Teams SharePoint Portal and, shortly, the SABS Web Store Subscription portal 3. Forensic audit unit has been capacitated to cater to <b>the dtic</b> entities	N/A	N/A

Programme/sub-programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Improved governance at entities	Improved governance at entities	Improved governance at entities	New indicator	New indicator	Review of the governance framework and implementation	Review still under way	Review of the governance framework not completed	Shortage of resources contributing to delays in finalising the review

### 5.1.3. Strategy to overcome areas of underperformance

- Percentage implementation of the internal capacity building plan: Structure fit for purpose, culture change, coaching, upskilling and reskilling, and recognition framework.

Approval to proceed with the appointment of service provider was granted at the end of October 2021. Request for quotations was sent out in December 2021 and, due to the fact that no response was received, a tender process was initiated in February 2022. The process was subsequently affected by the hold imposed by National Treasury following the Constitutional Court ruling. BSC process was in progress it was anticipated that would be concluded in Q1 of the 2022/23 financial year. National Treasury to provide guidance regarding the SCM process.

- Review of governance framework and implementation.

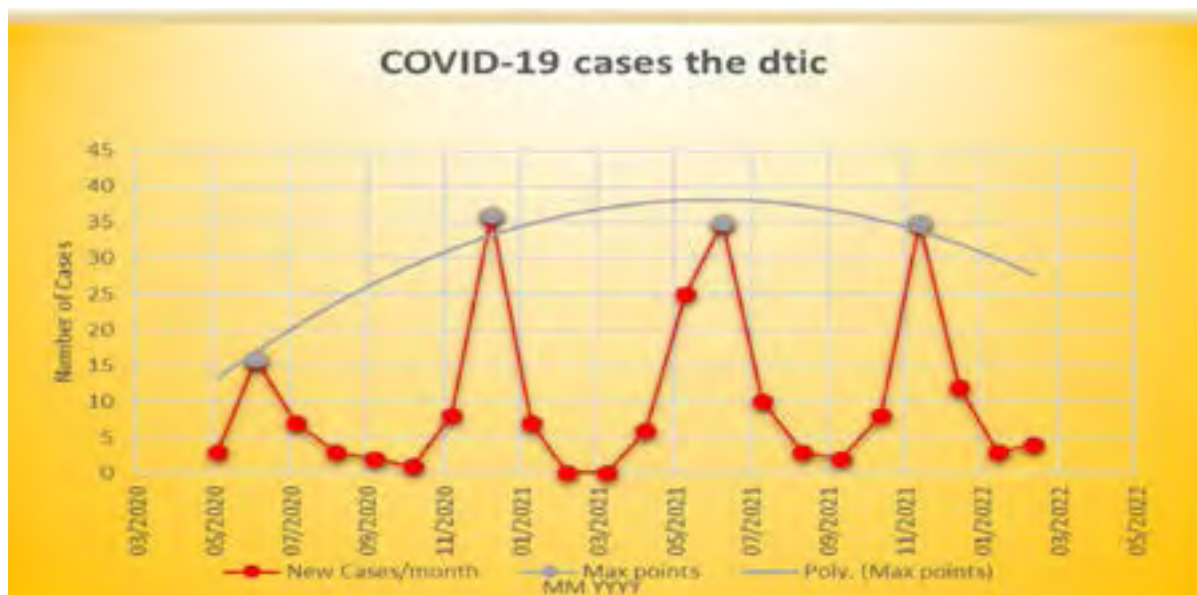
Shortage of resources contributing to delays in finalising the review. The review is to be prioritised for finalisation in the next financial year with external assistance.

### 5.1.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

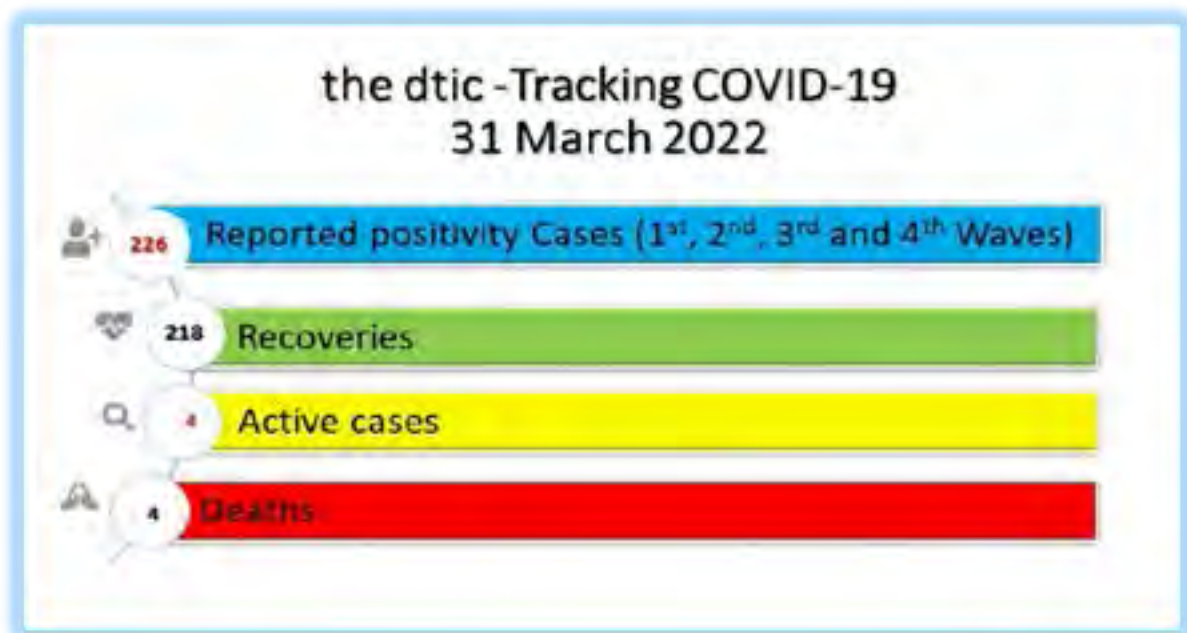
### 5.1.5. Reporting on the institutional response to the COVID-19 pandemic

The department continued its oversight on the institutional response to the COVID-19 pandemic by tracking the number of cases reported, ensuring appropriate disinfections were carried out as per approved protocols, and having regular meetings to discuss pertinent issues such as risks in the workplace. Supported by the Occupational Health and Safety (OHS) committee inclusive of organised labour, the Compliance Officer monitored compliance, and directed the execution of appropriate physical inspections and the auctioning of deviations.



The statistics as at March 2022 are reflected in the graph above and translated into a recovery rate of 96.46%, with 18.4% of the workforce having been infected. The four waves are evident from the data, with almost equivalent peaks for the second to fourth waves. This implies that certain circumstances prevailed and controls were consistent in the workplace, which also included rotation of staff and virtual working with appropriate enabling devices.





#### 5.1.6. Linking performance with budget

Corporate Management Services utilised 96.1% of its budget. Areas where the spending was lagging included ICT, owing to slow and tedious bureaucratic procurement processes that can often take up to a year through the current State Information Technology Agency (SITA) arrangements.

Savings under Office Accommodation resulted in part from the tenant installation provision not being required since applicable leases were extended. Underspensing relates to projects (variation orders) not implemented as planned by the concessionaire (approximately R4 million), delays in procuring ICT equipment (R4 million), software (R3 million), and legal fees/claims pending (R4 million). Slight underspensing of R2 million in this sub-programme ought to be reflected to cover expenditure elsewhere in **the dtic**. The sub-programme, however, is also an overhead cost to the department when it comes to matters such as goods and services, and ICT equipment. Office accommodation (shared with Council of Trade and Industry Institutions) makes up a significant element of the expenditure (61% of the sub-programme and 83% of the goods and services item), which is dedicated towards office accommodation regarding **the dtic** Campus PPP. **the dtic** thus carries an overhead regarding accommodation costs of entities co-inhabiting the campus, together with the Department of Small Business Development, which shares a portion of the ministerial floors. The three regional offices are leased with the provision earmarked under the sub-programme Office Accommodation. These funds are intended for the Department of Public Works and Infrastructure, and the underspensing was due to relocations that did not materialise (provision of tenant installation) given lease extensions.

## Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	41 860	33 932	7 928	31 957	31 662	295
Office of the Director-General	88 210	82 349	5 861	82 335	81 988	347
Corporate Management Services	510 144	489 945	20 199	556 766	556 746	20
Office Accommodation	3 937	3 060	877	4 399	4 397	2
Financial Management Services	87 080	66 866	20 214	102 200	100 762	1 438
Marketing Communication and Media Relations	56 027	45 113	10 914	42 861	38 541	4 320
<b>TOTAL</b>	<b>787 258</b>	<b>721 265</b>	<b>65 993</b>	<b>820 518</b>	<b>814 096</b>	<b>6 422</b>

## 5.2. Programme 2: Trade Policy, Negotiations and Cooperation

### a. Purpose

Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation in line with the African Union Agenda 2063.

### b. Description of sub-programmes

- i. **International Trade Development** facilitates bilateral and multilateral trade relations and agreements.
- ii. **African Multilateral Economic Development** facilitates multilateral African trade relations aimed at deepening regional integration.

### c. Institutional outcomes toward which the programme contributes

- i. Increased intra-Africa trade to support African regional development.

#### 5.2.1. Outcomes, outputs, output indicators, targets and actual achievements

Programme two focuses on negotiation and implementation of South Africa's international trade and investment agreements at bilateral, regional and multilateral levels. In negotiating such agreements, the programme seeks to create opportunities to increase South Africa's exports of higher-value-added products and encourage inward investment, while ensuring the preservation of the development policy space to protect and strengthen domestic industrial capacity and employment, particularly in sensitive sectors. The implementation of trade and investment agreements is ongoing, notably in respect of the legal commitments arising out of South Africa's membership of the WTO, and trade agreements with the SADC, European Union (EU), European Free Trade Association (EFTA) and Southern Common Market (MERCOSUR). Programme two also manages South Africa's wider bilateral trade

cooperation engagements with trading partners around the world. Engagement in Africa is at the centre of the work, particularly trade integration processes under the SACU, SADC and AfCFTA.

## **Africa**

Under the AfCFTA, 45 member states including those in four customs unions – East African Community (EAC), Central African Economic and Monetary Community (CEMAC), SACU, and Economic Community of West African States (ECOWAS) – have submitted their tariff offers under 90% coverage (Category A) of their tariff books. Currently, 29 of these offers have been verified by the AfCFTA Secretariat to be in accordance with the agreed modalities.

On this basis, the 35<sup>th</sup> Ordinary Session of the African Union Heads of State and Government, held in February 2022, endorsed the Ministerial Directive of October 2021 to start preferential trading pending the conclusion of all outstanding issues on the Schedules of Tariff Concession. While offers from other member states/customs unions meet the 90% target, it should be noted that not all the lines on offer have agreed rules of origin. This means that products in the offers without agreed rules of origin will be traded under the most favoured nation (MFN) principle until the AfCFTA rules of origin have been finalised. It should be noted, however, that the status of implementation by the above 29 states has not yet been confirmed. Final implementation will be effected when the remaining 10% of tariff lines and outstanding rules of origin have been finalised.

Under South Africa's chairship of the AfCFTA the following institutions were established: AfCFTA dispute settlement body; AfCFTA appellate body, AfCFTA committees on investment, competition policy, investment, digital trade, and women and youth in trade. South African chairship of the AfCFTA institutions was extended to June 2022.

Negotiations also commenced on the protocols on intellectual property, investment and competition policy.

South Africa concluded its term as chair of the SACU and established committees on industrialisation, export promotion and investment promotion to consolidate value chains and investment in the SACU and establish it as a base for global exports

## **World Trade Organisation**

The 12<sup>th</sup> Ministerial Conference (MC12) was due to take place from 30 November to 3 December 2021 in Geneva, Switzerland, under the chairship of Kazakhstan. However, the conference had to be postponed due to the emergence of the COVID-19 omicron variant and exceptionally high infection rates in Europe. The multilateral trading system (MTS) faces a number of longstanding systemic challenges such as the dysfunctionality of the appellate body, unilateralism, protectionism and plurilateral negotiations that threaten to fragment the system. MC12 was rescheduled to June 2022 and while members remain apart on a number of issues, a great deal of attention has been focused on reaching an agreement on the WTO response to the pandemic, including on the TRIPS waiver proposed by South Africa and India. Focused discussions on an agreement to limit fishery subsidies are ongoing as well as a work programme for agriculture.

## **Engagements with key trading partners**

Engagements with the EU continued in 2021 on a range of important trade matters (automotives, wine and poultry) under the economic partnership agreement (EPA). The review of the EU-SADC EPA was officially launched at the 8<sup>th</sup> Trade and Development Committee in November 2021. A joint expert committee with the EU was established to consider the framework for the review of the EU-SADC EPA.

The programme led South Africa's delegation and provided substantive inputs in submissions made on behalf of the SACU at the arbitration hearing between the SACU and the EU with regard to safeguard measures taken on EU poultry imports under the SADC-EU EPA.

Rooibos was added to the EU register of products with protected designation becoming the first product in Africa and the 40th non-EU product to receive the status.

During the year under review, the programme engaged with several partner countries to further discussions on areas of cooperation, and report on the implementation of agreed trade and investment cooperation work programmes. The parties agreed to further discussions on other areas of cooperation such as agriculture, ICT, health and manufacturing, water, and the service industries.

### **The African Growth and Opportunity Act (AGOA)**

The African Ministers of Trade Consultative Meeting agreed that South Africa host the next AGOA Forum in 2022, and the US administration concurred with the proposal during the AGOA Ministerial meeting on 21 October 2021. South Africa and African partners seek to encourage the US to extend AGOA beyond its 2025 expiry date, improve conditions of access, and ensure the benefits continue. Sub-Saharan African countries also call for the US to support Africa's industrialisation and integration efforts, including the AfCFTA, and encourage increased US investment in manufacturing and infrastructure across the continent.

### **Intellectual property amendments**

The Draft Patents Bill and the Draft Designs Amendment Bill were finalised in 2020 and submitted for precertification. The Draft Patents Bill provides for the implementation of a substantive search and examination (SSE) system for greater legal certainty and to promote innovation. The Draft Patents Bill further proposes a streamlined procedure for compulsory licensing that could improve access to health products and technology, including those related to COVID-19. The draft Bill also aims to enhance access to the intellectual property rights (IPR) regime for small business and marginalised individuals. The Bills will be published for public comments in 2022.

### **Trade in controlled goods (non-proliferation)**

The Council for the Non-Proliferation of Weapons of Mass Destruction launched the electronic Commodity Identification Training (eCIT) platform to all interdepartmental stakeholders. This search engine contains information on all commodities controlled by the Non-Proliferation Council and would assist in understanding and implementing effective trade controls.

## 5.2.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Trade Policy, Negotiations and Cooperation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Increased intra-Africa trade to support African regional development	AfCFTA negotiations and implementation	Reports on AU members and customs unions readiness to operationalise or implement tariff preference/tariff reductions	Four status reports produced on tariff and trade-related matters under the AfCFTA	Four status reports produced on tariff and trade-related matters under the AfCFTA	Bi-annual reports updating AU members and customs unions readiness to operationalise or implement tariff preferences	Bi-annual reports prepared	N/A	N/A
		Reports on meetings (senior trade officials and ministerial) at SACU on AfCFTA	New indicator	New indicator	Bi-annual reports on progress in meetings at SACU on AfCFTA matters	Bi-annual reports prepared	N/A	N/A
		Reports on meetings with partners in the AU on trade in services to finalise specific commitments	New indicator	New indicator	Bi-annual reports on progress on trade in services negotiations in priority sectors under the AfCFTA	Bi-annual reports prepared	N/A	N/A
		Reports in negotiations on AfCFTA protocols on investment, competition, IPR and e-commerce	New indicator	New indicator	Bi-annual reports on progress on AfCFTA protocols on investment, competition, IPR and e-commerce	Bi-annual reports prepared	N/A	N/A

Programme/sub-programme: Trade Policy, Negotiations and Cooperation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
	Implementation of trade agreements to facilitate market access	Reports on implementation of trade agreements to facilitate market access	New indicator	New indicator	Annual report on initiatives to facilitate SA's access to foreign markets, notably with US, EU, China	Annual report prepared	N/A	N/A
	Reduced illegal imports	Reports on interceptions and other actions taken to reduce illegal imports	New indicator	New indicator	Bi-annual report setting out interceptions at the border and other actions taken to reduce illegal imports jointly with SARS and ITAC	Bi-annual reports prepared	N/A	N/A
	Global rule-making to enable policy space to support and grow priority sectors	Reports on South Africa's negotiating positions in BRICS, G20 and the WTO	16 status reports produced on engagements in global fora	Two status reports on engagements in BRICS Two status reports on engagements in G20 Two status reports on engagements in WTO	Annual report on South Africa's negotiating positions advanced in meetings of BRICS, G20 and the WTO	Annual report prepared	N/A	N/A

### 5.2.3. Strategy to overcome areas of underperformance

There were no areas of underperformance.

### 5.2.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.2.5. Reporting on the institutional response to the COVID-19 pandemic

In light of the pandemic, South Africa and India spearheaded a proposal for a TRIPS waiver. The proposal sought a temporary waiver from the provisions of the TRIPS Agreement related to patents, copyrights, industrial designs and trade secrets, as far as they pose a barrier to accessing COVID-19 products and technologies. The objective of the waiver is to ensure that the IPR do not restrict rapid scaling up of manufacturing throughout the globe, and to aid equitable, timely and affordable access for all to vaccines, therapeutics and other goods required to deal with COVID-19.

### 5.2.6. Linking performance with budgets

The programme had a revised budget of R218.78 million. Sixty-two per cent or R135.18 million was used for transfer payments to international bodies for South Africa's membership fees (WTO and the Organisation for the Prohibition of Chemical Weapons or OPCW). Thirty-four per cent or R73,69 million of the budget was for compensation of employees and 4% or R8,58 million comprised expenditure on goods and services.

### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/underexpenditure
	R'000	R'000	R'000	R'000	R'000	R'000
International Trade Development	204 858	203 866	992	92 382	90 058	2 324
African Multilateral Economic Development	13 928	13 926	2	17 018	13 101	3 917
<b>TOTAL</b>	<b>218 786</b>	<b>217 792</b>	<b>994</b>	<b>109 400</b>	<b>103 159</b>	<b>6 241</b>

### 5.3. Programme 3: Spatial Industrial Development and Economic Transformation

#### a. Purpose

Drive economic transformation and increase participation in industrialisation.

#### b. Description of sub-programmes

- i. **Enterprise Competitiveness** fosters and stimulates industrialisation and structural change through the development and deployment of technologies and skills for the department's economic programmes.
- ii. **Equity and Empowerment** promotes B-BBEE and the growth of the industrial base through the Black Industrialist Programme.
- iii. **Regional Industrial Development** promotes regional industrial development through policies, strategies and programmes such as SEZs and industrial parks.

#### c. Institutional outcomes towards which the programme contributes

- i. Increased and enhanced instruments for spatial development of targeted regions and economic transformation
- ii. Industrialisation, localisation and exports.
- iii. Investing for accelerated inclusive growth.

#### 5.3.1. Outcomes, outputs, output indicators, targets and actual achievements

##### Special Economic Zones

Despite the impact of the COVID-19 pandemic, the SEZ programme continues to make a meaningful contribution to the country's economy. To date, the programme has attracted 169 operational investors, valued at R22,06 billion, creating approximately 19 013 direct jobs. During the period under review, Coega and Dube TradePort were at the forefront of sustaining this growth in investment. Coega's value of operational investments grew from R7,06 billion to R11,18 billion, while Dube TradePort experienced growth in excess of R500 million.

The SEZs, however, are under severe pressure as the national lockdown significantly affected supply chains, with a number of investors forced to halt production. It is difficult to quantify the losses since the shutdown was on a global scale, but the ports alone experienced a decrease in import cargo volume. All operational SEZs across the country witnessed a decline in trade volumes. The massive disruption in trade and freight impacted on logistics and manufacturing, and the increase in logistics costs hampered supply chain and business operations. This resulted in significant financial pressure on the revenues of the SEZs.

In addition, a number of small and medium enterprises, whose survival is dependent on the continued production of the larger companies in the zone, were affected. An urgent task confronting the SEZs now is the operationalisation of about 99 investments that will create employment for local communities hardest hit by rising unemployment.

The SEZ programme achieved the following during 2021/22 financial year:

- The East London Industrial Development Zone (ELIDZ) launch of 16 new facilities for manufacturers that would be supplying Mercedes Benz South Africa with automotive components for the new C Class model.
- The Tshwane Automotive SEZ (TASEZ) is completing construction of 12 factories with a private investment value of R4,33 billion. These investments are expected to create approximately 2 088 direct jobs. Feltex Trim, Automold and Aeroklas Duys, which are three of the 12 factories that were under construction, are now operational, creating approximately 603 direct jobs.
- Richards Bay IDZ (RBIDZ) has completed the construction of phase one (the Technical Service Centre)



of Nyanza Light Metals (Pty) Ltd's titanium dioxide plant, which is valued at R130 million and created 286 construction jobs. Once completed, the value of this investment will be R4,5 billion and is expected to create an estimated 550 direct jobs. Another 385 construction jobs have been created on the construction of the R1,1-billion edible oils plant by Wilmar Processing SA (Pty) Ltd.

- The proposed Namakwa SEZ designation application, which is anchored by a R26,8-billion investment, has been submitted to **the dtic** for consideration.
- A Black Industrialist investor that manufactures two-ply surgical masks started commissioning its operations on 1 September 2021. On 1 November 2021, Sugar Equip, a new investor that manufactures agricultural equipment, started commissioning its operation at Trade Zone 1 mini factories. On 1 December 2021, Coconathi (a new investor that manufactures healthcare products) also started operations in Trade Zone 1 mini factories.

### Industrial parks and digital hubs

- Twelve industrial parks covering seven provinces formed part of the IPRP footprint. These industrial parks have received support from **the dtic** to upgrade security features, and refurbish and improve infrastructure in line with regulatory compliance and requirements from tenants. The IPRP is divided into five phases: 12 industrial parks have been funded for phase one, while five have progressed to receive funding for phase two.
- Industrial parks are a significant employment platform, and currently employ 46 490 people – in addition to the 2 453 construction-related jobs that were created during the revitalisation period. Total funding approved for the programme amounts to R870 million, including a R30-million contribution from the Employment Creation Fund (ECF). Funding has been approved at a limit of R50 million per application, and disbursed in tranches in line with the guidelines of the Critical Infrastructure Programme (CIP).
- Infrastructure refurbishment alone is not the only requirement, and **the dtic** has therefore collaborated with other initiatives and government departments to support the industrial parks. These initiatives include the rolling out of digital hubs to improve connectivity and utilisation of factory spaces. Investment by tenants in the industrial parks has been significant, totalling R6 billion for the 2021/22 financial year. Investment values were determined by taking into account the present value of the respective companies' plant and machinery. **the dtic** has spent R870 million on the IPRP since its inception in 2015/16..
- The majority of economic sectors in the parks focus on manufacturing (ranging from roof tiles to steel fabrication), followed by services (including automotive panel-beating and spray-painting, mechanical repairs, and vehicle maintenance) and agro-processing (food, beverages, dairy products and snacks), with some products destined for the export market.
- **the dtic** introduced the digital hubs in the industrial parks to support entrepreneurship and uplift youth projects. The Digital Hub Programme (DHP) is directly linked to the challenges of the township industrial economy. The intent is to place a hub inside the park to improve social cohesion and create jobs.
- The Botshabelo Industrial Park in the Free State was revitalised for phase one in 2017/18, and the digital hub was completed in the 2020/21 financial year. Collaborators in this project were **the dtic**, Mangaung Metro, Free State Development Agency (FDC), and Soft-Start (an incubator funded by the Small Enterprise Development Agency or SEDA). The Isithebe Industrial Park in KwaZulu-Natal received its first-phase funding for revitalisation and a digital hub inside the park. Implementation of the hub will take place in collaboration with the Mandeni Municipality, Ithala, the Moses Kotane Institute, and the private sector.
- At infancy stage are digital hubs in the Seshego and Nkowankowa industrial parks in Limpopo, which will be developed in partnership with **the dtic** and Limpopo Development Agency. If the DHP is to have a long-term impact on surrounding communities, collaboration is required with stakeholders for specialised funding. **the dtic** funding is geared towards infrastructure capital. The approach is that other partners provide funding for equipment and operations. **the dtic** is also engaging with other private-sector funders through supplier development and equity equivalent participation (B-BBEE), with an expressed interest in funding digital hubs. To date, the DHP has received an R11-million contribution from Aspen towards the establishment of digital hubs in the Seshego and Nkowankowa industrial parks.

The department facilitated 83 advocacy engagements across all sectors of the economy in a bid to harmonise implementation of the B-BBEE Act and Codes of Good Practice. These engagements were largely requested by stakeholders in both the public (more especially local municipalities) and private sectors. Common threads that characterised the engagements included the specialised scorecard, issues of skills development, enterprise and supplier development, and verification and procurement.

With regard to the Black Industrialist Programme, 15 black industrialists were supported during the 2021/22 financial year: Q1 targeted three black industrialists; Q2 four; Q3 three; and Q4 five.

The Equity Equivalent Investment Programme (EEIP) continues to be a strategic instrument in the creation of opportunities and economic redistribution. A key highlight during the period under review was the launch of JP Morgan SA's EEIP on 17 August 2021. The contribution amount by JP Morgan will be R340 million over eight years (R300 million for fund and R40 million for grant). Disbursement will be made through the Abadali Fund, which is managed and controlled by a black fund management entity.

In terms of the short-term investment activity of the Abadali Fund, 370 applications have been received to date, and 39 deals have been done, commencing in October 2021. A total of R37 million has been paid out, with 32 permanent jobs created. Of the total deals, 85% are 100% black owned, 80% are in the industrial sector, 20% are in financial services, and one is based in the township.

Under medium-to-long-term activity, the Abadali Fund has received 500 applications. Seven transactions worth R60 million are in the pipeline and undergoing due diligence; four are in construction and manufacturing; two are in the financial sector; and one is in retail sector. To date, R5 million has been paid out to a 100% black-owned company based in Katlegong that is expected to create 23 permanent jobs.

## 5.3.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Spatial Industrial Development and Economic Transformation									
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations	
Increased and enhanced instruments for spatial development of targeted regions and economic transformation	Regional industrial development programme implementation for SEZs	National support unit for SEZs established at the IDC	New indicator	New indicator	National support unit for SEZs established at the IDC to improve SEZs performance	National support unit for SEZs established at the IDC to improve SEZs performance	N/A	N/A	
		Application for designation of new SEZs packaged	New indicator	New indicator	Package one application for minister's consideration	Packaged one application for minister's consideration	N/A	N/A	
Industrialisation, localisation and exports	Regional industrial development programme implementation for industrial parks	Annual and quarterly reports produced on progress of SEZs	New indicator	New indicator	One annual and three quarterly reports produced on progress of SEZs	One annual and three quarterly reports produced on progress of SEZs	N/A	N/A	
		Reports produced on Integrated SEZs, industrial parks and District Development Model	New indicator	New indicator	Two reports on integrated SEZ, industrial parks and District Development Model produced	Two reports on integrated SEZ, industrial parks and District Development Model produced	N/A	N/A	
Industrialisation, localisation and exports	Regional industrial development programme implementation for industrial parks	Annual targets for revitalisation of industrial parks implemented	New indicator	New indicator	Nine annual targets for revitalisation of industrial parks implemented	Five parks in construction, one in close-out, three completed, two in design	N/A	N/A	
		Annual and quarterly progress reports on industrial parks and digital hubs produced	New indicator	New indicator	One annual and three quarterly progress reports on industrial parks and digital hubs produced	One annual and three quarterly progress reports on industrial parks and digital hubs report produced	N/A	N/A	

Programme/sub-programme: Spatial Industrial Development and Economic Transformation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	** Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Investing for accelerated inclusive growth	Developed regulations to address recognition of broad-based vehicles that promote participation of marginalised groups	Approved regulations to address recognition of broad-based vehicles that promote participation of marginalised groups  Annual report on worker, community and HDI ownership produced	New indicator	New indicator	Regulations to address recognition of broad-based vehicles that promote participation of marginalised groups developed  Annual report on worker, community and HDI ownership produced	Regulations in a form of practice notes to address recognition of broad-based vehicles that promote participation of marginalised groups developed  Report on ownership schemes and participation by workers produced	N/A  N/A	N/A  N/A

### 5.3.3. Strategy to overcome areas of underperformance

There were no areas of underperformance.

### 5.3.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.3.5. Reporting on the institutional response to the COVID-19 pandemic

Not applicable.

### 5.3.6. Linking performance with budgets

The programme's budget allocation for the 2021/22 financial year was R159 million. As at 31 March 2022, spending on this programme stood at R122.4 million or 79% of the allocated budget. It comprised costs for human resources, goods and services, as well as transfer payments, which have ensured continued work to drive economic transformation and increase participation in industrialisation.

#### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	Over/under expenditure	Final appropriation	Actual expenditure	Over/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Competitiveness	33 121	31 296	1 825	25 606	25 604	2
Equity and Empowerment	78 854	48 627	30 227	42 472	41 040	1 432
Regional Industrial Development	47 033	42 480	4 553	42 473	38 744	3 729
<b>TOTAL</b>	<b>159 008</b>	<b>122 403</b>	<b>36 605</b>	<b>110 551</b>	<b>105 388</b>	<b>5 163</b>

## 5.4. Programme 4: Industrial Competitiveness and Growth

### a. Purpose

To design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value-addition and competitiveness in both domestic and export markets.

### b. Description of sub-programmes

- i. **Industrial Competitiveness** develops policies, strategies and programmes to strengthen the ability of manufacturing and other value-added sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the RIS.
- ii. **Customised Sector Programmes** develops and implements high-impact sector strategies focused on manufacturing and other value-added sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the RIS.

### **c. Institutional outcomes towards which the programme contributes**

- i. Increased industrialisation through the development of master plans in national priority sectors
- ii. Increased localisation through additional support measures and designation of products

#### **5.4.1. Outcomes, outputs, output indicators, targets and actual achievements**

The medium-term strategy set out a review of previous interventions, lessons learnt and the path towards a better-coordinated industrial policy. The success of industrial policy is underpinned by a collaborative approach with industry, labour and other stakeholders; the prioritisation of sectors; the centrality of the policy to the growth strategy; and, importantly, coordination at the Presidency. The modality to operationalise the RIS was the application of a master planning process that sought to create a shared vision between industry, government and labour.

The RIS envisaged the adoption of master plans to harness the commitment of all role players, stakeholders and beneficiaries and purposefully implement the actions required to fulfil the vision. The development and deployment of comprehensive industrial policy levers to support national priority sectors – such as automotive; retail, clothing, textiles, footwear and leather; poultry; sugar; furniture; and steel – have been highlighted as key interventions.

To date, six master plans have been approved, and implementation has commenced. These plans find expression in the ERRP and focus on increasing local production, improving industrial dynamism and overall competitiveness in key sectors, job creation and inclusion. The department will continue to drive implementation of the approved plans and other sector strategies to stabilise industries and protect jobs. Furthermore, priority will be given to the development of new master plans in key sectors that can meaningfully contribute to industrial development, and place greater emphasis on partnerships and collaboration.

A significant level of success has been achieved in the implementation of the master plans. Below we highlight the achievements in the sugar and poultry master plans.

#### **Sugar**

- Illovo's small-scale cane development project created 860 jobs in KwaZulu-Natal.
- There has been a 25% increase in procurement of local sugar by soft drinks producers.
- The South African Sugar Association (SASA) has committed a R60-million premium fund to support small-scale growers over three years, starting from the 2021 season. About R600 million of the SASA's R1-billion transformation fund has been allocated or disbursed.
- A sugar manufacturing allowance for 2021 season has been approved to support sugar refining. This will help to stabilise the supply of refined sugar to downstream industries.
- Tongaat-Hulett and the South African Cane Growers Association (supported by Proudly South African) implemented campaigns to promote local sugar uptake.

#### **Poultry**

- In 2021, there was additional production of soy (200,000 tons) and maize (3.8 million tons), which will be available for feed and export; an increase of 9% from the previous season.
- The IDC received eight applications from black-owned enterprises (seven contract farmers and one hatchery) for funding totalling R300 million, and are at due diligence stage.
- The poultry industry reported an increase in production of chickens locally, with about 290 000 additional chickens produced every week compared to a year ago. Soya and maize output also increased significantly, with an additional 144,000ha of maize and 122,000ha of soya planted. The industry reported that more than 2 000 jobs were created across the value chain.

- The IDC and the Department of Agriculture, Land Reform and Rural Development established a R1-billion fund to support new and current expansions in poultry farming and processing. Eleven applications received were valued at R617 million.
- The end of the dispensation allowed imported chicken to be labelled as coming from multiple countries. From 1 September 2021, only one country of origin will be allowed on packaging containing chicken in local retail stores.

Transformation aimed at driving industry structural transformation, inclusivity and sharing of economic opportunities is a common thrust and key objective across all master plans. There are opportunities to target women empowerment, youth development, and support to people with disabilities at various levels of the supply chains. This will help to contribute to the increased participation of women, youth and people with disabilities in the economy.

In terms of designated groups across various sectors, priority has been given to the following:

- One-hundred-and-seventeen candidates were trained in 13 training events during the financial year. Of these, 66% were black and 26% were female. Two expert level training courses took place: One in power quality; and the other in biogas. In addition, three more experts qualified – one in steam system optimisation (SSO) and two in energy management systems (EnMS).
- Twenty-three students assisted with training under the skills development programme funded by the National Skills Fund. In partnership with the private sector, 12 went through practical training in the industry between March and June 2021. Students were equipped with practical boatbuilding skills as part of their curriculum. Five per cent of students did their training at Two Oceans Marine, which built the R20-million new-generation craft for the National Sea Rescue Institute. Six students were trained at Robertson's and Caine, which is the largest yacht manufacturer in the country.
- Toyota South Africa Motors (TSAM) launched the Toyota Corolla Cross at its Durban plant in EThekweni Municipality on 26 October 2021, with a project investment value of R2.6 billion. To support this project, **the dtic** approved a total AIS grant amount of R518 million. The project sustained 2 628 and created 308 jobs. There are 56 local suppliers (including material suppliers) supplying parts for the Corolla Cross model; 23 of which are at B-BBEE level 4 and lower, with 16 black owned.

The department continues to focus on initiatives that put emphasis on transformation and prioritise designated groups.

## 5.4.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Trade Policy, Negotiations and Cooperation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
Increased industrialisation through the development of master plans in national priority sectors	Developed master plans in national priority sectors to foster industrialisation with a view to bring about economic transformation and job creation	Number of master plans developed as per RIS	New indicator	Three master plans as per the RIS submitted to the minister per year, i.e. the Sugar Master Plan, Furniture Master Plan, and Steel and Metal Fabrication Master Plan	Two master plans as per the RIS	One master plan developed and launched: Global Business Services	(1)	Consultations on the draft Plastics Master Plan took longer than anticipated
	Progress re-reports on implementation of master plans. Prepare and submit to the minister de-tailed reports of new products and/ or amendments for designation under the PPPFA, and review proposals for designation from the broader economic cluster	Number of progress reports on the implementation, monitoring and reviewing the impact of the Automotive Master Plan	New indicator	New indicator	New indicator	One progress report on the implementation, monitoring and reviewing the impact of the Automotive Master Plan	One progress report on the implementation, monitoring and reviewing the impact of the Automotive Master Plan	Target achieved
		Number of progress reports on the implementation, monitoring and reviewing the impact of the R-CTFL Master Plan	New indicator	New indicator	One progress report on the implementation, monitoring and reviewing the impact of the RCTLF Master Plan	One progress report on the implementation, monitoring and reviewing the impact of the RCTLF Master Plan	Target achieved	N/A



Programme/sub-programme: Trade Policy, Negotiations and Cooperation									
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations	
		Number of progress reports on the implementation, monitoring and reviewing the impact of the Poultry Master Plan	New indicator	New indicator	One progress report on the implementation, monitoring and reviewing the impact of the Poultry Master Plan	One progress report on the implementation, monitoring and reviewing the impact of the Poultry Master Plan	Target achieved	N/A	
		Number of progress reports on the implementation, monitoring and reviewing the impact of the Sugar Master Plan	New indicator	New indicator	One progress report on the implementation, monitoring and reviewing the impact of the Sugar Master Plan	One progress report on the implementation, monitoring and reviewing the impact of the Sugar Master Plan	Target achieved	N/A	

Programme/sub-programme: Trade Policy, Negotiations and Cooperation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
		Number of pro-gress reports on the implementation, monitoring and reviewing the impact of the Steel and Metal Fabrication Master Plan	New indicator	New indicator	One progress report on the implementing, monitoring and reviewing the impact of the Steel and Metal Fabrication Master Plan	One progress report on the implementing, monitoring and reviewing the impact of the Steel and Metal Fabrication Master Plan	Target achieved	N/A
Increased localisation through the designation of products		Number of detailed reports of new products for designation and/ or amendments under the PPPFA prepared and submitted to the minister and proposals for designation from the broader economic cluster reviewed	New indicat	New indicator	Two detailed reports of new products and/ or amendments for designation under the PPPFA prepared and submitted to the minister and pro-posals for designa-tion from the broader economic cluster reviewed	One detailed re-port of new prod-ucts and/ or amendments for designation under the PPPFA pre-pared and sub-mitted to the minister and pro-posals for designa-tion from the broader econom-ic cluster re-viewed	(1)	The branch intended to designate a list of prod-ucts in terms of building materials. However, due to challenges previously experienced, designations were with-drawn to broaden pub-lic consulta-tion before publication

Programme/sub-programme: Trade Policy, Negotiations and Cooperation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
	Work with National Treasury on an effective system of monitoring adherence to localisation regulations and compliance with existing designations and prepare and submit reports to Ministry	Develop an effective system to monitor adherence to the localisation regulations with National Treasury  Bi-annual detailed reports on the compliance with the existing designations prepared for Ministry	New indicator	New indicator	An effective monitoring system developed with National Treasury	Engagement held with National Treasury in April 2021. National Treasury has developed a tracking system for public procurement spent on PPE. The dtic met with the officials from National Treasury to discuss the functionality of the system. National Treasury is currently in a position to get expenditure/ data from organs of state on procurement of PPE, which is shared with <b>the dtic</b>  Bi-annual detailed reports on the compliance with the existing designations prepared for ministry	Target achieved	N/A

Programme/sub-programme: Trade Policy, Negotiations and Cooperation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
	Inputs made, stakeholder consultation, including NEDLAC into procurement Bill to ensure a localisation ecosystem is supported and embedded in the proposed provisions	Annual report on inputs, stakeholder consultation, including NEDLAC into procurement Bill to ensure a localisation ecosystem is supported and embedded in the proposed provisions	New indicator	New indicator	Annual report on inputs, stakeholder consultation, including NEDLAC into Procurement Bill to ensure a localisation ecosystem is supported and embedded in the proposed provisions	Annual report on inputs, stakeholder consultation, including NEDLAC into Procurement Bill to ensure a localisation ecosystem is supported and embedded in the proposed provisions submitted to Ministry	Target achieved	N/A

### 5.4.3. Strategy to overcome areas of underperformance

- Number of master plans developed as per the RIS.

Draft Plastics Master Plan to be refined and submitted to minister in 2022/23 financial year.

- Number of detailed reports of new products for designation and/or amendments under the PPPFA prepared and submitted to the minister and proposals for designation from the broader economic cluster reviewed.

On 16 February 2022, the Constitutional Court declared the 2017 PPRs to be invalid in totality. The PPRs empowered **the dtic** to designate products for local content and production. As a result of the judgment, no further designation can be included until the legal conundrum is resolved. Research on the new products will continue to be undertaken. The government will consider other legal avenues to empower organs of state to deal with the support for local production.

### 5.4.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.4.5. Reporting on the institutional response to the COVID-19 pandemic

Not applicable.

### 5.4.6. Linking performance with budgets

The programme spent more than 94% on transfer payments. These included departmental agencies, public enterprises and non-profit organisations. During this period, more than R40 million was transferred to Proudly South Africa. This important vehicle continues to enhance the importance of buying local products through the advertising and showcasing of local products.

In addition, more than R400 million has been spent on technical infrastructure institutions to deliver and assist with the industrialisation mandate. These institutions are key in helping local industries to enhance their competitiveness capabilities to maintain or increase market share.

### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industrial Competitiveness	949 317	949 029	288	824 539	814 358	10 181
Customised Sector Programmes	689 070	689 047	23	817 990	811 928	6 062
<b>TOTAL</b>	<b>1 638 387</b>	<b>1 638 076</b>	<b>311</b>	<b>1 642 529</b>	<b>1 626 286</b>	<b>16 243</b>

## 5.5. Programme 5: Consumer and Corporate Regulation

### a. Purpose

Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

### b. Description of sub-programmes

- i. **Policy and Legislative Development** develops policies, laws and regulatory frameworks, and drafts legislation.
- ii. **Enforcement and Compliance** conducts trends analyses and socioeconomic impact assessments for policies and legislation and market surveys; implements legislation on matters pertaining to liquor; monitors and evaluates the effectiveness of regulation; and oversees the performance of the department's regulatory entities (Companies and Intellectual Property Commission, Companies Tribunal, National Consumer Commission, National Consumer Tribunal, National Credit Regulator, National Gambling Board and National Lotteries Commission).
- iii. **Regulatory Services** oversees the development of policies, laws and regulatory frameworks and the implementation of the branch mandate, and provides strategic support to branch business units, respectively, in line with legislation and applicable governance.

### c. Institutional outcomes towards which the programme contributes

Improved regulatory environment conducive for consumers and companies as well as providing access to redress.

#### 5.5.1. Outcomes, outputs, output indicators, targets and actual achievements

The annual targets to be achieved by the programme were the following: One report on worker participation model in corporate governance developed for minister's approval; two progress reports on the development of the Companies Amendment Bill produced for minister's approval; two progress reports on the review of Liquor Amendment Bill and proposed changes produced for minister's approval; two reports on the finalisation of the National Credit Amendment Act implementation plan; and one report developed for SEZ legislative changes for minister's approval. The programme achieved all five targets as listed above for the year under review.

#### Worker participation model in corporate governance

One progress report was developed for minister's approval. The report included engagements convened and chaired by the minister between labour, business, government (**the dtic**) and the chairperson of the Specialist Committee on Company Law on the principles and technicalities of worker representation on boards. The aim is to develop a Companies Amendment Bill that focuses on the participation of workers or their representation on company boards.

#### Companies Amendment Bill

Two reports were developed for the minister's approval. The report indicated that the Bill was published on 1 October 2021 for public comment, whereafter comments by way of submission were received from the public. The Bill is currently in the process of being reviewed in light of the public comments received.

**Review of Liquor Amendment Bill and proposed changes**

Reports on the Review of Liquor Amendment Bill and proposed changes were produced for minister's approval. Desktop research was conducted on further measures to reduce the harmful effects of liquor, resulting in a discussion document entitled "Collaboration on measures to curb harmful effects of liquor". Consequently, an intergovernmental engagement on liquor, with the aim of developing a government-coordinated approach, was held in September 2021. Consultations were held with government departments. This process seeks to ensure that the challenge of liquor abuse in the country is addressed holistically, recognising efforts in government and identifying legislative issues for further consideration.

**National Credit Amendment Act implementation plan**

Work aimed at a blended and cost-effective implementation approach to the National Credit Amendment Act is under way. Reports on the status of the processes were submitted to minister.

**SEZ legislative changes**

A report on SEZ legislative changes was produced for minister's approval. The report included proposed legislative amendments to address implementation and governance constraints within the SEZ legislation.

**Copyright Amendment Bill and Performer's Protection Amendment Bill**

The programme worked on parliamentary processes of the remitted Bills, including public participation and the review of public comments, as well as responses to Parliament.

## 5.5.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Consumer and Corporate Regulation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
Improved regulatory environment conducive for consumers and companies, and providing access to redress	Reports on worker participation model in corporate governance	Number of reports on worker participation model in corporate governance developed for minister's approval	New indicator	New indicator	One report on worker participation model in corporate governance developed for minister's approval	One report on worker participation model in corporate governance developed for minister's approval	N/A	N/A
	Progress on the development of the Companies Amendment Bill	Number of progress reports on the development of the Companies Amendment Bill produced for minister's approval	Four progress reports on the development or review of the Companies Amendment Bill developed for minister's approval	Four progress reports on the development or review of the Companies, Liquor and National Gambling legislation developed for minister's approval	Two progress reports on the development of the Companies Amendment Bill produced for minister's approval	Two progress reports on the development of the Companies Amendment Bill produced for minister's approval	N/A	N/A



Programme/sub-programme: Consumer and Corporate Regulation								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	** Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
	Progress reports on the review of Liquor Amendment Bill and proposed changes	Number of progress reports on the review of Liquor Amendment Bill and proposed changes produced for minister's approval	New indicator	Four progress reports on the development or review of the Companies, Liquor and National Gambling legislation developed for minister's approval	Two progress reports on the review of Liquor Amendment Bill and proposed changes produced for minister's approval	Three progress reports on the review of Liquor Amendment Bill and proposed changes produced for minister's approval	1	Three reports were produced against an annual target of two. However, this was done to align to quarterly targets, which were erroneously captured when the APP 2021-2022 was finalised by the department
	Reports on finalisation of National Credit Amendment Act Implementation Plan	Number of reports on the finalisation of the National Credit Amendment Act Implementation Plan	New indicator	New indicator	Two reports on the finalisation of National Credit Amendment Act Implementation Plan	Two reports on the finalisation of National Credit Amendment Act Implementation Plan	N/A	N/A
	Reports for SEZ legislative changes	Number of reports developed for SEZ legislative changes for minister's approval	New indicator	New indicator	One report developed for SEZ legislative changes for minister's approval	One report developed for SEZ legislative changes for minister's approval	N/A	N/A

### 5.5.3. Strategy to overcome areas of underperformance

There were no areas of underperformance.

### 5.5.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.5.5. Reporting on the institutional response to the COVID-19 pandemic

Not applicable.

### 5.5.6. Linking performance with budgets

The programme's budget allocation for the 2021/22 financial year was R324,6 million. As at 31 March 2022, spending on this programme stood at R323.38 million, with 71.4% or R259.89 million disbursed to the following regulatory entities: National Consumer Tribunal, National Credit Regulator, National Gambling Board, National Consumer Commission, and Companies Tribunal.

#### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Legislative Development	19 541	19 482	59	14 325	14 314	11
Enforcement and Compliance	36 488	36 298	190	37 788	36 370	1 418
Regulatory Services	268 600	267 608	992	240 176	237 800	2 376
<b>TOTAL</b>	<b>324 629</b>	<b>323 38</b>	<b>1 241</b>	<b>292 289</b>	<b>288 484</b>	<b>3 805</b>

## 5.6. Programme 6: Industrial Financing

### a. Purpose

Stimulate and facilitate the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

### b. Description of sub-programmes

- i. **Broadening Participation and Industrial Innovation Incentives** provides programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
- ii. **Manufacturing Incentives** promotes additional investment in the manufacturing sector. The manufacturing investment cluster comprises the Manufacturing Competitive Enhancement Programme (MCEP), the Capital Projects Feasibility Programme (CPFP), the Automotive Investment Scheme (AIS), the Export Marketing and

Investment Assistance (EMIA) scheme, the Sector-Specific Assistance Scheme (SSAS), and the Section 12I Tax incentive scheme.

- iii. **Services Investment Incentives** provides programmes that promote increased investment and job creation in the services sector. These include the global Business Process Services (BPS) programme, and the Film and Television Production Incentive Support Programme for South African and foreign productions.
- iv. **Infrastructure Investment Support** provides grants for two industrial infrastructure initiatives, namely SEZs and the Critical Infrastructure Programme (CIP), which aim to enhance infrastructure and industrial development, and increase investment and export of value-added commodities.
- v. **Product and Systems Development** reviews, monitors and develops incentive programmes to support the industrial strategy, and develops sector strategies to address market failures.
- vi. **Strategic Partnership and Customer Care** facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving them where possible.

### c. Institutional outcomes towards which the programme contributes

Increased accessible industrial finance measures to support investment in priority sectors in line with approved master plans.

#### 5.6.1. Outcomes, outputs, output indicators, targets and actual achievements

During the 2021/22 financial year, the programme targeted high-impact investment projects, resulting in the planned target of R23 billion being surpassed by more than R10 billion. Projects supported by the CIP, AIS and BPS contributed significantly to the R34 billion that is being invested in the South Africa economy.

The programme also contributed towards greater development impact through the revision of incentive guidelines for the AIS, CIP, EMIA and SSAS. Revisions included greater support for projects owned by women, youth and persons with disabilities (EMIA and SSAS); reporting on localisation for applicants (AIS); and green/clean infrastructure projects (CIP). All incentives are required to report on women, youth and persons with disabilities ownership; and jobs.

Other key achievements supporting transformation included reporting on infrastructure projects across the various districts, including rural districts and townships in South Africa; and a study on improving access to industrial financing support for designated groups. Recommendations from this study on improving the target-setting processes, and how to better attract and sustain small, medium and micro enterprises (SMMEs) as well as black-, women- and youth-owned businesses will be implemented in the new financial year by the department and its agencies – the IDC and National Empowerment Fund (NEF).

Together with the IDC and NEF, the programme worked on a number of projects to streamline industrial financing support. These included the action report detailing the partnerships and activities necessary to increase access to funding for enterprises, and the development of the pilot industrial financing web portal. These will gain more traction in the new financial year.

Finally, in partnership with the programme, the IDC and NEF administered the Economic Recovery and Economic Distress programmes. The former supported those projects affected by the July 2021 unrest, and the manufacturers of products that would flatten the COVID-19 curve. The latter assisted businesses negatively impacted by COVID-19.

## 5.6.2. Report against the originally tabled Annual Performance Plan

Programme/Sub-programme: Industrial Financing								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
Increased accessible industrial finance measures to support investment in priority sectors in line with approved master plans	Private-sector investment leveraged across all incentives	Value (Rand) of projected investments to be leveraged from projects/enterprises approved	R32.208bn	R19bn	R23bn	R34.189bn	R11.189bn	Approved CIP, AIS, BPS/GBS projects resulted in high value of projected investments
	Develop report on appropriate annual targets for the IDC and NEF for black industrialists, women and youth; and access to affordable financing for SMMEs	A report on access to affordable financing for SMMEs by the IDC and NEF for black industrialists, women and youth-empowered enterprises	New indicator	New indicator	Report submitted on access to affordable financing for SMMEs and appropriate annual targets for the IDC and NEF for black industrialists, women and youth-owned enterprises	Report submitted on access to affordable financing for SMMEs and appropriate annual targets for the IDC and NEF for black industrialists, women and youth-owned enterprises	Target achieved	None
	Development of industrial financing shared services model with the IDC and NEF	Development and roll out of shared services model with the IDC and NEF	New indicator	New indicator	Integrated industrial financing web portal for selected sectors developed and piloted	Integrated industrial financing web portal for selected sectors developed and piloted	Target achieved	None

Programme/Sub-programme: Industrial Financing								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
	Alignment of programmes in support of SONA goals by extracting greater development impact in terms of transformation, local procurement, jobs, youth and SMME development	Alignment of programmes in support of SONA goals by extracting greater development impact in terms of transformation, local procurement, jobs, youth and SMME development	New indicator	New indicator	Three programme guidelines assessed for alignment in support of SONA goals by extracting greater development impact in terms of transformation, local procurement, jobs, youth and SMME development	Three incentive programmes, namely AIS, CIP and EMIA – SSAS, have been amended to extract greater development impact	Target achieved	None
	Dedicated support for local productions of films and documentaries telling South African stories supported through film and production incentive developed	Call for investment in local productions of films and documentaries telling South Africa stories developed and implemented	New indicator	New indicator	Call for investment in local productions of films and documentaries telling South African stories published	Call for applications of local productions of films and documentaries telling South African stories published	Target achieved	None

Programme/Sub-programme: Industrial Financing								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
	Monitoring implementation of the economic recovery support package	Monitoring report on the implementation of Economic Recovery Programme developed and submitted	New indicator	Economic Recovery Programme developed and implemented with greater focus on saving and expanding jobs, and retaining/ protecting industrial assets	Monitoring report on the implementation of the Economic Recovery Programme submitted	Monitoring report on the implementation of the Economic Recovery Programme	Target achieved	None
		Report on the roll out of the economic distress facility programme	New indicator	Economic distress facility programme approved	Report submitted on the roll out of the economic distress facility programme	Report submitted on the roll out of the economic distress facility programme	Target achieved	None
	Report on actions to increase access to funding for enterprises in partnerships with funders	Action report on the enhancement of domestic industrial finance system to increase access to funding for enterprises with other funders submitted	New indicator	New indicator	Action report submitted detailing partnerships and activities necessary to increase access to funding for enterprises	Nil	(1)	Report signed after the end of the financial year

Programme/Sub-programme: Industrial Financing								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
	Infrastructure development to unlock economic activities in support of the District Development Model	A report on infrastructure supported in targeted areas	New indicator	New indicator	Report on co-funding support for infrastructure development in targeted areas	A report on co-funding support for infrastructure development in targeted areas	Target achieved	None

**5.6.3. Strategy to overcome areas of underperformance**

Action report on the enhancement of domestic industrial finance system to increase access to funding for enterprises with other funders submitted.

- The report was signed after the end of the financial year. Management will ensure that in future the reports are prepared and reviewed before the end of the financial year.

**5.6.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions**

Not applicable.

**5.6.5. Reporting on the institutional response to the COVID-19 pandemic**

Collectively, the IDC and NEF supported 81 projects (72 black-owned and 23 women-owned) with funding of R297 million.



## Progress on institutional response to the COVID-19 pandemic|

Budget programme	Intervention	Geographic location (province/district/local municipality) (where possible)	No. of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the outputs in the APP (where applicable)	Immediate outcomes
Programme 6: IFB	NEF: COVID-19 Black Business Fund	Eastern Cape: OR Tambo District Gauteng: City of Ekurhuleni, City of Johannesburg, City of Tshwane KwaZulu-Natal: eThekweni, uMgungundlovu District, uThukela District Limpopo: Capricorn District Mpumalanga: Nkangala District Western Cape: City of Cape Town	32	32 black-owned. 12 women-owned. Five youth-owned.		R16m		R47m invested
	IDC: MCEP COVID-19 Fund	Gauteng: City of Ekurhuleni, City of Johannesburg, City of Tshwane KwaZulu-Natal: eThekweni, iLembe District North West: Bojanala Platinum District Western Cape: City of Cape Town	19	13 black-owned. Two women-owned.		R125m		Not provided
	NEF: Distress Business Relief Fund	Eastern Cape: Nelson Mandela Bay Free State: Mangaung Gauteng: City of Ekurhuleni, City of Johannesburg, Sedibeng District Limpopo: Sekhukhune District North West: Bojanala Platinum District Northern Cape: ZF Mgcawu District Western Cape: City of Cape Town	23	23 black-owned. Seven women-owned. Three youth-owned.		R110m		R129m invested 2 500 jobs supported
	IDC: MCEP Economic Distress Fund	Gauteng: City of Ekurhuleni, City of Johannesburg KwaZulu-Natal: eThekweni, uMgungundlovu District Limpopo: Waterberg District Western Cape: West Coast District	7	Four black-owned. Two women-owned. One youth-owned.		R46 million		R383 million actual jobs supported not requested at claim stage

### 5.6.6. Linking performance with budgets

The programme's budget allocation for the 2021/22 financial year was R6.49 billion. As at 31 March 2022, spending on this programme stood at R6.46 billion or 99.6% of the allocated budget. About R6.3 billion was disbursed to companies across the various incentive programs.

#### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Broadening Participation Incentives	27 446	22 139	5 307	16 926	16 507	419
Manufacturing Incentives	3 673 664	3 661 980	11 684	2 299 097	2 235 762	63 335
Services Investment Incentives	871 419	871 180	239	569 528	550 187	19 341
Infrastructure Investment Support	1 895 967	1 884 168	11 799	2 093 523	2 092 675	848
Product and Systems Development	11 755	11 753	2	15 041	11 401	3 640
Strategic Partnership and Customer Care	14 728	14 725	3	18 312	14 742	3 570
<b>TOTAL</b>	<b>6 494 979</b>	<b>6 465 945</b>	<b>29 034</b>	<b>5 012 427</b>	<b>4 921 274</b>	<b>91 153</b>

## 5.7. Programme 7: Export Development, Promotion and Outward Investments

### a. Purpose

Increase export capacity and support direct investment flows through targeted strategies and an effectively managed network of foreign trade and investment offices.

### b. Description of sub-programmes

- i. **Trade Invest Africa** facilitates deeper and broader bilateral African trade and investment relations with African economies, and supports the deepening of regional integration through an outward investment-led trade approach.
- ii. **Export Promotion and Marketing** promotes exports of South African value-added goods and services to increase market share in targeted high-growth markets and sustain market share in traditional markets.
- iii. **Trade and Investment Foreign Services Management** promotes trade and investment, and administers and provides corporate services to the department's foreign office network of foreign economic representatives (FERs) to enable South African businesses to access global markets.
- iv. **Export Development and Support** manages the National Exporter Development Programme (NEDP), which is designed to contribute to positioning South Africa as a reliable trade partner, and to improve and expand the country's exporter base.

### c. Institutional outcomes towards which the programme contributes

- i. Grow the manufacturing sector to promote industrial development, job creation, investment and export
- ii. Diversify the export bundle, by promoting export growth in priority sectors.
- iii. Promote the growth of exports in the economy as a generator of jobs and contributor to GDP growth.

#### 5.7.1. Outcomes, outputs, output indicators, targets and actual achievements

South Africa's participation at Expo 2020, held in Dubai, served as a showcase to present to the world the best we have to offer in terms of trade, investment and tourism as well as sports, arts and culture. In addition to a physical presence through the South African pavilion, our six-month programme encompassed off-site activations and events in the United Arab Emirates (UAE), while embracing virtual participation through webinars, virtual exhibition and e-commerce platforms.

Through these initiatives, the country was able to profile a range of sectors, including agriculture, agribusiness, clothing and textiles, automotive, mining, capital equipment, tourism, hospitality and manufacturing. **the dtic** also presented opportunities in renewable and clean energy, fintech, healthcare, digital technologies, defence and aerospace.

The Intra-Africa Trade Fair (IATF) was successfully hosted from 15 to 21 November 2021 in partnership with the KwaZulu-Natal provincial government. Government supported more than 80 South African companies to showcase their products and services at this event, thereby unlocking export opportunities under the AfCFTA. The event showcased the best of South African local manufacturing capability in agriculture and agro-processing; automotive; construction and infrastructure development; consumer goods; energy and power; engineering; footwear; leather and textiles; heavy industries and light manufacturing; healthcare and pharmaceuticals; ICT and innovation; logistics; and mining.

EMIA funding was directly provided to 116 South African companies to participate in the above as well as the following events:

- Africa Health 2021
- Outward Selling Mission: St Petersburg (Russia)
- Outward Selling Mission (Brazil).

In 2021/22, capacity building and export training was facilitated through export awareness and Global Exporter Passport Programme (GEPP) training initiatives. A total of 591 individuals benefitted from export training, capacity-building initiatives and a mentorship programme undertaken in partnership with German development agency Gesellschaft für Internationale Zusammenarbeit (GIZ).

## 5.7.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Export Development, Promotion and Outward Investments								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
Grow the manufacturing sector to promote industrial development, job creation, investment and export	Measures taken on stabilisation of exports and actions taken to assist increased exports through the EMIA fund and other measures, focusing on priority sectors	Impact assessment report on export promotion and development initiatives	New indicator	New indicator	1	An impact assessment report was developed and produced in partnership with the Economic Research and Coordination (ERC) branch	Target achieved	None
	Facilitate export-promotion Initiatives to access foreign market opportunities, particularly those flowing from the AfCFTA	Number of new companies participating for the first time in export-promotion initiatives, inclusive of women, youth and persons with disabilities	New indicator	0	50	In the 2021/22 financial year, 69 new South African companies participated for the first time in export-promotion initiatives	19	Better-than-anticipated number of companies participated for the first time in export-promotion initiatives
Diversify and grow the exporter base as a contribution to inclusion and transformation of the economy	Provide training and capacity for export readiness to new and emerging exporters	Number of individuals benefitted from export training and capacity development support inclusive of women, youth and persons with disabilities	790	619	300	591 individuals benefitted from export training, capacity-building initiatives and a mentorship programme	291	Additional export-awareness and capacity-building initiatives were undertaken than originally considered

Programme/sub-programme: Export Development, Promotion and Outward Investments								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
		Develop a programme to support gender equity to leverage opportunities in the African market	New indicator	New indicator	1	Women's incubation programme developed	Target achieved	None
Promote the growth of exports in the economy as a generator of jobs and contributor to GDP growth	Identify and resolve priority export barriers	Number of barriers processed by the Export Barriers Monitoring Mechanism (EBMM)	New indicator	168	60	61 barriers affecting South African exporters were registered through the EBMM mechanism for resolution	1	Due to the unrest and related unforeseen challenges, exporters, institutions and investors utilised the EBMM to register challenges
	Develop tools that empower evidence-based export policymaking	Develop the District AfCFTA Strategy Helper (DASH) as part of the Export Data Assistant (EDA) platform	New indicator	New indicator	1	DASH completed and operational	Target achieved	None
Increased and diversified intra-African trade to support Africa development	Identify value-added product and market opportunities in Africa, including those flowing from the progressive implementation of AfCFTA	Completed AfCFTA export plan by product, sector and market	New indicator	New indicator	1	AfCFTA export plan setting out the opportunities by product, sector and country completed	Target achieved	None

### 5.7.3. Strategy to overcome areas of underperformance

There were no areas of underperformance.

### 5.7.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.7.5. Reporting on the institutional response to the COVID-19 pandemic

In response to the COVID-19 pandemic, the EMIA guidelines were revised to support virtual platforms for exhibitions and missions. Following approval of the revised regulations, EMIA supported 116 qualifying South African companies in the following physical and virtual exhibitions and missions:

- Africa Health 2021
- Outward Selling Mission: St Petersburg (Russia)
- Intra Africa Trade Fair (IATF) 2021 hosted in KwaZulu-Natal
- Outward Selling Mission: Brazil
- Dubai Expo 2020.

In the list of events supported, the following two were linked to unlocking opportunities flowing from the AfCFTA:

- Africa Health 2021
- Intra Africa Trade Fair (IATF) 2021 hosted in KwaZulu-Natal.

### 5.7.6. Linking performance with budgets

In the 2021/22 financial year, the programme recorded expenditure of R399 million or 96% of the allocated budget of R415.15 million. This was, among others, used to drive export capacity and support direct investment flows. This is evident with 591 individuals benefitting from export training and capacity-building initiatives, and a mentorship programme, to name a few.

### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade Invest Africa	19 123	19 120	3	20 569	17 942	2 627
Export Promotion and Marketing	40 554	40 139	415	39 760	37 051	2 709
Trade and Investment Foreign Services Management Unit	341 599	327 603	13 996	324 639	310 227	14 412
Export Development and Support	13 879	12 153	1 726	15 489	12 592	2 897
<b>TOTAL</b>	<b>415 155</b>	<b>399 015</b>	<b>16 140</b>	<b>400 457</b>	<b>377 812</b>	<b>22 645</b>

## 5.8. Programme 8: Inward Investment Attraction, Facilitation and Aftercare

### a. Purpose

Support foreign direct investment flows and promote domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors.

### b. Description of sub-programmes

- i. **Investment Promotion** facilitates an increase in the quality and quantity of foreign direct investment, and domestic and outward investment by providing investment attraction, targeted lead generation and recruitment support.
- ii. **Investment and Interdepartmental Clearing House** promotes and facilitates investment and provides support services. This sub-programme also provides a specialist advisory service, fast-tracks and unblocks processes, and reduces bureaucratic red tape for investors.
- iii. **Investor Support and Aftercare** provides specialist advisory services through research, information marketing, aftercare and policy advocacy to facilitate new investment, and retain and expand existing investment.

### c. Institutional outcomes towards which the programme contributes

- i. Increased strategic investment.

#### 5.8.1. Outcomes, outputs, output indicators, targets and actual achievements

The continued COVID-19 pandemic and its consequent challenges undoubtedly had an impact on the programme, **the dtic**, and the public service as a whole. The rapid organisational adaptation to the prevailing local and global socio-economic conditions requires resilience for effective and sustained service delivery.

The programme leveraged its established strategic partnerships with other national government departments and agencies, provincial and local government, investment promotion agencies, SEZs and IDZs, and industry to realise a number of significant achievements. These include the successful participation of Team South Africa Inc. in the Dubai 2020 Expo, and the establishment of various work streams geared toward unblocking regulatory impediments for increased investment attraction and retention. The work of this coordinating structure will continue to:

- Enhance South Africa's potential as an investment destination
- Implement the investment issues list
- Finalise the investor retention toolkit
- Monitor investor retention and expansion.

Over the reporting period, the programme successfully facilitated 33 unblocking requests from companies across all sectors. This included the fast-tracking of approvals in accordance with government processes and procedures to ensure the implementation of investment projects and much-needed job creation.

The programme further sustained its overall investment facilitation support to companies during the COVID-19 pandemic and the July 2021 civil unrest. During this period, the programme managed **the dtic** Joint Operations Centre and Economic Recovery helpdesk and facilitated:

- Responses for financial and non-financial support to 280 company inquiries
- Consultations with more than 60 key investors, including LG, Sumitomo, Mahle, Behr, Defy, Cipla, B Braun, Samsung, Tiger Brands, Pioneer Foods, RCL Foods, Africa Braids and other retailers
- Webinars with the KwaZulu-Natal and Gauteng provincial governments with the NEF, IDC, the Industrial Financing Branch, SASRIA and SEFA

- The fast-tracking of insurance claims with SASRIA for TCI and Samsung
- Interactions with the IDC, NEF and SEFA for the fast-tracking of the business support package.

Further investment facilitation support was provided through:

- 106 company site visits prior to the issuance of recommendations for business permits and visas
- Successful facilitation of 310 investor inquiries
- Pro-active interdepartmental and joint investment project consultations
- Issuance of recommendation letters for 305 business/corporate visas, and 179 visas for intra-company transfers, critical skills and permanent residency.

During the period under review, **the dtic** exceeded its annual revised investment target of R50 billion by R129.069 billion. Furthermore, the department collaborated with other national government departments and entities, and the Presidency, to host the 4th South African Investment Conference (SAIC) on 24 March 2022 at the Sandton Convention Centre in Johannesburg, to build on the successes of the first three events. The event took place in a hybrid format due to the COVID-19 pandemic. The main event was held in person, while plenary sessions were livestreamed for the online audience. Both international and local investors attended the conference.

New investments to the value of R366.8 billion were pledged at the SAIC, taking the president's mobilisation efforts to R1140 399 504 016. This represents 95% of the five-year target of R1.2 trillion. The president's goal, set in 2018, will likely be achieved at next year's (2023) investment conference.

The programme participated in the launch of seven key investment projects that bring to fruition the hard work done by role players. These include projects from the Hyatt Hotels Corporation, BAIC, ASPEN Pharmacare, MCR Plastics, ZEE One Channel, Start Well, and Toyota South Africa.

Improving South Africa's Doing Business performance is key to strengthening the country's investment performance and enhancing its attractiveness to potential investors. Since its inception, the Doing Business report has been an invaluable tool for governments to benchmark and improve their regulatory environments. The report focuses on the roll out and implementation of reforms to build confidence in business communities around the globe, and highlights the importance of a business-friendly environment, private-sector growth, economic growth and development.

The programme collaborated with various strategic partners in established technical working groups for:

- Registering a property
- Paying taxes
- Starting a business
- Dealing with construction permits
- Getting electricity
- Getting credit
- Trading across borders
- Resolving insolvency.

While the reform programme can no longer pursue the formal ranking target, the continued implementation of meaningful reforms remains the main objective. The Inward Investment Attraction, Facilitation and Aftercare branch will continue to use the hybrid approach of multiple indices that reflects the unique circumstances of the country to advance a more inclusive, equitable and business-friendly investment environment that will support the lifecycle of the business.



**the dtic**, Brand South Africa, the Government Communication and Information System (GCIS), World Bank Group, the CIPC and other stakeholders successfully launched the Ease of Doing Business website on 8 June 2021. The new design and content management approach enables easy access to information and reforms in progress. The website contains information on:

- Starting a business
- Operating a business
- Transferring a business
- Closing a business
- Tips and business-related information
- Doing Business – the World Bank business indicators
- Government reforms.

The CIPC's BizPortal platform continues to improve the ease of doing business in South Africa, specifically in relation to starting a business. The enhanced platform provides access to company registration and related services in a simple and seamless digital manner that is completely paperless.

The services of SARS, the Unemployment Insurance Fund (UIF), the Compensation Fund, the B-BBEE Commission, the .za Domain Name Authority and South African banks enable rapid company registration and regulatory compliance. The CIPC facilitated the cumulative registration of 462 162 companies in less than one day in the 2021/22 financial year. The digital registration of businesses and other reforms exponentially enhances South Africa's investment attraction.

## 5.8.2. Report against the originally tabled Annual Performance Plan

Programme / Sub-programme: Inward Investment Attraction, facilitation and Aftercare								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
Increased strategic investment	Investment facilitation in targeted sectors	Value (Rand) of investment projects facilitated in pipelines	R220.852bn	R67.77bn	R50bn	R179.069bn	R129.069bn	4th SAIC took place on 24 March 2022
	Preserve investments, fast-track and implement investment projects	Ensure InvestSA provides post-commitment support to investors, including coordinating unblocking efforts where required	New indicator	139	24 unblocking and fast-tracking of investor issues	33	9	Additional requests for unblocking received from companies
		Provide support for SAIC (including raising sponsorships, publicity and follow-up on matters raised at the conference) and report on the implementation of pledges made by investors	New indicator	New indicator	Four implementation progress reports	Four implementation progress reports	Target achieved	None

Programme / Sub-programme: Inward Investment Attraction, facilitation and Aftercare								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
	Improve ease of doing business through improved turnaround time for company registration	Ensure a system to enable a person to register a company within one day, covering the following: Company registration, B-BBEE certification, domain name registration, and business bank accounts and work to consistently include tax, UIF and Compensation Fund registration within the single portal	New indicator	Four statistical reports on company registration within one day	Four statistical reports on company registration from CIPC	Three statistical reports on company registration from CIPC	(1)	One statistical report that was provided by CIPC did not have information on company registration within one day

Programme / Sub-programme: Inward Investment Attraction, facilitation and Aftercare								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
		Ensure a simple electronic guide to assist persons by providing useful information on registration set-up and operating a business in South Africa in order to encourage more start-ups, SMMEs, youth and women to register and start a business	New indicator	New indicator	Develop and maintain the Ease of Doing Business website	Developed website in Q1 and maintained through regular updates and marketed	Target achieved	None
		Work with other departments/agencies to contribute to the overall ease of doing business in South Africa	New indicator	New indicator	30 inter-governmental and stakeholder meetings	55	25	Additional indicators agreed on with the Presidency and the World Bank Group

### 5.8.3. Strategy to overcome areas of underperformance

Ensure a system to enable a person to register a company within one day, covering company registration, B-BBEE certification, domain name registration and business bank accounts and work to consistently include tax, UIF and Compensation Fund registration within the single portal.

- One statistical report provided by the CIPC did not have information on company registration within one day. The CIPC has been requested to include required data for all reports.

### 5.8.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.8.5. Reporting on the institutional response to the COVID-19 pandemic

The programme's established protocols to mitigate the adverse effects of the COVID-19 pandemic continue to ensure the operational functioning of key industries and essential services.

The programme's agility, and continued interaction with partners at the CEO and GM Forum enabled the rapid response to not only the pandemic, but also other destabilising occurrences. The established virtual collaborative partnerships provide a solid foundation for effective coordination of all inward investment attraction, facilitation and aftercare activities across the three spheres of government.

### 5.8.6. Linking performance with budgets

The programme had a revised budget of R65.65 million. As at 31 March 2022, the programme's spending was R53.71 million towards work to support inward investment attraction, facilitation and aftercare, and implementation of the InvestSA One Stop Shop.

#### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/ under expenditure	Final appropriation	Actual expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment Promotion	49 476	47 281	2 195	49 284	47 516	1 768
Investment and Interdepartmental Clearing House	15 589	6 430	9 159	9 632	9 215	417
Investor Support and Aftercare	588	2	586	5	4	1
<b>TOTAL</b>	<b>65 653</b>	<b>53 713</b>	<b>11 940</b>	<b>58 921</b>	<b>56 735</b>	<b>2 186</b>

## 5.9. Programme 9: Competition Policy and Economic Planning

### a. Purpose

Develop and roll out policy interventions that promote competition issues, through effective economic planning, spatial implementation and aligned investment and development policy tools.

### b. Description of sub-programmes

- i. **Economic Planning and Advisory** promotes integrated economic planning analysis of economic plans and advancement of competition priorities.
- ii. **Implementation and Coordination** promotes implementation of economic development plans aligned to competition decisions, orders and recommendations.
- iii. **Investment and Development** promotes public and private investment for development.
- iv. **Competition Oversight** provides support to the minister to carry out statutory responsibilities as required in terms of competition legislation.

### c. Institutional outcomes towards which the programme contributes

- i. Policy tools and implementation strategies that contribute to an efficient, competitive economic environment, balancing the interests of workers, owners and consumers, and focused on economic development.

#### 5.9.1. Outcomes, outputs, output indicators, targets and actual achievements

##### Mergers and acquisitions

During the period under review, the minister was notified of 290 mergers, and advised to participate in 53 based on public-interest considerations, which included employment, localisation and ownership.

Key outcomes of selected mergers are as follows:

- **AirLiquide/Sasol merger** – commitment to reduce carbon emission by 30% within 10 years of implementation by investing R5 billion in plant upgrade and procuring 900MW of renewable energy.
- **DP World and Imperial Logistics** – within 24 months of the merger implementation date, the merged entity will establish an ESOP through which Imperial employees will benefit from an effective 5% interest in Imperial Logistics SA.
- **ECP Africa and Burger King** – within five years of the merger approval date, the acquiring firm will invest R500-million to establish 60 new Burger King outlets employing an additional 1 250 people. ECP Africa to establish a 5% vendor-funded ESOP.

##### Social and solidarity economy

The funding proposal in respect of the Presidential Employment Stimulus (PES) was evaluated and R800 million was approved by the Minister of Finance as a direct charge against the National Revenue Fund in terms of section 6(1)(b) of the Appropriation Act, 2021. This amount must be reflected in the Adjusted Estimates of National Expenditure (AENE) 2021 chapter and workbook as “Amounts announced in the budget”. The department must provide monthly reports on expenditure and output performance to the Presidency and the National Treasury.

The Annual Consultation on Development Cooperation between South Africa and Flanders took place on 15 March 2022. All departments that received funding for projects from the Government of Flanders presented on progress and outcomes. The programme presented on the Social and Solidarity Economy (SSE), focusing on the highlights of the project in its entirety as it was closing at the end of March 2022. The presentation was well received by the Government of Flanders and officials from the Office of the Minister-President.

The SSE project wrapped up with two webinars, and two research reports entitled Process followed in developing the SSE Policy – did it meet international standards of best practice? and South Africa’s Social and Solidarity Economy – a study of its characteristics and conditions.

### **Economic Recovery Fund**

The programme responded to the call to coordinate with the private sector to contribute to the Economic Recovery Fund following the July riots in Gauteng and KwaZulu-Natal. The programme engaged with three companies and requested financial contributions through pledges/commitments to the Economic Recovery Fund:

- Old Mutual pledged a cash contribution of R10 million to the Economic Recovery Fund
- ABinBev pledged a cash contribution of R50 million to the Economic Recovery Fund
- Mondi will contribute to the KwaZulu-Natal government.

## 5.9.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Competition Policy and Economic Planning							
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	** Actual achievement 2021/22	
Policy tools and implementation strategies that contribute to an efficient, competitive economic environment, balancing the interests of workers, owners and consumers and focused on economic development	Report on implementation of changes to competition legislation and oversight activities	Number of reports on implementation of changes to competition legislation and oversight activities	New indicator	8	4	10	6
							<p>The Impact Assessment on COVID-19 had to be tabled within 10 business days after receiving the report from the Commission</p> <p>Regulations on block exemption were necessitated by unexpected widespread unrest in KwaZulu-Natal and Gauteng to ensure security of supply of essential goods, specifically to KwaZulu-Natal</p> <p>In terms of the PFMA, the entities' annual reports must be tabled in the National Assembly by 30 September. Although the work was done over two quarters, the product was finalised and therefore reported in Q2.</p> <p>The minister appointed the two acting part-time members to the Tribunal after an unplanned meeting with the chairperson</p> <p>The Competition Commission issued the Economic Concentration Report and it had to serve before Cabinet before publication</p>



Programme/sub-programme: Competition Policy and Economic Planning									
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	** Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation	
								Performance agreements for the commissioner for 2020/21 and 2021/22 were not finalised due to the process to appoint a new commissioner being undertaken in 2020. The two outstanding agreements of the commissioner were finalised, and minister's approval was obtained	
	Action minutes on monitoring of mergers to ensure that competition authorities take account of public interest provisions with a focus on worker ownership	Number of action minutes on monitoring of mergers to ensure that competition authorities take account of public interest provisions with a focus on worker ownership	New indicator	4	5	5	Target achieved	None	
	Report on impact of public interest interventions	Number of reports on impact of public interest interventions	New indicator	6	5	5	Target achieved	None	
	Portfolio of possible market inquiries developed for the minister	Number of portfolio reports on possible market inquiries developed for minister	New indicator	New indicator	1	1	Target achieved	None	
	Initiation of one new competition market inquiry	Number of action minutes on initiating one new competition market inquiry	New indicator	New indicator	1	1	Target achieved	None	

Programme/sub-programme: Competition Policy and Economic Planning									
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	** Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation	
	Report on enabling implementation of recommendations of one concluded market inquiry and progress with other market inquiry outcomes	Number of reports on enabling implementation of recommendations of one concluded market inquiry and on progress with other market inquiry outcomes	New indicator	New indicator	1	1	Target achieved	None	
	Action minutes on implementation of Social and Solidarity Economy Policy Framework	Number of action minutes on implementation of Social and Solidarity Economy Policy Framework	New indicator	New indicator	1	1	Target achieved	None	

### 5.9.3. Strategy to overcome areas of underperformance

There were no areas of underperformance.

### 5.9.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.9.5. Reporting on the institutional response to the COVID-19 pandemic

After consultation with the Competition Commission, the minister granted COVID-19 block exemptions to assist the three key sectors of healthcare, retail property and banking in their response to the pandemic. The Competition Commission compiled an impact assessment detailing its findings on the impact of the block exemptions, and its advocacy and enforcement work on price-gouging contraventions during the COVID-19 disaster period. This report was tabled in the National Assembly on 18 May 2021 in terms of section 21A (1)(4) of the Competition Act No. 98 of 1998.

### 5.9.6. Linking performance with budgets

The programme had a revised budget of R1.64 billion, which included the R800 million for the Social Employment Fund. As at 31 March 2022, the programme's spending was R1.63 billion, representing 99.5% of the allocated budget. A large portion was allocated to the Competition Commission and Competition Tribunal as economic regulatory bodies, enabling them to fulfil their mandate in terms of their respective Acts.

Funding was transferred to the IDC as the administrator of the Tirisano Fund. **the dtic** only transfers funds once the construction companies have paid their dues into the National Revenue Fund.

Funds further assisted **the dtic** in its evaluation of mergers and engagements on public-interest issues, monitoring the implementation of merger conditions and market inquiry recommendations.

Competition Oversight was the only sub-programme with significant underspending. Quarterly oversight meetings were held virtually owing to COVID-19, thus alleviating spend on travel, catering etc.

### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Planning and Advisory	10 623	10 579	44	6 176	6 172	4
Implementation and Coordination	1 626 984	1 620 052	6 932	766 092	704 517	61 575
Investment and Development	3 888	3 852	36	2 891	2 837	54
Competition Oversight	1 641	51	1 590	271	22	249
<b>TOTAL</b>	<b>1 643 136</b>	<b>1 634 534</b>	<b>8 602</b>	<b>775 430</b>	<b>713 548</b>	<b>61 882</b>

## 5.10. Programme 10: Economic Research and Coordination

### a. Purpose

Undertake economic research; contribute to development of trade and industrial policies, and guide policy, legislative and strategy processes to facilitate inclusive growth.

### b. Description of sub-programmes

- i. **Economic Research and Policy Coordination** undertakes economic research, develops policy options, and guides policy through consultation with stakeholders.
- ii. **Macroeconomic and Microeconomic Policy** evaluates and develops macroeconomic and microeconomic policy options to achieve inclusive growth; promotes decent work outcomes, productivity, entrepreneurship and innovation.
- iii. **Growth Path and Decent Work** develops and coordinates master plans and constituency-based (business, labour and community) interventions to support the creation of decent work, entrepreneurship and innovation.

### c. Institutional outcomes towards which the programme contributes

- i. Socio-, macro- and micro-economic policy options developed and assessed to promote inclusive growth
- ii. Policymakers and stakeholders have access to policy relevant, high-quality economic analysis.

#### 5.10.1. Outcomes, outputs, output indicators, targets and actual achievements

##### Trade and Investment Knowledge Network Webinar, 10 September 2021

The aim of the webinar was to create adequate space to engage and exchange knowledge on how to jump-start growth through stronger investment and trade partnerships, which could underpin the road to economic reconstruction and recovery. The webinar was attended by 109 participants from national sector departments, provincial economic departments and their entities, and business and labour representatives.

##### Trade and Investment Knowledge Network Webinar, 10 November 2021

The webinar aimed to create a platform to engage a range of stakeholders in multi-layered dialogues ranging from forward-looking assessment to immediate practical actions on matters relating to support of South Africa's export sector. The hybrid knowledge network was attended by 64 virtual participants and 15 physical participants from national sector departments, provincial economic departments and their entities, and business and labour representatives.

##### Virtual Colloquium on Opportunities in the Mobile Applications Development Industry in South Africa, 24 November 2021

The objective of the colloquium was to provide a platform for software developers, entrepreneurs, start-ups and companies in software development to engage with the relevant government departments on strategies to grow South Africa's mobile application ecosystem, and to discuss the support required by local developers to be able to take advantage of current trends and new developments. The colloquium had 16 speakers from industry, academia, and government departments and entities. The outcomes will inform the government of the necessary actions to be considered to support mobile app developers in South Africa.

### **Webinar on Fiscal Policy Options to Promote Economic Growth, Employment and Industrialisation in South Africa, 2 December 2021**

The purpose of the webinar was to provide a platform for policymakers, researchers and experts to share knowledge and expertise on fiscal policy options, and to identify recommendations for improved fiscal support for growth, employment and industrialisation, and maximised impact in South Africa. The webinar was attended by policy stakeholders from national, provincial and local government, as well as non-governmental institutions, academia and research institutes, and labour organisations.

### **Just Transition for Local Economic Development, 29 March 2022**

This Inclusive Growth Knowledge Network Webinar was attended by national sector departments, provincial economic departments and their entities, and business and labour representatives. The aim was to exchange knowledge and ideas to enhance social dialogue around just transition and the theoretical and policy norms associated with the concept, while addressing the practical socio-economic constraints and limitations.

### **Import Tracker Reports Q1–Q4 2021/22**

Produced a Quarterly Import Tracker report analysing trade data in the manufacturing sector, with a focus on CTFL; furniture; chemicals and plastics; steel and metal fabrication; and ICT. These industries are prioritised as part of the RIS. Industry import monitoring is important to flag possible surges so as to avert injury to domestic firms, and to preserve industry plans and jobs.

### **IHS Economic Research Database**

Procured a new economic database, the Rex Explorer from IHS Information and Insight (Pty) Ltd. The database provides district/location-specific geographical economic data required for work in the District Development Model. The district-based service delivery model was approved by Cabinet as an important innovation in the implementation of service-delivery programmes and economic development.

### **Report on Executive Pay Ratios**

Contributed towards the development of an economic research report focusing on inclusive growth. The Report on Executive Pay Ratios follows deliberations of the 2018 Presidential Jobs Summit, which looked at how to support inclusive growth in workplaces, including increasing worker equity and representation on boards, and how to specifically address significant disparities in pay between executives and lowest-earning workers.

## 5.10.2. Report against the originally tabled Annual Performance Plan

Programme/sub-programme: Economic Research and Coordination								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
the dtic work programmes is supported by NEDLAC social partners	NEDLAC impact report	Number of NEDLAC impact reports produced	New indicator	New indicator	1	One NEDLAC impact report produced	Target achieved	None
the dtic work programme is supported by the economic cluster	Economic cluster impact report	Number of economic cluster impact reports produced	New indicator	New indicator	1	One impact report of the dtic work to the Economic Sectors, Investment, Employment and Infrastructure Development Cluster produced	Target achieved	None
Responsive research provided to Ministry	Policy briefs and research on behalf of Ministry	Number of policy and research briefs published	4	4	4	<p>One research brief on selected administered and manufacturing input prices produced and published</p> <p>One policy brief on plastic products manufacturing industry produced and published</p> <p>One policy brief on industrial infrastructure and socio-economic development produced and published</p> <p>One policy brief on considerations for a just transition to a greener economy in South Africa produced and published</p> <p>One research brief on the mobile applications development industry produced and published</p> <p>One policy brief on internalising the commercial forestry industry's externalities in South Africa</p>	2	<p>One additional policy brief on plastic products manufacturing was produced in Q1</p> <p>One additional brief produced: Mobile applications development study was prioritised as part of identifying opportunities for supporting localisation and inclusive growth in Q3</p>

Programme/sub-programme: Economic Research and Coordination									
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation	
Policy briefs and factsheets circulated to social partners	Series of policy briefs and factsheets published	Number of factsheets published	4	4	4	One factsheet on the localisation of soy beans produced and published One factsheet on expanding local production of nutraceuticals in South Africa produced and published One policy brief and factsheet on the localisation of medical devices in South Africa: Syringes manufacturing produced and published One research report and factsheet on the localisation potential in the tyre industry produced and published	Target achieved	None	
Analysis of district-level economic activity and opportunities	Economic brief on districts	Number of district economic briefs produced	New indicator	New indicator	2	One OR Tambo economic brief: Joint KPI District Development Model report produced One EThekweni economic brief: Joint KPI District Development Model report produced	Target achieved	None	
Contribute to the review of the macroeconomic policy	Impact analysis of fiscal options to support growth, job creation and manufacturing	Assessment report of the macro-economic policy environment's impact on the real economy	New indicator	New indicator	1	One assessment report on fiscal policy options to promote economic growth, employment and industrialisation produced	Target achieved	None	

Programme/sub-programme: Economic Research and Coordination								
Outcome	Output	Output indicator	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	**Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviation
Research support to other programmes	Research studies to identify future growth areas	Number of research studies to identify future growth areas produced	New indicator	New indicator	2	One report on developments in future growth area – electric vehicle industry produced	Target not achieved	One report on active pharmaceuticals (API) ingredient study due in Q4 not produced due to non-compliance of the preferred service provider. API is a highly specialised scientific field. The programme does not have expertise in-house in this area
Public advocacy	Reports on impact of the <b>dtic</b> and entity work	Number of impact reports analysing impact of the <b>dtic</b> and entity programmes on employment, economic growth, exports, imports and investment published	New indicator	New indicator	2	One report on the impact of the <b>dtic</b> interventions: The Case of Coega Special Economic Zone produced and published  One report on the assessment of EMIA for the period 2015-2021	Target achieved	None



### 5.10.3. Strategy to overcome areas of underperformance

Number of research studies to identify future growth areas produced.

- One report on active pharmaceuticals ingredient (API) study was not produced due to non-compliance of the preferred service provider. The branch will restart the procurement process to secure a service provider to conduct the study using the department's strategic research partners.

### 5.10.4. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

### 5.10.5. Reporting on the institutional response to the COVID-19 pandemic

Not applicable.

### 5.10.6. Linking performance with budgets

The programme's budget allocation for the 2021/22 financial year was R65 million. As at 31 March 2022, spending was R37,96 million of the allocated budget. This comprised costs for human resources, and goods and services, which enabled the programme to roll out legislative processes to facilitate an inclusive economy through interventions to increase competitiveness.

#### Sub-programme expenditure

Sub-programme	2021/22			2020/21		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Research and Policy Coordination	38 440	19 642	18 798	21 992	15 166	6 826
Macroeconomic and Microeconomic Policy	13 383	8 583	4 800	14 171	8 267	5 904
Growth Path and Decent Work	13 191	9 740	3 451	14 587	9 499	5 088
<b>TOTAL</b>	<b>65 014</b>	<b>37 965</b>	<b>27 049</b>	<b>50 750</b>	<b>32 932</b>	<b>17 818</b>

## 6. Transfer payments

### 6.1. Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the frontline providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, and strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Name of public entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<b>National Empowerment Fund</b>	Promotes savings and investments among HDPs through its retail activities, and funds economic empowerment and black business through its investment division	-	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>National Gambling Board</b>	Provides advice on the national gambling industry, and promotes uniform norms and standards across provinces	35 928	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>National Lotteries Commission</b>	Exercises national control over lottery activities	-	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>National Metrology Institute of South Africa</b>	Supports global competitiveness through the provision of fit-for-purpose international acceptable measurement standards and measurements	261 716	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>South African National Accreditation System</b>	Provides an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establishes laboratory, personnel and certification bodies in South Africa, as well as mutual recognition agreements with international accreditation organisations	32 967	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>National Credit Regulator</b>	Regulates the South African credit industry	82 632	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>Companies and Intellectual Property</b>	Registration of companies, cooperatives and IP rights (trade marks, patents, designs and copyright) and maintenance thereof	-	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>National Consumer Tribunal</b>	Adjudicates a variety of applications, and hears cases against credit providers that contravene the Act	53 515	To be reported in annual report of this entity	To be reported in annual report of this entity

Name of public entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<b>National Regulator for Compulsory Specification</b>	Administers compulsory specifications, otherwise known as technical regulations	144 099	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>National Consumer Commission</b>	Charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to promote, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress, thereby creating a fair and accessible consumer marketplace	58 505	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>Companies Tribunal</b>	May adjudicate in relation to any application made to it, and make any order as provided for in the Companies Act in respect of such an application, and in addition serve as a forum for voluntary alternative dispute resolution	20 313	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>South African Bureau of Standards</b>	Provides for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services	328 819	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>Export Credit Insurance Corporation of South Africa</b>	Facilitates and encourages South African export trade by underwriting export credit loans and investments outside South Africa, and enabling South African contractors to secure capital goods and services in other countries	208 078	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>Competition Commission</b>	The investigative and enforcement arm of the Competition Act. It investigates mergers and/or anti-competitive conduct and reflects its findings to the Competition Tribunal for a decision	439 550	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>Competition Tribunal</b>	Adjudicates on mergers and prohibited practice cases that involve anti-competitive outcomes achieved either through coordinated conduct between competing firms or unilateral conduct by a dominant firm	36 970	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>International Trade Administration Commission of South Africa</b>	Aims to create fair trade conditions that will boost South Africa's economic development and growth	112 478	To be reported in annual report of this entity	To be reported in annual report of this entity

Name of public entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<b>Small Enterprise Finance Corporation</b>	Provides access to SMMEs via direct lending and intermediaries	251 706	To be reported in annual report of this entity	To be reported in annual report of this entity
<b>Industrial Development Corporation</b>	National development finance institution with the objective of leading industrial capacity development	-	To be reported in annual report of this entity	To be reported in annual report of this entity

## 6.2. Transfer payments to all organisations other than public entities

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excluding public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities, as it is included in the previous section. This section also provides information on where funds were budgeted to be transferred, but transfers were not made, and the reasons for not transferring funds.

Departments are requested to provide the name of the transferee, the purpose for which these funds were transferred, whether the department complied with section 38 1(j), the amount transferred, the amount spent from the transfer received by the transferee, (excluding individuals or social grant payments) and the reasons for unspent funds by the transferee. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfers. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of transferee	Type of organisation	Purpose for which funds were used	Did the department comply with section 38(1)(j) of the PFMA?	Amount transferred (R'000)
National Productivity Institute	Departmental agency	Workplace challenge	Yes	14 628
Council for Geoscience (CGS)	Departmental agency	The objectives underlying the establishment of the CGS are to develop and publish world-class geoscience knowledge products and to render geoscience-related services to the South African public and industry	Yes	1 398
Centurion Aerospace Village	Non-profit institution	Aerospace	Yes	17 922
Council for Scientific and Industrial Research	Public corporation	Fibre and Textile Centre of Excellence, aerospace industry support, National Cleaner Production, and National Foundry Technology Network	Yes	114 249

Name of transferee	Type of organisation	Purpose for which funds were used	Did the department comply with section 38(1)(j) of the PFMA?	Amount transferred (R'000)
Industrial Development Corporation	Public corporation	Customer Sector Programme, Clothing and Textiles Production Incentive; MCEP industrial loan; Tirisano Trust Fund; Steel Development; Social Employment Fund	Yes	3 368 811
Intsimbi Future Production Technologies Initiatives	Non-profit institution	Rehabilitation and growth of the tool, die and mould manufacturing industry	Yes	66 257
Black Business Council	Non-profit institution	Policy advocacy to accelerate the participation of black South Africans in the mainstream economy	Yes	1 644
Protechnik Laboratories	Public corporation	Chemical laboratories	Yes	3 648
World Trade Organisation	International organisation	Membership fee	N/A	14 206
Organisation for the Prohibition of Chemical Weapons	International organisation	Membership fee	N/A	2 916
United Nations Industrial Development Organisation	International organisation	Membership fee	N/A	5 235
World Intellectual Property Organisation	International organisation	Membership fee	N/A	5 668
Proudly South African Campaign	Non-profit institution	Promote the buying of locally manufactured products and services, rolling out national campaigns to create awareness on economy-wide benefits of buying locally manufactured products	Yes	44 165
Trade and Industrial Policy Strategies	Non-profit institution	Facilitates policy development and dialogue in pursuit of sustainable and inclusive growth	Yes	18 235
Auto Supply Chain Competitive Initiative	Non-profit institution	National non-profit initiative jointly established by government, industry and labour to facilitate, coordinate and oversee supplier competitiveness improvement initiatives in the South African automotive industry, and to set the strategic direction for specific practically oriented competitiveness improvement projects	Yes	5 110

Name of transferee	Type of organisation	Purpose for which funds were used	Did the department comply with section 38(1)(j) of the PFMA?	Amount transferred (R'000)
Treaty Organisation for Metrology	International organisation	Intergovernmental treaty organisation addressing legal metrology, including provisions related to units of measurement, measurement results (e.g. pre-packages) and measuring instruments	N/A	1 972
United Nations: Treaty on the prohibition of nuclear weapons	International organisation	Prohibit nuclear weapons leading towards their elimination, and the deployment of nuclear weapons on national territory	N/A	330

## 7. CONDITIONAL GRANTS

There were no conditional grants for the reporting period.

## 8. DONOR FUNDS

### 8.1. Donor funds received

No donor funds were received for the reporting period.

## 9. CAPITAL INVESTMENT

Capital investment information is not applicable for the period under review.



# PART C

## Governance





## 1. Introduction

**the dtic** is fully committed to maintaining the highest standards of governance. The governance structures in the department comprise the Audit Committee, Risk Management Committee (RMC) and ICT Steering Committee, all of which hold meetings on a quarterly basis. In compliance with the corporate governance principles, the Office of the Chief Risk Officer (CRO) is tasked with the mandate of ensuring proper governance with relevant and satisfactory risk management, ethics, corporate governance and fraud risk management functions.

In addition to the oversight structures, the department holds Executive Board (ExBo) and Operations Committee (Opscom) meetings every six weeks to monitor progress towards meeting the department's outcomes.

## 2. Risk management

The department has a Risk Management Policy and Strategy, which guides the function of risk management.

- The risk management process is aligned with the planning and objective-setting process of the department. Strategic (and emerging) risks that could impede the achievement of **the dtic**'s strategic objectives are identified, assessed, and managed or mitigated. The assessment is conducted annually before the start of the new financial year, and updated every quarter with potential, actual and emerging risks. The management of strategic risks is the responsibility of ExBo. The strategic risks are discussed at ExBo on a quarterly basis.
- Operational/divisional risk assessments are conducted in line with the APP and divisions' operational plans. The assessment is conducted annually before the new financial year and updated every quarter or as critical and/or emerging risks are identified.
- On a quarterly basis, the Risk Management Unit monitors and reports on the progress of interventions put in place to mitigate or manage the risks identified, for discussion at the RMC.
- The RMC assesses the effectiveness of risk-management processes within the department, and advises management on the overall system of risk management and the mitigation of unacceptable levels of risk.
- **the dtic**'s risk profile is monitored quarterly at committee meetings, and reported to ExBo. The Audit Committee is chaired by an external member who is a member of the department's Audit Committee. The RMC is attended by risk champions from all branches of the department, the Chief Financial Officer, Chief Director: Legal, the Chief Risk and Compliance Officer, and Internal Audit. The Risk Management Unit monitored both the strategic and operational risks of the department. No risks had materialised.

The Internal Audit function assess the effectiveness of the system of risk management, and advises management on any deficiencies in the risk-management process.

## 3. Fraud and corruption

**the dtic** is committed to zero tolerance of fraud and corruption. The Fraud Prevention Policy, Strategy and Plan assist in driving initiatives to ensure that both employees of **the dtic** and the public are encouraged to report any suspicious activities. There is also a strong focus on ethics awareness as a deterrent to incidents of fraud. The National Anti-Corruption Hotline (0800 701 701, toll-free) is promoted as part of **the dtic**'s initiative of encouraging the reporting of any form of fraudulent and/or corrupt activity. The Internal Audit function investigates all incidents of fraud, and the appropriate action is taken.

## 4. Minimising conflict of interest

In an effort to promote a professional, ethical, dynamic, competitive and customer-focused working environment, Head of Ethics and the Ethics Officer facilitated the disclosure of financial interests by members of the SMS and achieved 100% compliance for the financial year, as reported by the Public Service Commission. Verification of the financial disclosures revealed no instances of conflict of interest.

To further assist and enhance the ethical culture in the department, employees are required to obtain approval to perform remunerative work outside the public service and disclose all business interests. Such applications are

submitted to the Head of Ethics for scrutiny to ensure there are no conflicts of interest before approval can be granted. The Director-General approves or declines applications.

The Head of Ethics and the Ethics Officer continued to promote ethical conduct through internal awareness newsflashes. The Head of the Ethics and Ethics Officer provide appropriate guidance to management and staff on matters that may involve a conflict of interest.

## 5. Code of conduct

The Code of Conduct details the expectations of employees of the department as well as its stakeholders to promote a culture of ethical behaviour and professionalism. To reinforce ethical conduct among its officials, the department provides continuous training and creates awareness through induction, training interventions and newsflashes. Training on ethical conduct also continues through the National School of Government (NSG).

Contravening the Code is an act of misconduct and disciplinary steps, in terms of the Public Service Disciplinary Code and Procedures and Chapter 7 of the SMS Handbook, are taken against employees found to be in breach.

## 6. Health, safety and environmental issues

The department continued its oversight of the administrative response regarding the COVID-19 pandemic by tracking the number of cases reported, ensuring appropriate decontamination services were rendered timely as per the departmental approved protocols, and having regular meetings to discuss pertinent issues, including associated risks in the workplace. The Compliance Officer, supported by the Occupational Health and Safety (OHS) Committee and Organised Labour, monitored compliance and ensured that physical inspections were conducted to identify deviations and implement corrective measures.

Management information on COVID-19 is provided under the overview of Programme 1.

In addition, the normal quarterly OHS meetings were held, biannual evacuation drills were conducted, and fire equipment was inspected in accordance with the OHS Act.

Consumption of utilities was closely monitored despite challenges in meter readings by the city council. A reduction in electricity consumption was recorded since the appointment of the new facility management company. **the dtic** is also making use of a borehole for the watering of gardens.

## 7. Portfolio committees

the dtic Parliamentary Meetings of the Portfolio Committee on Trade and Industry April 2021 to March 2022	
4 May 2021	Briefing by the minister on <b>the dtic</b> 2021/22 Annual Performance Plan
5 May 2021	Committee discussion and Parliament briefing on remitted Bills: Copyright and Performers' Protection Amendment Bills
11 May 2021	Briefing by the deputy minister on implementation of the Sugar Master Plan, including stakeholder engagement
12 May 2021	Committee discussion: Committee report on <b>the dtic</b> budget, and issues for the committee's consideration regarding the remitted Copyright and Performers' Protection Amendment Bills
14 May 2021	Committee discussion: Committee report on <b>the dtic</b> budget, and committee report on the remitted Bills
26 May 2021	Briefing by National Credit Regulator on 2021/22 Annual Performance Plan, and status of report on remitted Bills
1 June 2021	Briefing by the minister on negotiations on COVID-19 vaccine waiver at WTO
2 June 2021	Briefing by Competition Commission on 2021/22 Annual Performance Plan

## the dtic Parliamentary Meetings of the Portfolio Committee on Trade and Industry April 2021 to March 2022

11 August 2021	Copyright and Performers' Protection Amendment Remitted Bills: Further public hearings day 1
12 August 2021	Copyright and Performers' Protection Amendment Remitted Bills: Further public hearings day 2
17 August 2021	Committee discussion: Committee programme
18 August 2021	Briefing by <b>the dtic</b> on 2020/21 Quarter 4 performance Committee discussion of report on oversight visit to KwaZulu-Natal and Gauteng
20 August 2021	Committee discussion: Report on oversight visit to KwaZulu-Natal and Gauteng prompted by the recent unrest
24 August 2021	Briefing on recent unrest by the Minister of Trade, Industry and Competition, the IDC, the NEF and SASRIA on economic recovery support interventions
25 August 2021	Briefing by the SABS and NRCS on progress report: Implementation of turnaround strategies
1 September 2021	Briefing by NGB on 2020/21 Quarter 4 performance
7 September 2021	Briefing by NCT and NCR on 2020/21 Quarter 4 performance
9 November 2021	Briefing by the minister and <b>the dtic</b> in response to submissions on Copyright and Performers' Protection Amendment Bills
9 November 2021	Briefing by the minister on <b>the dtic</b> 2020/21 Annual Report, audit outcomes and 2021/22 Quarter 1 performance
10 November 2021	Committee discussion: Committee report on <b>the dtic</b> Quarter 4 2020/21 performance
12 November 2021	Copyright and Performers' Protection Amendment Bills: Parliament CLSO response to submissions Committee report on <b>the dtic</b> Quarter 4 performance
16 November 2021	Copyright and Performers' Protection Amendment Bills: Amendments that require House permission and amendments to be advertised for public comment
17 November 2021	Committee discussion: Budget Review and Recommendations Report (BRRR) of <b>the dtic</b>
19 November 2021	Copyright and Performers' Protection Amendment Bills: Report to House requesting permission and amendments to be advertised for public comment Committee discussion: <b>the dtic</b> BRRR
23 November 2021	Briefing by IDC on 2020/21 Annual Report
24 November 2021	Copyright and Performers' Protection Amendment Bills: Proposed amendments
30 November 2021	Copyright and Performers' Protection Amendment Bills: Consideration of amendments for additional public comment
7 December 2021	Briefing by the minister on Steel and Metal Fabrication Master Plan
8 February 2022	Briefing by the NRCS on 2020/21 Annual Report and 2021/22 Quarter 1 and 2 performance
15 February 2022	Briefing by the deputy minister on the Equity Equivalent Investment Programme Briefing by the B-BBEE Commission on 2020/21 activities
16 February 2022	Briefing by <b>the dtic</b> on 2021/22 Quarter 2 and 3 performance
22 February 2022	Briefing by <b>the dtic</b> on trade policy, negotiations and implementation

### the dtic Parliamentary Meetings of the Portfolio Committee on Trade and Industry April 2021 to March 2022

23 February 2022	Committee discussion: Election of chairperson Briefing by <b>the dtic</b> , the NRCS and the SABS on the Public Protector Report on Toyota Quantum Panel Vans
1 March 2022	Briefing by <b>the dtic</b> on Annual Incentive Report 2020/21
2 March 2022	Committee discussion: Status of the Special Investigating Unit investigation into allegations of corruption at the NLC
8 March 2022	Briefing by the NCC on quarter 1, 2 and 3 2021/22 performance
9 March 2022	Follow-up briefing by <b>the dtic</b> on remedial action relating to Public Protector's report Committee Discussion: Committee Report on <b>the dtic</b> quarterly performance
15 March 2022	Briefing by the Competition Commission on the Economic Concentration Report Committee discussion: Committee report on <b>the dtic</b> quarterly performance
16 March 2022	Briefing by the CIPC and CT on 2021/22 quarters 1 to 3 performance
22 March 2022	Briefing by the minister on the implementation of the Economic Reconstruction and Recovery Plan (ERRP) Committee discussion: Committee report on the Public Protector's report
23 March 2022	Briefing by the NCT on 2021/22 quarters 1 to 3 performance
29 March 2022	Committee discussion: Quarter 2 programme Oversight programme to Mpumalanga

## 8. SCOPA resolutions

No resolutions from SCOPA.

## 9. Prior modifications to audit reports

No prior modifications to audit reports.

## 10. Internal control unit

Systems of internal control are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently and effectively managed.

In line with the PFMA and King IV, the Internal Audit Unit provides the Audit Committee and management with assurance that internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to controls and processes. The RMC monitors and oversees the control of risk areas throughout **the dtic**.

## 11. Internal audit and audit committees

Internal audit activities consist of four specialist areas Compliance, Performance Audit, IT Audit and Forensic Audit.

The Internal Audit Unit continued to increase its audit coverage in line with identified risks, and performed more specialist audits in areas such as performance, IT and corporate governance. The majority of the audits focused on incentive administration. Furthermore, Internal Audit audited the APP targets (performance information) per quarter for 11 branches.

The Internal Audit Unit assisted **the dtic** and certain of its entities to improve internal and risk management controls, and corporate governance processes. PWC rendered co-sourced specialist audit services to the value of R1,5 million. We outsourced certain forensic work to Nexia SAB&T to the value of R1,1 million for 2021/22 financial year.

For the reporting period under review, the Internal Audit Unit spent an estimated 17 900 direct hours (including in-house forensic investigations of 3 900 hours) on audit work at **the dtic**. During the period, various internal audit reports, forensic audit reports and forensic case assessments were issued to management and presented to the Audit Committee as at the end of March 2022.

**the dtic's** Audit Committee Charter requires a maximum of six independent members, who have sufficient qualifications and experience to render the services associated with the Audit Committee function. During the year under review, four Audit Committee meetings were held. Four of the previous Audit Committee members were re-appointed on 1 April 2022 for a period of one year. The Director-General attended all four Audit Committee meetings as an executive member.

- Risk management
- **the dtic** management
- Financial management and other reporting practices
- Internal Control and Internal Audit
- IT governance
- External audit
- Integrated assurance
- Ethics

#### Attendance of Audit Committee meetings by Audit Committee members

The table below discloses relevant information on the audit committee members.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of meetings attended
Ms Simangele Sekgobela	MSc Economics, BCom Hons in Economics, BCom, Certificate in Corporate Governance, Senior Secondary Teacher's Certificate, Executive Leadership Programme certificate	Chairman	N/A	01/04/2021	N/A	4
Dr Pritish Dala	PhD (IT), M.IT, BSc Hons in Computer Science, B.IT, CISA, CISM, CISSP, CRISC, CGEIT, CEH, CHFI and LA27001	External	N/A	01/04/2021	N/A	4
Dr DP van der Nest	DTech (Internal Auditing), MCom (Development Economics), BCom Hons Economics, Higher Education Diploma (H.E.D), BCom (Accountancy)	External	N/A	01/04/2021	N/A	4

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of meetings attended
Ms S Makhathini	CA(SA), Post-graduate Diploma in Accounting Science, BCompt (Hons) Accounting Science with Certificate of Theory in Accounting (CTA), BCom Accounting	External	N/A	01/04/2021	N/A	4

## 12. Audit Committee report

### Audit Committee Responsibility

In line with its strategic commitment to be a well-governed national department, **the dtic** strives for effective oversight and monitoring of its governance regime. Vital to the achievement of this aim, is a competent and independent Audit Committee. We are pleased to present our report for the financial year ended 31 March 2022. The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1.8, 3.1.10 and 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

The committee formalised an annual work plan that monitors its progress against its responsibilities on a quarterly basis.

For the financial year ended 31 March 2022, the Audit Committee conducted separate meetings with the assurance providers and reviewed the following:

- Quarterly financial statements and performance reports
- Unaudited Annual Financial Statements before submission to the Auditor-General South Africa (AGSA)
- Audited Financial Statements after the AGSA review
- Appropriateness of accounting policies and procedures
- Assessment of the Office of the Chief Financial Officer
- Effectiveness of the risk management system
- Compliance with relevant laws and regulations
- IT governance and its systems
- Annual performance review of **the dtic** prior to submission to the AGSA and before final publication
- Annual Report review before final publication
- Plans, work and reports of Internal Audit and the AGSA
- Internal Audit and Audit Committee Charters
- Internal Audit three-year rolling, coverage and operational plans
- Internal Audit reports and outcomes
- AGSA management report, final audit report and audit opinion.

During the year under review, four Audit Committee meetings were held. The table below discloses information on the Audit Committee members:

Name	Internal or external	Position	No. of meetings attended
Ms Simangele Sekgobela	External	<b>Chairperson</b>	4
Dr Prittish Dala	External	Member	4
Prof. DP van der Nest	External	Member	4
Ms Sijabulile Makhathini	External	Member	4
Ms Malebo Mabitje-Thompson	Internal	Standing invitee (ADG)	4

### Effectiveness of Internal Control

The systems of internal control are designed to provide cost-effective assurance that assets are safeguarded, and liabilities and working capital are efficiently managed.

The committee has considered the work performed by Internal Audit on a quarterly basis, and tracked outstanding audit findings.

In line with the PFMA, Internal Audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, and the identification of corrective actions and suggested enhancements to the controls and processes. Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted, revealed certain control weaknesses, which were then raised with the department.

The following Internal Audit work completed during the year under review consists of 89 audit reports and memoranda in the following categories:

Type of Audit	Number	Frequency
Compliance audits	9	Per annum
Performance audits	5	Per annum
IT audits	5	Per annum
PI audits (11 divisions)	55	Quarterly
Performance information audits (9 divisions)	Member (DG)	Quarters 1, 2, 3, 4 and annual
<b>Follow-ups:</b>		
Compliance Audits	2	Quarterly
Performance Audits	9	
IT Audits	4	
<b>Total</b>		<b>89</b>

The following were areas of concern, in that the controls or processes required certain improvement:

- The administration processes of certain incentive projects
- Resource constraints within certain branch units
- Cybersecurity weaknesses identified through the Pen Test Review
- Weaknesses in the user account management processes
- Weaknesses in the human-resource appointment processes.

### In-Year Management and Monthly/Quarterly Reports

The department has been reporting monthly and quarterly to the National Treasury as required by the PFMA.

## Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the department. The Audit Committee had the opportunity to review the financial statements before and after the AGSA audit, and discussed them with management. The Audit Committee noted the following:

- Assurance provided by management in terms of financial status, fair representation, state of the control environment and quality assurance processes in relation to the audited Annual Financial Statements was adequate
- The accounting policies and practices applied were appropriate
- The Audit Committee is satisfied that, based on accounting conventions, the financial statements reflect a well-run organisation
- Management implementation of audit findings identified by the Internal Audit and AGSA are taken seriously and there is commitment to taking the appropriate corrective actions.

The Audit Committee wishes to congratulate the Director-General and the management team of **the dtic**, especially those in the areas of finance, performance and Internal Audit services, on their continued commitment to the improvement of the internal control environment of **the dtic**. The Audit Committee notes the clean Audit Report from the AGSA.

## Resolution of Internal Control Weaknesses

The follow-up Internal Audit processes indicated that management is instituting adequate corrective actions to address the identified control weaknesses. The Audit Committee is of the view that management is balancing service delivery and continuous improvement.

## Integrated Assurance

The Audit Committee reviewed the plans and reports of the AGSA, Internal Audit, management and other assurance providers. The Audit Committee concludes that these were adequate to address any significant financial risks facing the business.

## Internal Audit Effectiveness

Internal Audit forms part of the third line of defence as set out in the Integrated Assurance Strategy and engages with the first and second lines of defence to facilitate the escalation of any key control breakdowns.

The Internal Audit branch reports functionally to the Audit Committee (via the chairperson) and administratively to the Director-General.

The Audit Committee receives quarterly reports from Internal Audit, assesses the effectiveness of the Internal Audit function, and reviews and approves the Internal Audit operational, coverage and three-year rolling plans. The Audit Committee monitored and challenged, where appropriate, actions taken by management to clear significant Internal Audit findings.

The Audit Committee has overseen a process by which Internal Audit has performed audits according to a risk-based audit approach. It has also evaluated the adequacy and effectiveness of risk management and internal controls.

The Audit Committee is satisfied with the independence and effectiveness of the Internal Audit function.

## Performance Information

The performance information fairly reflects the operations and actual output against planned targets for performance indicators as per the APP of **the dtic** for the financial year ended 31 March 2022.



The performance information has been reported on in accordance with the requirements of the guidelines on annual reports issued by the National Treasury. A system of internal control has been designed to provide reasonable assurance as to the 'integrity and reliability' of the performance information. This includes the quarterly auditing of all APP targets by Internal Audit. An action plan has also been developed by management to address the issues raised by the AGSA that relate to the reporting of performance information.

## Risk Management

A separate RMC monitors and oversees the control of risk identification throughout **the dtic**. One of the Audit Committee members chairs the quarterly RMC meetings.

The department assessed strategic, operational and emerging risks that could negatively impact on the achievement of its objectives. Risks were prioritised based on likelihood and impact (inherently and residually). Mitigations were implemented to reduce risks to acceptable levels. New and emerging risks were identified in line with the COVID-19 pandemic and business continuity.

Internal Audit also performed its follow-up review of the risk environment of the organisation, and included the strategic and operational risks identified by management in this assessment.

## Governance and Ethics

**the dtic** has adopted the Public Sector Corporate Governance Framework. The Audit Committee continues to monitor the key governance interventions of the department.

There is a focus to embed further awareness and understanding of ethics at all levels within **the dtic**, and a need to relook at the design and functions of the Ethics Committee.

**the dtic** requires that all members of the SMS, levels 10 to 12, and officials in the Finance Unit to complete a financial disclosure declaration on an annual basis.

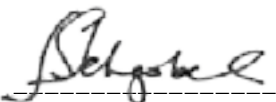
The Audit Committee initiated the assessment of the OCFO by Internal Audit, as per the Public Sector Audit Committee Forum guidelines.

## Conclusion

The Audit Committee is satisfied with the continuing progress made by **the dtic** in improving on the areas outlined in this report. Management is committed to good governance and a clean administration.

The Audit Committee noted that there was no significant non-compliance with prescribed policies and procedures. From observations, analyses and reports presented to the Audit Committee by management and assurance providers, the Audit Committee concludes that internal control systems tested were adequate and effective for most areas.

The Audit Committee wishes to express its appreciation to management, the AGSA and Internal Audit, who supported the committee in performing its functions effectively.



Ms S Sekgobela  
Chairperson of the Audit Committee

### 13. B-BBEE compliance performance information

The following table has been completed in accordance with compliance to the B-BBEE requirements of the B-BBEE Act of 2013, and as determined by **the dtic**.

Has the department/public entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The Liquor Act, 2003 (No. 59 of 2003), provides for the registration of macro-manufacture and distribution of liquor. The Act promotes the economic transformation of the liquor industry. Section 13 of the Act requires a commitment made by the applicant in terms of black economic empowerment. The manufacturers and distributors complied with this requirement of the Act.
Developing and implementing a preferential procurement policy?	N/A	
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	It is a mandatory condition that each applicant of the incentives be B-BBEE compliant in terms of the B-BBEE codes (achieve Level 1 to 4) and submit a valid B-BBEE certificate of compliance or affidavit.





Part D

# HUMAN RESOURCE MANAGEMENT



## 1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister of Public Service and Administration for all departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

The COVID-19 pandemic and resultant lockdowns had a negative impact on the normal functioning of the Human Resources Management and Development function, particularly with regard to the delivery of traditional face-to-face services. Organisational support through recruitment, performance management, human resource development, employment relations, health and wellness, and transformation initiatives was mainly provided virtually, through electronic platforms.

As at the end of March 2022, 226 positive cases were reported and contacts traced; there were 217 recoveries, and four employees passed on as a result of COVID-19. Since the department has one of the most progressive and holistic wellness programmes, continuous support was provided to the relevant employees through the on-site medical clinic with an occupational nursing sister and visiting doctor, and a 24/7 counselling service for staff and family members. In addition to the several measures and good practices in place, employees were encouraged to work remotely and on rotational basis to prevent the spread of COVID-19.

The current structure of **the dtic** provides for 1 350 approved positions, with 1 176 filled and 174 vacant as at 31 March 2022. The reduction of the vacancy rate amid the challenges in the compensation of employees budget is an important focus area since only critical positions are being filled. Turnover was calculated at 6%, which translates to a retention rate of 94%. The main reasons cited by officials leaving the department are opportunities for career development and retirement.

The status of people with a disability is at 3.9% and women in senior management at 54%, which both exceed the Cabinet and departmental targets.

The automated performance management and development system is another critical tool used by **the dtic's** management to ensure that services are rendered according to set service standards. The service standards form the basis for concluding performance agreements, and facilitate effective monitoring of good performance and under-performance. The department has put in place corrective measures to deal with non-compliance in submitting performance agreements. As at the end of March 2022, the status of compliance regarding performance agreements in respect of senior management was 95%, which is indicative of a well-managed performance management system.

As a knowledge-based department, learning, skills improvement, information management, automation and innovation are critical to the delivery of departmental programmes and services. Various training needs have been identified and rolled out: 469 employees attended planned and unplanned training interventions, information and capacity-building sessions, workshops, seminars and conferences. In addition, the department continued to support employees in developing themselves through formal studies, and, to this end, 205 employees participated in the departmental bursary programme (five advanced certificate, 81 undergraduate, 58 postgraduate, 46 masters and 15 PhD qualifications).

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

**3.1.1 Personnel expenditure by programme for the period 1 April 2021 to 31 March 2022**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	721 265	305 346	994	11 126 096	42.33%	704
International Trade and Economic Development	217 791	80 176	0	155 372	36.81%	922
Spatial Industrial Development and Economic Transformation	122 403	78 127	148	2 558 318	63.83%	849
Industrial Competitiveness and Growth	1 638 076	107 436	0	0	6.56%	814
Consumer and Corporate Regulation	323 388	58 189	0	4 750 263	17.99%	808
Industrial Financing	6 465 946	139 308	63	4 652 048	2.15%	729
Export Development Promotion Outward Investments	399 015	152 272	470	996 080	38.16%	1 228
Inward Investment Attraction, Facilitation and Aftercare	53 713	44 777	0	0	83.36%	772
Competition Policy and Economic Planning	1 634 534	19 707	0	567 728	1.21%	985
Economic Research and Policy Coordination	37 965	33 169	0	1 832 511	87.37%	721
<b>TOTAL</b>	<b>11 614 096</b>	<b>1 018 507</b>	<b>1 675</b>	<b>26 638 416</b>	<b>8.77%</b>	<b>811</b>

### 3.1.2 Personnel costs by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	192	0.0%	1	192
Skilled (level 3-5)	30 166	3.0%	107	282
Highly skilled production (levels 6-8)	176 427	17.3%	367	481
Highly skilled supervision (levels 9-12)	493 603	48.5%	547	902
Senior and top management (levels 13-16)	318 119	31.2%	234	1 359
<b>Total</b>	<b>1 018 506</b>	<b>100.0%</b>	<b>1 256</b>	<b>811</b>

### 3.1.3 Salaries, overtime, homeowners allowance and medical aid by programme for the period 1 April 2021 to 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	207 523	68.0%	486	0.2%	4 677	1.5%	10 912	3.6%
International Trade and Economic Development	54 152	67.5%	0	0.0%	630	0.8%	2 124	2.6%
Spatial Industrial Development and Economic Transformation	52 333	67.0%	0	0.0%	898	1.1%	1 988	2.5%
Industrial Competitiveness and Growth	72 603	67.6%	0	0.0%	968	0.9%	2 123	2.0%
Consumer and Corporate Regulation	39 969	68.7%	0	0.0%	540	0.9%	1 629	2.8%
Industrial Financing	96 174	69.0%	4	0.0%	1 877	1.3%	4 782	3.4%
Export Development Promotion Outward Investments	68 283	44.8%	0	0.0%	1 134	0.7%	3 111	2.0%



Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Inward Investment Attraction, Facilitation and Aftercare	30 903	69.0%	0	0.0%	430	1.0%	1 022	2.3%
Competition Policy and Economic Planning	13 636	69.1%	0	0.0%	249	1.3%	402	2.0%
Economic Research and Policy Coordination	21 603	65.1%	0	0.0%	140	0.4%	710	2.1%
<b>TOTAL</b>	<b>657 169</b>	<b>64.5%</b>	<b>490</b>	<b>0.0%</b>	<b>11 543</b>	<b>1.1%</b>	<b>28 803</b>	<b>2.8%</b>

### 3.1.4 Salaries, overtime, homeowners allowance and medical aid by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Salary band	Salaries	Overtime	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	93	48.2%	0	0.0%	0	0.0%	0	0.0%
Skilled (level 3-5)	14 233	47.2%	23	7.7%	1 034	3.4%	1 246	4.1%
Highly skilled production (levels 6-8)	98 672	55.9%	192	10.9%	5 768	3.3%	11 647	6.6%
Highly skilled supervision (levels 9-12)	320 449	64.9%	275	5.6%	4 214	0.9%	12 137	2.5%
Senior management (level 13-16)	223 722	70.3%	0	0.0%	527	0.2%	3 773	1.2%
<b>Total</b>	<b>657 169</b>	<b>64.5%</b>	<b>490</b>	<b>0.0%</b>	<b>11 544</b>	<b>1.1%</b>	<b>28 804</b>	<b>2.8%</b>

### 3.2 Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

#### 3.2.1 Employment and vacancies by programme as at 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration	466	408	12%	14
Consumer and Corporate Regulation	71	65	8%	5
Competition Policy and Economic Planning	26	19	27%	0
Export Development, Promotion and Outward Investment	142	120	15%	1
Economic Research and Coordination	49	42	14%	3
Industrial Competitiveness and Growth	143	122	15%	6
Industrial Financing	194	180	7%	6
Inward Investment Attraction, Facilitation and Aftercare	59	51	14%	5
Spatial Industrial Development and Economic Transformation	105	85	19%	4
Trade Policy Negotiation and Coordination	95	84	12%	1
<b>TOTAL</b>	<b>1 350</b>	<b>1 176</b>	<b>13%</b>	<b>45</b>

### 3.2.2 Employment and vacancies by salary band as at 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	1	1	0%	0
Skilled (levels 3-5)	73	63	14%	41
Highly skilled production (levels 6-8)	398	357	10%	0
Highly skilled supervision (levels 9-12)	609	531	13%	1
Senior management (levels 13-16)	269	224	17%	3
<b>Total</b>	<b>1 350</b>	<b>1 176</b>	<b>13%</b>	<b>45</b>

### 3.2.3 Employment and vacancies by critical occupations as at 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related, permanent	174	159	9%	41
Cleaners in offices, workshops, hospitals etc., permanent	1	1	0%	0
Communication and information related, permanent	7	6	14%	0
Economists, permanent	10	10	0%	0
Finance and economics related, permanent	53	48	9%	0
Financial and related professionals, permanent	12	10	17%	0
Financial clerks and credit controllers, permanent	4	3	0%	0
Food services aids and waiters, permanent	12	12	0%	0
General legal administration and related professionals, permanent	3	2	33%	0
Head of department/chief executive officer, permanent	1	0	100%	0
Household and laundry workers	6	3	50%	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Human resources and organisational development and related professionals, permanent	1	1	0%	0
Human resources clerks, permanent	5	4	0%	0
Human resources related, permanent	43	38	12%	0
Information technology related, permanent	29	27	7%	0
Legal related, permanent	15	13	13%	0
Library, mail and related clerks, permanent	19	15	21%	0
Light vehicle drivers, permanent	7	7	0%	0
Logistical support personnel, permanent	25	20	20%	0
Messengers, porters and deliverers, permanent	6	3	50%	0
Other administrative and related clerks and organisers, permanent	29	27	7%	0
Other information technology personnel	3	3	0%	0
Other occupations, permanent	3	2	33%	0
Secretaries and other keyboard operating clerks, permanent	126	115	9%	0
Security officers, permanent	18	15	17%	0
Senior managers, permanent	255	212	17%	3
Statisticians and related professionals, permanent	3	2	33%	0
Trade and industry advisers and other related professionals, permanent	480	418	13%	1
<b>TOTAL</b>	<b>1 350</b>	<b>1 176</b>	<b>13%</b>	<b>45</b>

### 3.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and filling of SMS posts, reasons for non-compliance with prescribed timeframes, and disciplinary steps taken.

#### 3.3.1 SMS post information as at 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	0	0%	1	100%
Salary level 16	3	1	33%	2	0%
Salary level 15	13	9	69%	4	31%
Salary level 14	71	60	85%	11	15%
Salary level 13	181	154	85%	27	15%
<b>Total</b>	<b>269</b>	<b>224</b>	<b>83%</b>	<b>45</b>	<b>17%</b>

#### 3.3.2 SMS post information as at 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	0	100%	1	100%
Salary level 16	3	1	67%	2	0%
Salary level 15	13	9	31%	4	31%
Salary level 14	71	62	13%	9	13%
Salary level 13	181	158	13%	23	13%
<b>Total</b>	<b>269</b>	<b>230</b>	<b>14%</b>	<b>39</b>	<b>14%</b>

**3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 to 31 March 2022**

SMS Level	Advertising		Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months, but filled in 12 months	Number of vacancies per level not filled in six months, but filled in 12 months
Director-General/ Head of Department	1	0	0	0
Salary level 16	0	0	0	0
Salary level 15	0	0	0	0
Salary level 14	0	0	0	0
Salary level 13	1	0	0	1
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>

**3.3.4 Reasons for non-compliance with the filling of funded vacant SMS - Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2021 to 31 March 2022**

<b>Reasons for vacancies not advertised within six months</b>
Delays due to reductions in the compensation of employees' budget, resulting in vacancies not being advertised while priorities are under review.
<b>Reasons for vacancies not filled within 12 months</b>
One post filled within six months. The remaining two posts still within the 12-month period are to be filled.

**3.3.5 Disciplinary steps taken for non-compliance with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 to 31 March 2022**

<b>Reasons for vacancies not advertised within six months</b>
None
<b>Reasons for vacancies not filled within six months</b>
None

### 3.4 Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisation. In terms of the regulations, all vacancies on salary levels nine and higher must be evaluated before they are filled. The following table summarises the number of jobs evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

#### 3.4.1 Job evaluation by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	1	0	0%	0	0	0	0
Skilled (levels 3-5)	73	0	0%	0	0	0	0
Highly skilled production (levels 6-8)	398	0	0%	0	0	0	0
Highly skilled supervision (levels 9-12)	609	0	0%	0	0	0	0
SMS Band A	181	0	0%	0	0	0	0
SMS Band B	71	0	0%	0	0	0	0
SMS Band C	13	3	23%	0	0	0	0
SMS Band D	4	0	0%	0	0	0	0
<b>Total</b>	<b>1 350</b>	<b>3</b>	<b>0.2%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

#### 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 to 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Employees with a disability**

**0**

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 to 31 March 2022**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	1	6	7	Out of adjustment (Foreign Economics Officers), grade progression, job evaluation, grievance settlement and retentions
Administrative related	3	7	8	
Administrative related	1	7	9	
Administrative related	1	7	10	
Administrative related	1	8	9	
Administrative related	1	8	10	
Administrative related	1	9	10	
Administrative related	2	10	11	
Administrative related	9	11	12	
Administrative related	2	11	13	
Communication and information related	1	8	9	
Communication and information related	1	11	12	
Finance and economics related	1	6	8	
Finance and economics related	2	8	9	
Human resources related	1	8	10	
Human resources related	2	9	10	
Human resources related	2	11	12	
Information technology related	4	6	8	
Information technology related	1	9	12	
Light vehicle drivers	1	4	6	
Logistical support personnel	2	6	7	
Logistical support personnel	1	11	13	
Other administrative and related clerks and organisers	1	10	12	
Other information technology personnel	1	9	10	
Secretaries and other keyboard operating clerks	4	7	8	
Secretaries and other keyboard operating clerks	1	8	9	



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Secretaries and other keyboard operating clerks	1	9	10	
Security officers	1	6	7	
Security officers	1	7	9	
Security officers	1	11	12	
Senior managers	3	13	14	
Senior managers	2	14	15	
Trade/industry advisers and other related profession	1	8	9	
Trade/industry advisers and other related profession	1	8	12	
Trade/industry advisers and other related profession	4	9	10	
Trade/industry advisers and other related profession	5	10	11	
Trade/industry advisers and other related profession	1	10	12	
Trade/industry advisers and other related profession	2	10	13	
Trade/industry advisers and other related profession	11	11	12	
Trade/industry advisers and other related profession	8	11	13	
Trade/industry advisers and other related profession	2	11	14	
Trade/industry advisers and other related profession	3	12	13	
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>95</b>
<b>Percentage of total employed</b>				<b>8%</b>

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

### 3.4.4 Profile of employees with salary levels higher than those determined by job evaluation for the period 1 April 2021 to 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	27	3	5	11	46
Male	39	1	5	4	49
<b>Total</b>	<b>66</b>	<b>4</b>	<b>10</b>	<b>15</b>	<b>95</b>

<b>Employees with a disability</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>6</b>
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### 3.5 Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

#### 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 to 31 March 2022

Salary band	Number of employees at beginning of period 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	1	0	0	0%
Skilled (levels 3-5)	117	1	14	12%
Highly skilled production (levels 6-8)	374	1	17	5%
Highly skilled supervision (levels 9-12)	554	4	26	5%
SMS band A	164	2	11	7%
SMS band B	66	1	7	11%
SMS band C	11	0	1	9%
SMS band D	3	0	2	0%
<b>Total</b>	<b>1 290</b>	<b>9</b>	<b>78</b>	<b>6%</b>

#### 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, permanent	216	1	17	8%
Cleaners in offices, workshops, hospitals etc., permanent	1	0	0	0%
Communication and information related, permanent	6	0	0	0%
Economists, permanent	10	0	0	0%
Finance and economics related, permanent	48	0	0	6%
Financial and related professionals, permanent	10	0	0	0%
Financial clerks and credit controllers, permanent	3	0	0	0%

Critical occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Food services aids and waiters, permanent	12	0	0	0%
General legal administration and related professionals, permanent	2	0	0	0%
Head of department/chief executive officer, permanent	1	0	1	100%
Household and laundry workers	3	0	0	0%
Human resources and organisational development and related professionals, permanent	1	0	0	0%
Human resources clerks, permanent	5	0	1	20%
Human resources related, permanent	38	0	1	3%
Information technology related, permanent	27	0	0	0%
Legal related, permanent	14	0	1	7%
Library, mail and related clerks, permanent	17	0	2	12%
Light vehicle drivers, permanent	7	0	0	0%
Logistical support personnel, permanent	22	0	2	9%
Messengers, porters and deliverers, permanent	3	0	0	0%
Other administrative and related clerks and organisers, permanent	27	0	0	0%
Other information technology personnel	3	0	0	0%
Other occupations, permanent	3	0	1	33%
Secretaries and other keyboard operating clerks, permanent	119	3	5	4%
Security officers, permanent	17	0	2	12%
Senior managers, permanent	228	4	17	7%
Statisticians and related professionals, permanent	2	0	0	0%
Trade and industry advisers and other related professionals, permanent	445	1	28	6%
<b>TOTAL</b>	<b>1290</b>	<b>9</b>	<b>78</b>	<b>6%</b>

The table below identifies the main reasons why staff left the department.

**3.5.3 Reasons why staff left the department for the period 1 April 2021 to 31 March 2022**

Termination Type	Number	% of total resignations
Death	7	9%
Resignation	41	53%
Expiry of contract	12	15%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	1%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	8	10%
Early retirement	1	1%
Transfer to other public service departments	8	10%
<b>Total</b>	<b>78</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>6%</b>	

**3.5.4 Promotions by critical occupation for the period 1 April 2021 to 31 March 2022**

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related, permanent	216	0	0%	158	73%
Cleaners in offices, workshops, hospitals etc., permanent	1	0	0%	1	100%
Communication and information related, permanent	6	0	0%	6	100%
Economists, permanent	10	0	0%	10	100%
Finance and economics related, permanent	48	0	0%	47	98%

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Financial and related professionals, permanent	10	0	0%	9	90%
Financial clerks and credit controllers, permanent	3	0	0%	3	100%
Food services aids and waiters, permanent	12	0	0%	12	100%
General legal administration and related professionals, permanent	2	0	0%	2	100%
Head of department/chief executive officer, permanent	1	0	0%	0	0%
Household and laundry workers	3	0	0%	3	100%
Human resources and organisational development and related professionals, permanent	1	0	0%	1	100%
Human resources clerks, permanent	5	0	0%	4	80%
Human resources related, permanent	38	0	0%	38	100%
Information technology related, permanent	27	0	0%	27	100%
Legal related, permanent	14	0	0%	13	93%
Library, mail and related clerks, permanent	17	0	0%	15	88%
Light vehicle drivers, permanent	7	0	0%	7	100%
Logistical support personnel, permanent	22	0	0%	20	91%
Messengers, porters and deliverers, permanent	3	0	0%	3	100%
Other administrative and related clerks and organisers, permanent	27	0	0%	27	100%
Other information technology personnel	3	0	0%	3	100%
Other occupations, permanent	3	0	0%	2	67%
Secretaries and other keyboard operating clerks, permanent	119	0	0%	113	95%
Security officers, permanent	17	0	0%	15	88%

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Senior managers, permanent	228	0	0%	210	92%
Statisticians and related professionals, permanent	2	0	0%	2	100%
Trade and industry advisers and other related professionals, permanent	445	0	0%	416	93%
<b>TOTAL</b>	<b>1 290</b>	<b>0</b>	<b>0%</b>	<b>1 167</b>	<b>90%</b>

### 3.5.5 Promotions by salary band for the period 1 April 2021 to 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	1	0	0%	1	0%
Skilled (levels 3-5)	117	0	0%	64	55%
Highly skilled production (levels 6-8)	374	0	0%	344	92%
Highly skilled supervision (levels 9-12)	554	0	0%	519	94%
Senior management (levels 13-16)	244	0	0%	239	98%
<b>Total</b>	<b>1 290</b>	<b>0</b>	<b>0%</b>	<b>1 167</b>	<b>90%</b>

### 3.6 Employment equity

#### 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2022

Occupational category	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Legislators, senior officials and managers	65	15	9	12	66	8	18	17	210
Professionals	234	12	7	8	268	10	16	20	575
Technicians and associate professionals	79	5	2	1	125	8	4	9	233
Clerks	27	0	0	0	121	5	0	8	161
Service and sales workers	2	1	2	1	8	0	0	1	15
Plant and machine operators and assemblers	4	1	0	0	0	0	0	0	5
Elementary occupations	4	0	0	0	17	1	0	0	22
<b>Total</b>	<b>415</b>	<b>34</b>	<b>20</b>	<b>22</b>	<b>605</b>	<b>32</b>	<b>38</b>	<b>55</b>	<b>1221</b>
<b>Employees with disabilities</b>	<b>18</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>19</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>48</b>

#### 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2022

Occupational band	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Top management	1	2	2	1	6	1	0	0	13
Senior management	74	13	7	12	75	9	22	18	230
Professionally qualified and experienced specialists and mid-management	203	14	9	6	201	11	12	23	479
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	98	4	2	3	257	9	4	14	391
Semi-skilled and discretionary decision making	39	1	0	0	65	2	0	0	107
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>415</b>	<b>34</b>	<b>20</b>	<b>22</b>	<b>605</b>	<b>32</b>	<b>38</b>	<b>55</b>	<b>1221</b>





### 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	1	1	0	0	0	0	0	3
Senior management	5	0	1	4	5	1	2	0	18
Professionally qualified and experienced specialists and mid-management	8	0	0	0	12	3	2	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	14	0	1	1	18
Semi-skilled and discretionary decision making	6	0	0	1	7	0	0	0	14
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>38</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>78</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>

### 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	0	0	0	0	0	0	0	0	0
Verbal warning	3	0	0	0	1	0	0	0	4
Written warning	3	0	0	0	1	0	0	0	4
Final written warning	1	0	0	0	0	1	0	0	2
Suspended without pay	0	0	0	0	0	0	0	0	0
Pending	0	0	0	0	4	0	0	0	4
Dismissal	1	0	0	0	0	0	0	0	1
Case withdrawn	2	0	0	0	2	0	0	0	4
<b>Total</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>19</b>

### 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	2	0	5	17	1	3	8	54
Professionals	44	9	0	4	80	4	12	1	154
Technicians and associate professionals	82	1	0	1	120	6	0	4	214
Clerks	3	0	0	0	35	1	0	3	42
Service and sales workers	1	0	0	0	1	0	0	0	2
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	3	0	0	0	3
<b>Total</b>	<b>148</b>	<b>12</b>	<b>0</b>	<b>10</b>	<b>256</b>	<b>12</b>	<b>15</b>	<b>16</b>	<b>469</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>16</b>

### 3.7 Signing of performance agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for non-compliance with the prescribed timeframes, and disciplinary steps taken is presented here.

#### 3.7.1 Signing of performance agreements by SMS members as at 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	1	0	0	0%
Salary level 16	3	2	1	50%
Salary level 15	14	9	9	100%
Salary level 14	72	65	61	94%
Salary level 13	184	161	153	95%
<b>Total</b>	<b>274</b>	<b>237</b>	<b>224</b>	<b>95%</b>

### 3.7.2 Reasons for not having concluded performance agreements for all SMS members as at 31 May 2021

	Reasons
DG/HOD	N/A
Salary level 16 but not HOD	Contracts directly with Minister
Salary level 15	N/A
Salary level 14	Reasons for non-submission were either good-cause reasons, e.g. employees seconded or non-compliant due to suspension, or not submitted and no reasons provided.
Salary 13	Reasons for non-submission were either good-cause reasons, e.g. employees seconded or on unpaid leave or non-compliant due to disputes, or not submitted and no reasons provided.

### 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 May 2022

#### Steps taken

None – no disciplinary action instituted. Officials were penalised by not being paid the pay progression in terms of the Departmental Performance Management and Development System (PMDS) policy. Hence, an official cannot be penalised twice for the same transgression.

### 3.8 Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

#### 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary profile		Cost		
	Number of beneficiaries	Number of employees	% of total within group	Cost (R '000)	Average cost per employee
<b>African</b>					
Male	118	605	19.5%	1631	14
Female	73	415	17.6%	1201	16

Race and Gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>Asian</b>					
Male	15	38	39.5%	461	31
Female	7	20	35.0%	228	33
<b>Coloured</b>					
Male	7	32	21.9%	177	25
Female	7	34	20.6%	219	31
<b>White</b>					
Male	22	55	40.0%	545	25
Female	4	22	18.2%	103	26
<b>Total</b>	<b>253</b>	<b>1 221</b>	<b>20.7%</b>	<b>4 565</b>	<b>18</b>

### 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	0	1	0.0%	0	0	
Skilled (levels 3-5)	23	104	22.1%	107	5	
Highly skilled production (levels 6-8)	85	357	23.8%	769	9	
Highly skilled supervision (levels 9-12)	108	532	20.3%	2281	21	
<b>Total</b>	<b>216</b>	<b>994</b>	<b>21.7%</b>	<b>3157</b>	<b>15</b>	<b>0.5%</b>

### 3.8.3 Performance rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related, permanent	32	200	16%	419	13
Cleaners in offices, workshops, hospitals etc., permanent	0	1	0%	0	0
Communication and information related, permanent	0	6	0%	0	0
Economists, permanent	1	10	10%	35	35
Finance and economics related, permanent	31	48	65%	448	14
Financial and related professionals, permanent	5	10	50%	73	15
Financial clerks and credit controllers, permanent	1	3	33%	7	7
Food services aids and waiters, permanent	12	12	100%	51	4
General legal administration and related professionals, permanent	0	2	0%	0	0
Head of department/chief executive officer, permanent	0	0	0%	0	0
Household and laundry workers	0	3	0%	0	0
Human resources and organisational development and related professionals, permanent	0	1	0%	0	0
Human resources clerks, permanent	2	4	0%	16	8
Human resources related, permanent	1	38	3%	15	15
Information technology related, permanent	5	27	19%	63	13
Legal related, permanent	0	13	0%	0	0
Library, mail and related clerks, permanent	1	15	7%	7	7
Light vehicle drivers, permanent	2	7	29%	10	5
Logistical support personnel, permanent	7	20	35%	99	14
Messengers, porters and deliverers, permanent	4	3	133%	21	5

Critical occupation	Beneficiary profile			% of total within occupation	Total cost (R'000)	Average cost per employee
	Number of beneficiaries	Number of employees	Number of employees			
Other administrative and related clerks and organisers, permanent	2	27	27	7%	12	6
Other information technology personnel	0	3	3	0%	0	0
Other occupations, permanent	0	2	2	0%	0	0
Risk management and security services, permanent	0	0	0	0%	0	0
Secretaries and other keyboard operating clerks, permanent	19	115	115	17%	176	9
Security officers, permanent	4	15	15	27%	65	16
Senior managers, permanent	33	215	215	15%	1 271	39
Trade and industry advisers and other related professionals, permanent	91	419	419	22%	1 777	20
<b>TOTAL</b>	<b>253</b>	<b>1 221</b>	<b>1 221</b>	<b>21%</b>	<b>4 565</b>	<b>18</b>

**3.8.4 Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2021 to 31 March 2022**

Salary band	Beneficiary profile		Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	Total cost (R'000)	Average cost per employee	
Band A	22	155	749	34	
Band B	10	61	409	41	
Band C	5	10	250	50	
Band D	0	1	0	0	
<b>Total</b>	<b>37</b>	<b>227</b>	<b>1 408</b>	<b>38</b>	<b>0.4%</b>

### 3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

#### 3.9.1 Foreign workers by salary band for the period 1 April 2021 to 31 March 2022

Salary band	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	0	0%	0	0%	0	0%
Highly skilled production (levels 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (levels 9-12)	0	0%	0	0%	0	0%
Contract (levels 9-12)	2	29%	2	29%	0	0%
Contract (levels 13-16)	5	71%	5	71%	0	0%
<b>Total</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

#### 3.9.2 Foreign workers by major occupation for the period 1 April 2021 to 31 March 2022

Major occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Secretaries and other keyboard operating clerks	0	0%	0	0%	0	0%
Senior managers	4	57%	4	57%	0	0%
Statisticians and related professionals	1	14%	1	14%	0	0%
Trade/industry advisers and other related profession	2	29%	2	29%	0	0%
<b>Grand total</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

### 3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick and disability leave. In both cases, the estimated cost of the leave is also provided.

#### 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skills (levels 1-2)	0	0%	0	0%	0	0
Skilled (levels 3-5)	203	28.6%	31	7.7%	7	159
Highly skilled production (levels 6-8)	728	32%	138	34.2%	5	1 157
Highly skilled supervision (levels 9 -12)	1 034	27.6%	162	40.1%	6	3 307
Top and senior management (levels 13-16)	515	22.9%	73	18.1%	7	2 471
<b>Total</b>	<b>2 480</b>	<b>28%</b>	<b>404</b>	<b>100%</b>	<b>6</b>	<b>7 094</b>

#### 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	0	0%	0	0%	0	0
Skilled (levels 3-5)	36	100%	2	13%	18	27
Highly skilled production (levels 6-8)	216	100%	7	44%	31	209
Highly skilled supervision (levels 9-12)	242	100%	6	38%	40	162
Senior management (levels 13-16)	10	100%	1	6%	10	48
<b>Total</b>	<b>504</b>	<b>100%</b>	<b>16</b>	<b>100%</b>	<b>32</b>	<b>446</b>



The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

### 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	16	1	16
Skilled (levels 3-5)	1744	116	15
Highly skilled production (levels 6-8)	7453	358	21
Highly skilled supervision (levels 9-12)	11932	549	22
Senior management (levels 13-16)	5712	254	22
<b>Total</b>	<b>26 857</b>	<b>1 278</b>	<b>21</b>

### 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2021
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	40
Highly skilled production (levels 6-8)	0	0	0	13
Highly skilled supervision (levels 9-12)	0	0	0	27
Senior management (levels 13-16)	39	3	13	27
<b>Total</b>	<b>39</b>	<b>3</b>	<b>13</b>	<b>25</b>

The following table summarises payments made to employees as a result of leave that was not taken.

**3.10.5 Leave payouts for the period 1 April 2021 to 31 March 2022**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	348	2	174
Capped leave payouts on termination of service for 2020/21	1 164	5	233
Current leave payout on termination of service for 2020/21	3 234	75	43
<b>Total</b>	<b>4 746</b>	<b>82</b>	<b>58</b>

3.11 HIV/AIDS and health-promotion programmes

**3.11.1 Steps taken to reduce the risk of occupational exposure**

None	None	N/A
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**3.11.2 Details of health-promotion and HIV/AIDS programmes**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Thuli Lebuso
1. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Four employees (annual budget excluding compensation budget is R527 310.00)
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of this programme.	Yes		Counselling (telephonic, face-to-face), trauma debriefing, managerial support services, life management services, training and development, awareness and prevention
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) they represent.		No	

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		Employment practices are not unfairly discriminatory
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Occupational Clinic has measures in place for monitoring and making referrals
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes		Due to COVID-19, no screening services were conducted
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health-promotion programme? If so, list these measures/indicators.	Yes		Monitor trends and interventions introduced; interventions facilitated; feedback from clients

### 3.12 Labour relations

#### 3.12.1 Collective agreements for the period 1 April 2021 to 31 March 2022

Subject matter	Date
Total number of collective agreements	N/A

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

#### 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 to 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	4	21%
Written warning	4	21%
Final written warning	2	11%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	1	5%

Outcomes of disciplinary hearings	Number	% of total
Not guilty	0	0%
Case withdrawn	4	21%
Pending	4	21%
<b>Total</b>	<b>19</b>	<b>100%</b>

### 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 to 31 March 2022

Type of misconduct	Number	% of total
Incompatibility	1	5.3%
Abscondment	1	5.3%
Insubordination	2	10.5%
Refusal to adhere to office etiquette	0	0%
Failure to disclose financial interest on time	6	31.6%
Failure to complete performance agreement	3	15.8%
Dereliction of duties/misrepresentation	0	0%
Dereliction of duties/insubordination/negligence	0	0%
Refusal to take lawful instruction, gross negligence	0	0%
Gross negligence and dishonesty	1	5.3%
Misrepresentation/conducted himself in an improper, disgraceful manner	0	0%
Dereliction of duties/alleged fraud	1	5.3%
Dereliction of duties/absenteeism	0	0%
Dereliction of duties	2	10.5%
Fails to comply with or contravenes an Act, relation or legal obligation	2	10.5%
<b>Total</b>	<b>19</b>	<b>100%</b>

### 3.12.4 Grievances lodged for the period 1 April 2021 to 31 March 2022

Grievances	Number	% of total
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Number of grievances resolved	27	87%
Number of grievances not resolved	4	13%
<b>Total number of grievances lodged</b>	<b>31</b>	<b>100%</b>

### 3.12.5 Disputes lodged with councils for the period 1 April 2021 to 31 March 2022

Disputes	Number	% of total
Number of disputes upheld	1	8%
Number of disputes dismissed	12	92%
<b>Total number of disputes lodged</b>	<b>13</b>	<b>100%</b>

### 3.12.6 Strike actions for the period 1 April 2021 to 31 March 2022

Total number of persons working days lost	N/A
Total costs working days lost	N/A
Amount recovered as a result of no work no pay (R'000)	N/A

### 3.12.7 Precautionary suspensions for the period 1 April 2021 to 31 March 2022

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	5
Cost of suspension (R'000)	4

### 3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

**3.13.1 Training needs identified for the period 1 April 2021 to 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	116	0	187	0	187
	Male	109	0	172	0	172
Professionals	Female	333	0	451	0	451
	Male	270	0	268	0	268
Technicians and associate professionals	Female	157	0	77	0	77
	Male	93	0	86	0	86
Clerks	Female	139	0	15	0	15
	Male	29	0	2	0	2
Service and sales workers	Female	10	0	0	0	0
	Male	7	0	5	0	5
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	2	0	2
Elementary occupations	Female	18	0	150	0	150
	Male	4	0	73	0	73
<b>Sub Total</b>	<b>Female</b>	<b>773</b>	<b>0</b>	<b>880</b>	<b>0</b>	<b>880</b>
	<b>Male</b>	<b>517</b>	<b>0</b>	<b>608</b>	<b>0</b>	<b>608</b>
<b>Total</b>		<b>12 90</b>	<b>0</b>	<b>1 488</b>	<b>0</b>	<b>1 488</b>

**3.13.2 Training provided for the period 1 April 2021 to 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	116	0	29	0	29
	Male	109	0	25	0	25
Professionals	Female	333	0	97	0	97
	Male	270	0	57	0	57
Technicians and associate professionals	Female	157	0	130	0	130
	Male	93	0	84	0	84
Clerks	Female	139	0	39	0	39
	Male	29	0	3	0	3
Service and sales workers	Female	10	0	1	0	1
	Male	7	0	1	0	1
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Elementary occupations	Female	18	0	3	0	3
	Male	4	0	0	0	0
Subtotal	Female	773	0	299	0	299
	Male	517	0	170	0	170
<b>Total</b>		<b>1290</b>	<b>0</b>	<b>469</b>	<b>0</b>	<b>469</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**3.14.1 Injury on duty for the period 1 April 2021 to 31 March 2022**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3.15 Utilisation of consultants**

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations, ‘consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad-hoc basis any of the following professional services to a department against remuneration received from any source:

- the rendering of expert advice;
- the drafting of proposals for the execution of specific tasks; and
- the execution of a specific task, which is of a technical or intellectual nature, but excludes an employee of a department.

**3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 to 31 March 2022**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Provide legal services on the issuing of the fourth National Lottery licence	2	5	500 000,00
International think piece on tangible best practices on women economic empowerment implemented by <b>the dtic</b>	5	50	516 810,00
Independent project milestone claim inspections and expenditure validation and verifications, for THRIP and SPII projects	10	127	166 663,46
Independent project milestone claim inspections and expenditure validation and verifications for THRIP and SPII projects	27	214	166 667,20
Independent project milestone claim inspections and expenditure validation and verifications for THRIP and SPII projects	5	106	166 500,00



Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Facilitation and development of sectoral master plans in South Africa's national priority sector, global business services (GBS)	6	186	1 564 258,08
Impact assessment study on behalf of the B-BBEE Commission	4	185	439 998,00
B-BBEE transformation status of the verification industry on behalf of the B-BBEE Commission	7	50	442 800,00
Improving access to industrial financing for SMMEs, black industrialists, women- and youth-owned and empowered businesses, and suggestions of targeting these designated groups the dti 20/16-17	5	54	997 687,00
Assessment of COVID-19 request for financial relief proposals – VRP settlement agreement	2	244	286 695,00
Impact assessment of the civil unrest support package extended by <b>the dtic</b> family to the affected businesses in KwaZulu-Natal and Gauteng	6	97	997 890,65
Research study of electric vehicles	6	97	997 890,65
Theory of change and supporting documentation in relation to social and solidarity economy	5	60	296 259,00
Develop a women economic empowerment strategy for <b>the dtic</b>	5	120	799 875,00
Conduct analysis of major B-BBEE transactions on behalf of the B-BBEE Commission	5	217	420 325,00
Appropriate support options for enterprises in light of the impact of the COVID-19 pandemic within the parameters of the fiscus	4	122	481 246,25
Research analysis of compliance reports and B-BBEE portal information to produce national status and trends on B-BBEE transformation	4	60	492 857,13
Project claims/expenditure verifications and development of <b>the dtic</b> compatible cash flow and contingent liability management systems for incentive schemes and/or funds administered by <b>the dtic</b>	7	16	3 000 000,00
Project claims/expenditure verifications and development of <b>the dtic</b> compatible cash flow and contingent liability management systems for incentive schemes and/or funds administered by <b>the dtic</b>	2	11	3 000 000,00
Manage media relations and communication services	4	244	1 362 224,70
Assess capital equipment and machinery and/or process, infrastructure and associated costs related to investment support by the Industrial Financing Branch	27	1095	1 666 666,00

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Assess capital equipment and machinery and/or process, infrastructure and associated costs related to investment support by the Industrial Financing Branch	8	1095	1 666 666,00
Assess capital equipment and machinery and/or process, infrastructure and associated costs related to investment support by the Industrial Financing Branch	11	1095	1 666 666,00
Regulatory impact assessment in respect of selected provisions of the Lotteries Act, No. 57 of 1997	4	106	2 400 502,98
How to effectively implement enterprise and supplier development funds on behalf of the B-BBEE Commission	7	45	499 872,00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
25	173	5701	R 24 997 020,10

**3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDI) for the period 1 April 2021 to 31 March 2022**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Provide legal services on the issuing of the fourth National Lottery licence	50	50	1
International think piece on tangible best practices on women economic empowerment implemented by <b>the dtic</b>	51	51	3
Independent project milestone claim inspections and expenditure validation and verifications for THRIP and SPII projects	100	100	2
Independent project milestone claim inspections and expenditure validation and verifications for THRIP and SPII projects	50	50	14
Independent project milestone claim inspections and expenditure validation and verifications for THRIP and SPII projects	100	100	5
Facilitation and development of sectoral master plans in South Africa's national priority sector, global business services (GBS)	21,80	27,50	1

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Impact assessment study on behalf of B-BBEE Commission	100	100	2
B-BBEE transformation status of the verification industry on behalf of the B-BBEE Commission	100	100	6
Improving access to industrial financing for SMMEs, black industrialists, women and youth-owned and empowered businesses and suggestions of targeting these designated groups dti 20/16-17	100	100	5
Assessment of COVID-19 request for financial relief proposals – VRP settlement agreement	100	100	2
Impact assessment of the civil unrest support package extended by <b>the dtic</b> family to the affected businesses in KwaZulu-Natal and Gauteng	38,77	62,33	1
Research study of electric vehicles	38,77	62,33	1
Theory of change and supporting documentation in relation to social and solidarity economy	100	100	2
Develop a women economic empowerment strategy for <b>the dtic</b>	100	100	5
Conduct analysis of major B-BBEE transactions on behalf of B-BBEE Commission	100	100	3
Appropriate support options for enterprises in light of the impact of the COVID-19 pandemic within the parameters of the fiscus	52	40	3
Research analysis of compliance reports and B-BBEE portal information to produce national status and trends on B-BBEE transformation	0	19	4
Project claims/expenditure verifications and de-development of <b>the dtic</b> compatible cash flow and contingent liability management systems for incentive schemes and/or funds administered by <b>the dtic</b>	100	100	7
Project claims/expenditure verifications and de-development of <b>the dtic</b> compatible cash flow and contingent liability management systems for incentive schemes and/or funds administered by <b>the dtic</b>	100	50	1
Manage media relations and communication services	100	100	4

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Assess capital equipment and machinery and/or process, infrastructure and associated costs related to investment support by the Industrial Financing Branch	52	52	14
Assess capital equipment and machinery and/or process, infrastructure and associated costs related to investment support by the Industrial Financing Branch	100	100	7
Assess capital equipment and machinery and/or process, infrastructure and associated costs related to investment support by the Industrial Financing Branch	100	100	10
Regulatory impact assessment in respect of selected provisions of the Lotteries Act, No. 57 of 1997	21,80	27,50	2
How to effectively implement enterprise and supplier development funds on behalf of the B-BBEE Commission	100	100	1

**3.15.3 Report on consultant appointments using donor funds for the period 1 April 2021 to 31 March 2022**

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
None			

**3.15.4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2021 to 31 March 2022**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

### 3.16 Severance packages

#### 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2021 to 31 March 2022

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Part E

# Financial Information



Investment  
value at year  
end

339 970	373 967
56 969	804 029
817	1 296 731
58	1 859 317
	2 499 808
	3 227 076
	4 050 935
	R 28 331

Investment

424 963
446 211
468 522
491 948
516 545
<del>542 372</del>
569 491

Start at monthly  
Can we do



# 1. Report of the Auditor-General to Parliament on Vote No. 39: Department of Trade, Industry and Competition

## Report on the audit of the Financial Statements

### Opinion

1. I have audited the financial statements of the Department of Trade, Industry and Competition set out on pages 185 to 243, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Trade, Industry and Competition as at 31 March 2022, and financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Unaudited supplementary schedules

7. The supplementary information set out on pages 244 to 265 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

### Auditor-General's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against the predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings, but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2022:

Programme	in the annual performance report
Programme 6 – Industrial Financing	86 - 94

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

### Other matter

17. I draw attention to the matter below.

### Achievement of planned targets

18. Refer to the annual performance report on pages 52 to 117 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings, but not to gather evidence to express assurance.

20. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### Other information

21. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2022



AUDITOR-GENERAL  
SOUTH AFRICA

## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the department’s compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department of Trade, Industry and Competition to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## 2. Annual Financial Statements for the Year Ended 31 March 2022

Appropriation Statement	184-196
Notes to the Appropriation Statement	197-198
Statement of Financial Performance	199
Statement of Financial Position	200
Statement of Changes in Net Assets	201
Cash Flow Statement	202
Accounting Policies	203-210
Notes to the Annual Financial Statements	211-241
Annexures to the Annual Financial Statements	242-263

## 3. Appropriation Statement for the Year Ended 31 March 2022

Appropriation per programme	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
Administration	855 715	-	(68 457)	787 258	721 265	65 993	91.6%	820 518	814 096
Trade Policy, Negotiations and Cooperation	226 775	-	(7 989)	218 786	217 792	994	99.5%	109 400	103 159
Spatial Industrial Development and Economic Transformation	168 352	-	(9 344)	159 008	122 403	36 605	77.0%	110 551	105 388
Industrial Competitiveness and Growth	1 762 605	-	(124 218)	1 638 387	1 638 076	311	99.9%	1 642 529	1 626 286
Consumer and Corporate Regulation	331 654	-	(7 025)	324 629	323 388	1 241	99.6%	292 289	288 484
Industrial Financing	6 229 550	-	265 429	6 494 979	6 465 945	29 034	99.6%	5 012 427	4 921 274
Export Development, Promotion and Outward Investments	443 139	-	(27 984)	415 155	399 015	16 140	96.1%	400 457	377 812
Inward Investment Attraction, Facilitation and Aftercare	68 983	-	(3 330)	65 653	53 713	11 940	81.8%	58 921	56 735
Competition Policy and Economic Planning	1 654 762	-	(11 626)	1 643 136	1 634 534	8 602	99.5%	775 430	713 548
Economic Research and Coordination	70 470	-	(5 456)	65 014	37 965	27 049	58.4%	50 750	32 932
<b>Total</b>	<b>11 812 005</b>	<b>-</b>	<b>-</b>	<b>11 812 005</b>	<b>11 614 096</b>	<b>197 909</b>	<b>98.3%</b>	<b>9 273 272</b>	<b>9 039 714</b>

Appropriation per programme	2021/22						2020/21		
	Adjusted Appropriation of Funds	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				122 072				140 247	
Aid assistance				-				207 165	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>11 934 077</b>				<b>9 620 684</b>	
Add: Aid assistance									189 654
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>11 614 096</b>				<b>9 229 368</b>

Appropriation per economic classification	2021/22							2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Economic classification</b>										
<b>Current payments</b>	<b>1 820 928</b>	<b>(28 705)</b>	<b>(142 032)</b>	<b>1 650 191</b>	<b>1 513 349</b>	<b>136 842</b>	<b>91.7%</b>	<b>1 653 182</b>	<b>1 568 865</b>	
Compensation of employees	1 064 551	-	-	1 064 551	1 018 506	46 045	95.7%	1 093 049	1 017 876	
Goods and services	756 377	(28 705)	(142 032)	585 640	494 843	90 797	84.5%	560 133	550 989	
<b>Transfers and subsidies</b>	<b>9 954 723</b>	<b>42 621</b>	<b>143 032</b>	<b>10 140 376</b>	<b>10 096 844</b>	<b>43 532</b>	<b>99.6%</b>	<b>7 575 598</b>	<b>7 427 227</b>	
Departmental agencies and accounts	1 290 460	4 239	-	1 294 699	1 294 699	-	100.0%	1 042 957	1 042 957	
Foreign governments and international organisations	40 467	-	(9 811)	30 656	30 327	329	98.9%	31 791	30 733	
Public corporations and private enterprises	8 464 645	33 033	156 953	8 654 631	8 611 442	43 189	99.5%	6 355 886	6 215 124	
Non-profit institutions	157 880	-	(4 546)	153 334	153 333	1	99.9%	140 882	134 347	
Households	1 271	5 349	436	7 056	7 043	13	99.8%	4 082	4 066	
<b>Payments for capital assets</b>	<b>36 354</b>	<b>(15 033)</b>	<b>(1 000)</b>	<b>20 321</b>	<b>2 787</b>	<b>17 534</b>	<b>13.7%</b>	<b>43 561</b>	<b>42 693</b>	
Machinery and equipment	20 694	(2 636)	(1 000)	17 058	2 450	14 608	14.4%	43 092	42 693	
Software and other intangible assets	15 660	(12 397)	-	3 263	337	2 926	10.3%	469	-	
<b>Payment for financial assets</b>	<b>-</b>	<b>1 117</b>	<b>-</b>	<b>1 117</b>	<b>1 116</b>	<b>1</b>	<b>99.9%</b>	<b>931</b>	<b>929</b>	
<b>Total</b>	<b>11 812 005</b>	<b>-</b>	<b>-</b>	<b>11 812 005</b>	<b>11 614 096</b>	<b>197 909</b>	<b>98.3%</b>	<b>9 273 272</b>	<b>9 039 714</b>	



Programme 1: Administration	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Ministry</b>	50 979	(5 119)	(4 000)	41 860	33 932	7 928	81.1%	31 957	31 662
<b>Office of the Director-General</b>	86 522	4 688	(3 000)	88 210	82 349	5 861	93.4%	82 335	81 988
<b>Corporate Management Services</b>	561 144	-	(51 000)	510 144	489 945	20 199	96.0%	556 766	556 746
<b>Office Accommodation</b>	3 937	-	-	3 937	3 060	877	77.7%	4 399	4 397
<b>Financial Management Services</b>	97 392	145	(10 457)	87 080	66 866	20 214	76.8%	102 200	100 762
<b>Marketing Communication and Media Relations</b>	55 741	286	-	56 027	45 113	10 914	80.5%	42 861	38 541
<b>TOTAL</b>	<b>855 715</b>	<b>-</b>	<b>(68 457)</b>	<b>787 258</b>	<b>721 265</b>	<b>65 993</b>	<b>91.6%</b>	<b>820 518</b>	<b>814 096</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>841 122</b>	<b>(3 488)</b>	<b>(68 457)</b>	<b>769 177</b>	<b>715 330</b>	<b>53 847</b>	<b>93.0%</b>	<b>775 417</b>	<b>769 002</b>
Compensation of employees	313 955	-	(1 000)	312 955	305 345	7 610	97.6%	305 569	300 881
Goods and services	527 167	(3 488)	(67 457)	456 222	409 985	46 237	89.9%	469 848	468 121
<b>Transfers and subsidies</b>	<b>129</b>	<b>2 398</b>	<b>-</b>	<b>2 527</b>	<b>2 520</b>	<b>7</b>	<b>99.7%</b>	<b>2 717</b>	<b>2 713</b>
Households	129	2 398	-	2 527	2 520	7	99.7%	2 717	2 713
<b>Payments for capital assets</b>	<b>14 464</b>	<b>-</b>	<b>-</b>	<b>14 464</b>	<b>2 325</b>	<b>12 139</b>	<b>16.1%</b>	<b>41 459</b>	<b>41 456</b>
Machinery and equipment	11 538	-	-	11 538	2 325	9 213	20.2%	41 459	41 456
Software and other intangible assets	2 926	-	-	2 926	-	2 926	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>1 090</b>	<b>-</b>	<b>1 090</b>	<b>1 090</b>	<b>-</b>	<b>100.0%</b>	<b>925</b>	<b>925</b>
<b>Total</b>	<b>855 715</b>	<b>-</b>	<b>(68 457)</b>	<b>787 258</b>	<b>721 265</b>	<b>65 993</b>	<b>91.6%</b>	<b>820 518</b>	<b>814 096</b>

Programme 2: Trade Policy, Negotiations and Cooperation	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>International Trade Development</b>	211 514	19	(6 675)	204 858	203 866	992	99.5%	92 382	90 058
<b>African Multilateral Economic Development</b>	15 261	(19)	(1 314)	13 928	13 926	2	99.9%	17 018	13 101
<b>TOTAL</b>	<b>226 775</b>	<b>-</b>	<b>(7 989)</b>	<b>218 786</b>	<b>217 792</b>	<b>994</b>	<b>99.5%</b>	<b>109 400</b>	<b>103 159</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>82 771</b>	<b>(25)</b>	<b>22</b>	<b>82 768</b>	<b>82 743</b>	<b>25</b>	<b>99.9%</b>	<b>85 557</b>	<b>80 306</b>
Compensation of employees	73 694	-	6 484	80 178	80 176	2	99.9%	81 147	77 726
Goods and services	9 077	(25)	(6 462)	2 590	2 567	23	99.1%	4 410	2 580
<b>Transfers and subsidies</b>	<b>143 194</b>	<b>6</b>	<b>(8 011)</b>	<b>135 189</b>	<b>135 030</b>	<b>159</b>	<b>99.9%</b>	<b>23 843</b>	<b>22 853</b>
Departmental agencies and accounts	113 876	-	-	113 876	113 876	-	100.0%	1 052	1 052
Foreign governments and international organisations	23 963	-	(6 511)	17 452	17 452	-	100.0%	19 077	18 088
Public corporations and private enterprises	5 307	-	(1 500)	3 807	3 648	159	95.8%	3 645	3 645
Households	48	6	-	54	54	-	100.0%	69	68
<b>Payments for capital assets</b>	<b>810</b>	<b>-</b>	<b>-</b>	<b>810</b>	<b>-</b>	<b>810</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	810	-	-	810	-	810	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>226 775</b>	<b>-</b>	<b>(7 989)</b>	<b>218 786</b>	<b>217 792</b>	<b>994</b>	<b>99.5%</b>	<b>109 400</b>	<b>103 159</b>

Programme 3: Spatial Industrial Development and Economic Transformation	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Enterprise Competitiveness</b>	28 333	4 239	549	33 121	31 296	1 825	94.5%	25 606	25 604
<b>Equity and Empowerment</b>	75 191	6 995	(3 332)	78 854	48 627	30 227	61.7%	42 472	41 040
<b>Regional Industrial Development</b>	64 828	(11 234)	(6 561)	47 033	42 480	4 553	90.3%	42 473	38 744
<b>TOTAL</b>	<b>168 352</b>	<b>-</b>	<b>(9 344)</b>	<b>159 008</b>	<b>122 403</b>	<b>36 605</b>	<b>77.0%</b>	<b>110 551</b>	<b>105 388</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>133 755</b>	<b>(4 797)</b>	<b>(2 744)</b>	<b>126 214</b>	<b>89 790</b>	<b>36 424</b>	<b>71.1%</b>	<b>96 661</b>	<b>92 924</b>
Compensation of employees	74 007	-	4 124	78 131	78 127	4	99.9%	82 225	78 498
Goods and services	59 748	(4 797)	(6 868)	48 083	11 663	36 420	24.3%	14 436	14 426
<b>Transfers and subsidies</b>	<b>34 080</b>	<b>4 797</b>	<b>(6 600)</b>	<b>32 277</b>	<b>32 276</b>	<b>1</b>	<b>99.9%</b>	<b>13 890</b>	<b>12 464</b>
Departmental agencies and accounts	10 389	4 239	-	14 628	14 628	-	100.0%	10 741	10 741
Public corporations and private enterprises	22 047	-	(6 600)	15 447	15 447	-	100.0%	1 606	1 606
Non-profit institutions	1 644	-	-	1 644	1 644	-	100.0%	1 425	-
Households	-	558	-	558	557	1	99.8%	118	117
<b>Payments for capital assets</b>	<b>517</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>337</b>	<b>180</b>	<b>65.2%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	517	(337)	-	180	-	180	-	-	-
Software and other intangible assets	-	337	-	337	337	-	100.0%	-	-
<b>Total</b>	<b>168 352</b>	<b>-</b>	<b>(9 344)</b>	<b>159 008</b>	<b>122 403</b>	<b>36 605</b>	<b>77.0%</b>	<b>110 551</b>	<b>105 388</b>

Programme 4: Industrial Competitiveness and Growth	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Industrial Competitiveness</b>	964 084	(2 483)	(12 284)	949 317	949 029	288	99.9%	824 539	814 358
<b>Customised Sector Programmes</b>	798 521	2 483	(111 934)	689 070	689 047	23	99.9%	817 990	811 928
<b>TOTAL</b>	<b>1 762 605</b>	<b>-</b>	<b>(124 218)</b>	<b>1 638 387</b>	<b>1 638 076</b>	<b>311</b>	<b>99.9%</b>	<b>1 642 529</b>	<b>1 626 286</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>127 893</b>	<b>(1 050)</b>	<b>(16 302)</b>	<b>110 541</b>	<b>110 535</b>	<b>6</b>	<b>99.9%</b>	<b>123 103</b>	<b>111 972</b>
Compensation of employees	112 184	-	(4 746)	107 438	107 436	2	99.9%	118 785	107 661
Goods and services	15 709	(1 050)	(11 556)	3 103	3 099	4	99.9%	4 318	4 311
<b>Transfers and subsidies</b>	<b>1 633 692</b>	<b>1 050</b>	<b>(106 916)</b>	<b>1 527 826</b>	<b>1 527 541</b>	<b>285</b>	<b>99.9%</b>	<b>1 519 421</b>	<b>1 514 310</b>
Departmental agencies and accounts	438 782	-	-	438 782	438 782	-	100.0%	378 165	378 165
Foreign governments and international organisations	10 290	-	(2 800)	7 490	7 207	283	96.2%	7 227	7 227
Public corporations and private enterprises	1 028 384	-	(100 000)	928 384	928 384	-	100.0%	994 428	994 428
Non-profit institutions	156 236	-	(4 546)	151 690	151 689	1	99.9%	139 457	134 347
Households	-	1 050	430	1 480	1 479	1	99.9%	144	143
<b>Payments for capital assets</b>	<b>1 020</b>	<b>-</b>	<b>(1 000)</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	1 020	-	(1 000)	20	-	20	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>4</b>
<b>Total</b>	<b>1 762 605</b>	<b>-</b>	<b>(124 218)</b>	<b>1 638 387</b>	<b>1 638 076</b>	<b>311</b>	<b>99.9%</b>	<b>1 642 529</b>	<b>1 626 286</b>

Programme 5: Consumer and Corporate Regulation	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Policy and Legislative Development</b>	22 303	(918)	(1 844)	19 541	19 482	59	99.7%	14 325	14 314
<b>Enforcement and Compliance</b>	40 744	302	(4 558)	36 488	36 298	190	99.5%	37 788	36 370
<b>Regulatory Services</b>	268 607	616	(623)	268 600	267 608	992	99.6%	240 176	237 800
<b>Total</b>	<b>331 654</b>	<b>-</b>	<b>(7 025)</b>	<b>324 629</b>	<b>323 388</b>	<b>1 241</b>	<b>99.6%</b>	<b>292 289</b>	<b>288 484</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>74 326</b>	<b>(32)</b>	<b>(6 525)</b>	<b>67 769</b>	<b>66 733</b>	<b>1 036</b>	<b>98.5%</b>	<b>64 656</b>	<b>60 924</b>
Compensation of employees	59 219	-	-	59 219	58 189	1 030	98.3%	58 635	54 929
Goods and services	15 107	(32)	(6 525)	8 550	8 544	6	99.9%	6 021	5 995
<b>Transfers and subsidies</b>	<b>257 170</b>	<b>32</b>	<b>(500)</b>	<b>256 702</b>	<b>256 655</b>	<b>47</b>	<b>99.9%</b>	<b>227 633</b>	<b>227 560</b>
Departmental agencies and accounts	250 893	-	-	250 893	250 893	-	100.0%	222 073	222 073
Foreign governments and international organisations	6 214	-	(500)	5 714	5 668	46	99.2%	5 487	5 418
Households	63	32	-	95	94	1	98.9%	73	69
<b>Payments for capital assets</b>	<b>158</b>	<b>-</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	158	-	-	158	-	158	-	-	-
<b>TOTAL</b>	<b>331 654</b>	<b>-</b>	<b>(7 025)</b>	<b>324 629</b>	<b>323 388</b>	<b>1 241</b>	<b>99.6%</b>	<b>292 289</b>	<b>288 484</b>

Programme 6: Industrial Financing	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Broadening Participation and Industrial Incentives</b>	76 875	(49 820)	391	27 446	22 139	5 307	80.7%	16 926	16 507
<b>Manufacturing Incentives</b>	3 619 156	54 508	-	3 673 664	3 661 980	11 684	99.7%	2 299 097	2 235 762
<b>Services Investment Incentives</b>	730 315	141 104	-	871 419	871 180	239	99.9%	569 528	550 187
<b>Infrastructure Investment Support</b>	1 762 104	(131 425)	265 288	1 895 967	1 884 168	11 799	99.4%	2 093 523	2 092 675
<b>Product and Systems Development</b>	19 756	(7 863)	(138)	11 755	11 753	2	99.9%	15 041	11 401
<b>Strategic Partnership and Customer Care</b>	21 344	(6 504)	(112)	14 728	14 725	3	99.9%	18 312	14 742
<b>TOTAL</b>	<b>6 229 550</b>	<b>-</b>	<b>265 429</b>	<b>6 494 979</b>	<b>6 465 945</b>	<b>29 034</b>	<b>99.6%</b>	<b>5 012 427</b>	<b>4 921 274</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>168 411</b>	<b>(18 373)</b>	<b>376</b>	<b>150 414</b>	<b>150 384</b>	<b>30</b>	<b>99.9%</b>	<b>147 229</b>	<b>139 374</b>
Compensation of employees	137 677	-	1 638	139 315	139 308	7	99.9%	140 373	132 533
Goods and services	30 734	(18 373)	(1 262)	11 099	11 076	23	99.8%	6 856	6 841
<b>Transfers and subsidies</b>	<b>6 046 106</b>	<b>33 406</b>	<b>265 053</b>	<b>6 344 565</b>	<b>6 315 561</b>	<b>29 004</b>	<b>99.5%</b>	<b>4 864 912</b>	<b>4 781 620</b>
Public corporations and private enterprises	6 045 146	33 033	265 053	6 343 232	6 314 230	29 002	99.5%	4 864 512	4 781 221
Households	960	373	-	1 333	1 331	2	99.8%	400	399
<b>Payments for capital assets</b>	<b>15 033</b>	<b>(15 033)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286</b>	<b>280</b>
Machinery and equipment	2 299	(2 299)	-	-	-	-	-	286	280
Software and other intangible assets	12 734	(12 734)	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>6 229 550</b>	<b>-</b>	<b>265 429</b>	<b>6 494 979</b>	<b>6 465 945</b>	<b>29 034</b>	<b>99.6%</b>	<b>5 012 427</b>	<b>4 921 274</b>

Programme 7: Export Development, Promotion and Outward Investments	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Trade Invest Africa	23 466	(268)	(4 075)	19 123	19 120	3	99.9%	20 569	17 942
Export Promotion and Marketing	45 111	3 232	(7 789)	40 554	40 139	415	99.0%	39 760	37 051
Trade and Investment Foreign Services Management Unit	359 676	(3 315)	(14 762)	341 599	327 603	13 996	95.9%	324 639	310 227
Export Development and Support	14 886	351	(1 358)	13 879	12 153	1 726	87.6%	15 489	12 592
<b>Total</b>	<b>443 139</b>	<b>-</b>	<b>(27 984)</b>	<b>415 155</b>	<b>399 015</b>	<b>16 140</b>	<b>96.1%</b>	<b>400 457</b>	<b>377 812</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>232 387</b>	<b>(512)</b>	<b>(27 988)</b>	<b>203 887</b>	<b>190 226</b>	<b>13 661</b>	<b>93.3%</b>	<b>235 918</b>	<b>213 667</b>
Compensation of employees	174 223	-	(8 309)	165 914	152 272	13 642	91.8%	192 190	171 431
Goods and services	58 164	(512)	(19 679)	37 973	37 954	19	99.9%	43 728	42 236
<b>Transfers and subsidies</b>	<b>208 149</b>	<b>504</b>	<b>4</b>	<b>208 657</b>	<b>208 657</b>	<b>-</b>	<b>100.0%</b>	<b>163 191</b>	<b>163 188</b>
Public corporations and private enterprises	208 078	-	-	208 078	208 078	-	100.0%	162 710	162 710
Households	71	504	4	579	579	-	100.0%	481	478
<b>Payments for capital assets</b>	<b>2 603</b>	<b>-</b>	<b>-</b>	<b>2 603</b>	<b>125</b>	<b>2 478</b>	<b>4.8%</b>	<b>1 347</b>	<b>957</b>
Machinery and equipment	2 603	-	-	2 603	125	2 478	4.8%	1 347	957
<b>Payment for financial assets</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>87.5%</b>	<b>1</b>	<b>-</b>
<b>Total</b>	<b>443 139</b>	<b>-</b>	<b>(27 984)</b>	<b>415 155</b>	<b>399 015</b>	<b>16 140</b>	<b>96.1%</b>	<b>400 457</b>	<b>377 812</b>

Programme 8: Inward Investment Attraction, Facilitation and Aftercare	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Investment Promotion</b>	45 126	7 680	(3 330)	49 476	47 281	2 195	95.6%	49 284	47 516
<b>Investment and Interdepartmental Clearing House</b>	19 427	(3 838)	-	15 589	6 430	9 159	41.2%	9 632	9 215
<b>Investor Support and Aftercare</b>	4 430	(3 842)	-	588	2	586	0.3%	5	4
<b>Total</b>	<b>68 983</b>	<b>-</b>	<b>(3 330)</b>	<b>65 653</b>	<b>53 713</b>	<b>11 940</b>	<b>81.8%</b>	<b>58 921</b>	<b>56 735</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>53 478</b>	<b>(303)</b>	<b>(3 330)</b>	<b>49 845</b>	<b>47 410</b>	<b>2 435</b>	<b>95.1%</b>	<b>49 860</b>	<b>47 675</b>
Compensation of employees	42 588	-	2 189	44 777	44 777	-	100.0%	45 633	45 633
Goods and services	10 890	(303)	(5 519)	5 068	2 633	2 435	52.0%	4 227	2 042
<b>Transfers and subsidies</b>	<b>15 000</b>	<b>303</b>	<b>-</b>	<b>15 303</b>	<b>6 303</b>	<b>9 000</b>	<b>41.2%</b>	<b>9 061</b>	<b>9 060</b>
Public corporations and private enterprises	15 000	-	-	15 000	6 000	9 000	40.0%	9 000	9 000
Households	-	303	-	303	303	-	100.0%	61	60
<b>Payments for capital assets</b>	<b>505</b>	<b>-</b>	<b>-</b>	<b>505</b>	<b>-</b>	<b>505</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	505	-	-	505	-	505	-	-	-
<b>Total</b>	<b>68 983</b>	<b>-</b>	<b>(3 330)</b>	<b>65 653</b>	<b>53 713</b>	<b>11 940</b>	<b>81.8%</b>	<b>58 921</b>	<b>56 735</b>



Programme 9: Competition Policy and Economic Planning	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic Planning and Advisory</b>	6 894	3 009	720	10 623	10 579	44	99.6%	6 176	6 172
<b>Implementation and Coordination</b>	1 641 209	(3 549)	(10 676)	1 626 984	1 620 052	6 932	99.6%	766 092	704 517
<b>Investment and Development</b>	4 192	556	(860)	3 888	3 852	36	99.1%	2 891	2 837
<b>Competition Oversight</b>	2 467	(16)	(810)	1 641	51	1 590	3.1%	271	22
<b>Total</b>	<b>1 654 762</b>	<b>-</b>	<b>(11 626)</b>	<b>1 643 136</b>	<b>1 634 534</b>	<b>8 602</b>	<b>99.5%</b>	<b>775 430</b>	<b>713 548</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>37 329</b>	<b>(111)</b>	<b>(11 628)</b>	<b>25 590</b>	<b>22 247</b>	<b>3 343</b>	<b>86.9%</b>	<b>24 504</b>	<b>20 093</b>
Compensation of employees	23 421	-	(380)	23 041	19 707	3 334	85.5%	23 697	19 609
Goods and services	13 908	(111)	(11 248)	2 549	2 540	9	99.6%	807	484
<b>Transfers and subsidies</b>	<b>1 617 203</b>	<b>111</b>	<b>2</b>	<b>1 617 316</b>	<b>1 612 287</b>	<b>5 029</b>	<b>99.7%</b>	<b>750 926</b>	<b>693 455</b>
Departmental agencies and accounts	476 520	-	-	476 520	476 520	-	100.0%	430 926	430 926
Public corporations and private enterprises	1 140 683	-	-	1 140 683	1 135 655	5 028	99.6%	319 985	262 514
Households	-	111	2	113	112	1	99.1%	15	15
<b>Payments for capital assets</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>-</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	230	-	-	230	-	230	-	-	-
<b>Total</b>	<b>1 654 762</b>	<b>-</b>	<b>(11 626)</b>	<b>1 643 136</b>	<b>1 634 534</b>	<b>8 602</b>	<b>99.5%</b>	<b>775 430</b>	<b>713 548</b>

Programme 10: Economic Research and Coordination	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic Research and Policy Coordination</b>	43 863	-	(5 423)	38 440	19 642	18 798	51.1%	21 992	15 166
<b>Macroeconomic and Microeconomic Policy</b>	13 416	-	(33)	13 383	8 583	4 800	64.1%	14 171	8 267
<b>Growth Path and Decent Work</b>	13 191	-	-	13 191	9 740	3 451	73.8%	14 587	9 499
<b>Total</b>	<b>70 470</b>	<b>-</b>	<b>(5 456)</b>	<b>65 014</b>	<b>37 965</b>	<b>27 049</b>	<b>58.4%</b>	<b>50 750</b>	<b>32 932</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>69 456</b>	<b>(14)</b>	<b>(5 456)</b>	<b>63 986</b>	<b>37 951</b>	<b>26 035</b>	<b>59.3%</b>	<b>50 277</b>	<b>32 928</b>
Compensation of employees	53 583	-	-	53 583	33 169	20 414	61.9%	44 795	28 975
Goods and services	15 873	(14)	(5 456)	10 403	4 782	5 621	46.0%	5 482	3 953
<b>Transfers and subsidies</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>100.0%</b>	<b>4</b>	<b>4</b>
Households	-	14	-	14	14	-	100.0%	4	4
<b>Payments for capital assets</b>	<b>1 014</b>	<b>-</b>	<b>-</b>	<b>1 014</b>	<b>-</b>	<b>1 014</b>	<b>-</b>	<b>469</b>	<b>-</b>
Machinery and equipment	1 014	-	-	1 014	-	1 014	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	469	-
<b>Total</b>	<b>70 470</b>	<b>-</b>	<b>(5 456)</b>	<b>65 014</b>	<b>37 965</b>	<b>27 049</b>	<b>58.4%</b>	<b>50 750</b>	<b>32 932</b>

## Notes to the Appropriation Statement for the year ended 31 March 2022

### 1. Detail of transfers and subsidies as per Appropriation Act (after virement):

Detail of these transactions can be viewed in note 7 (transfers and subsidies) and Annexure 1 (A-E) to the Annual Financial Statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in note 6 (Payments for financial assets) to the Annual Financial Statements.

### 4. Explanations of material variances from amounts voted (after virement):

4.1 Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>ADMINISTRATION</b>	787 258	721 265	65 993	8.4%
Spending was R66 million or 8.4% slower than the projected spending for the programme. This occurred mainly on goods and services due to the use of virtual platforms for meetings and engagements, and the decision of the Constitutional Court on the regulations issued by the Minister of Finance under the Preferential Procurement Policy Framework Act, as well as payments for capital assets since certain ICT initiatives could not be finalised.				
<b>SPATIAL INDUSTRIAL DEVELOPMENT AND ECONOMIC TRANSFORMATION</b>	159 008	122 403	36 605	23.0%
Spending was R36.6 million or 23% slower than projected for the programme. Slow spending was mainly on goods and services due to the use of virtual platforms for meetings and engagements.				
<b>EXPORT DEVELOPMENT, PROMOTION AND OUTWARD INVESTMENTS</b>	415 155	399 015	16 140	3.9%
Spending was R16 million or 4% slower than projected for the programme. Spending below projection was mainly on compensation of employees and payments for capital assets as a result of postponed recruitment and deployment of foreign economic representatives to the foreign trade and investment offices.				
<b>INWARD INVESTMENT ATTRACTION, FACILITATION AND AFTERCARE</b>	65 653	53 713	11 940	18.2%
Spending was R11.9 million or 18% slower than projected for the programme. Spending below projection was mainly on goods and services as a result of the use of virtual platforms for meetings and engagements; and on transfers due to the fact that certain provincial One-Stop Shop set-up-related processes are still to be finalised.				

4.1 Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>ECONOMIC RESEARCH AND COORDINATION</b>	65 014	37 965	27 049	41.6%

Spending was R27 million or 42% slower than projected for the programme. Spending below projection was mainly on goods and services due to work on certain commissioned studies still to be finalised, and the use of virtual platforms for meetings and engagements.

4.2 Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	1 064 551	1 018 506	46 045	4.3%
Goods and services	585 640	494 843	90 797	15.5%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	1 294 699	1 294 699	-	-
Public corporations and private enterprises	8 654 631	8 611 442	43 189	0.5%
Foreign governments and international organisations	30 656	30 327	329	1.1%
Non-profit institutions	153 334	153 333	1	0.1%
Households	7 056	7 043	13	0.2%
<b>Payments for capital assets</b>				
Machinery and equipment	17 058	2 450	14 608	85.6%
Software and other intangible assets	3 263	337	2 926	89.7%
<b>Payments for financial assets</b>	<b>1 117</b>	<b>1 116</b>	<b>1</b>	<b>0.1%</b>

### Explanation of variance

- The decision of the Constitutional Court on the regulations issued by the Minister of Finance under the Preferential Procurement Policy Framework Act, impacted on the planned procurement of certain goods and services, as well as capital assets.  
The continued digitisation of the workplace also brought about the use of virtual platforms for certain meetings and engagements.
- The National Macro Organisation of Government, which is succeeded by 'Fit for Purpose', resulted in delays and impacted on the filling of vacancies, and postponed recruitment and deployment of foreign economic representatives to the foreign trade and investment offices
- Certain transfers could not be made due to outstanding compliance documentation.

## Statement of Financial Performance for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
<b>REVENUE</b>			
Annual appropriation	1	11 812 005	9 273 272
Departmental revenue	2	122 072	140 247
Aid assistance	3	-	207 165
<b>TOTAL REVENUE</b>		<b>11 934 077</b>	<b>9 620 684</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	1 018 506	1 017 876
Goods and services	5	494 843	550 989
Aid assistance	3	-	846
<b>Total current expenditure</b>		<b>1 513 349</b>	<b>1 569 711</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	10 096 844	7 427 227
Aid assistance	3	-	188 808
<b>Total transfers and subsidies</b>		<b>10 096 844</b>	<b>7 616 035</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	2 450	42 693
Intangible assets		337	-
<b>Total expenditure for capital assets</b>		<b>2 787</b>	<b>42 693</b>
<b>Payments for financial assets</b>	6	<b>1 116</b>	<b>929</b>
<b>TOTAL EXPENDITURE</b>		<b>11 614 096</b>	<b>9 229 368</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>319 981</b>	<b>391 316</b>
<b>Reconciliation of Net Surplus/(deficit) for the year</b>			
Voted Funds		197 909	233 558
Annual appropriation		197 909	233 558
Departmental revenue and NRF Receipts	15	122 072	140 247
Aid assistance	3	-	17 511
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>319 981</b>	<b>391 316</b>

## Statement of Financial Position as at 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>255 265</b>	<b>368 125</b>
Cash and cash equivalents	9	176 375	323 394
Other financial assets	10	216	877
Prepayments and advances	11	71 806	37 235
Receivables	12	6 868	6 619
<b>Non-Current Assets</b>		<b>1 410 410</b>	<b>1 411 650</b>
Investments	13	1 392 969	1 392 969
Receivables	12	16 185	18 138
Other financial assets	10	1 256	543
<b>TOTAL ASSETS</b>		<b>1 665 675</b>	<b>1 779 775</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>258 478</b>	<b>371 436</b>
Voted funds to be surrendered to the Revenue Fund	14	192 090	233 550
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	4 204	10 375
Payables	16	62 184	110 000
Aid assistance repayable	3	-	17 511
<b>Non-Current Liabilities</b>			
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>258 478</b>	<b>371 436</b>
<b>NET ASSETS</b>		<b>1 407 197</b>	<b>1 408 339</b>
<b>Represented by:</b>			
Capitalisation reserve		1 392 969	1 392 969
Recoverable revenue		14 228	15 370
<b>TOTAL</b>		<b>1 407 197</b>	<b>1 408 339</b>

## Statement of Changes in Net Assets for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
<b>NET ASSETS</b>			
<b>Capitalisation Reserves</b>			
Opening balance		1 392 969	1 392 969
Closing balance		<b>1 392 969</b>	<b>1 392 969</b>
<b>Recoverable revenue</b>			
Opening balance		15 370	16 719
<b>Transfers</b>		<b>(1 142)</b>	<b>(1 349)</b>
Irrecoverable amounts written off	6.2	(951)	(564)
Debts revised		(2 716)	(1 174)
Debts recovered (included in departmental receipts)		(61 485)	(70 241)
Debts raised		64 010	70 630
<b>Closing balance</b>		<b>14 228</b>	<b>15 370</b>
<b>TOTAL</b>		<b>1 407 197</b>	<b>1 408 339</b>

## Cash Flow Statement for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>11 928 260</b>	<b>9 620 619</b>
Annual appropriated funds received	1	11 806 188	9 273 272
Departmental revenue received	2	121 378	139 504
Interest received	2.3	694	678
Aid assistance received	3	-	207 165
Net (increase)/decrease in working capital		(82 636)	65 693
Surrendered to Revenue Fund		(361 795)	(288 674)
Surrendered to RDP Fund/Donor	3	(17 511)	(7 700)
Current payments		(1 513 349)	(1 569 711)
Payments for financial assets		(1 116)	(929)
Transfers and subsidies paid		(10 096 844)	(7 616 035)
<b>Net cash flow available from operating activities</b>	<b>17</b>	<b>(144 991)</b>	<b>203 263</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(2 787)	(42 693)
Proceeds from sale of capital assets	2.4	-	65
(Increase)/decrease in other financial assets		(52)	(127)
(Increase)/decrease in non-current receivables	12	1 953	1 853
<b>Net cash flows from investing activities</b>		<b>(886)</b>	<b>(40 902)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(1 142)	(1 349)
<b>Net cash flows from financing activities</b>		<b>(1 142)</b>	<b>(1 349)</b>
Net Increase/(decrease) in cash and cash equivalents		(147 019)	161 012
Cash and cash equivalents at beginning of period		323 394	162 382
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>176 375</b>	<b>323 394</b>



## Accounting Policies for the year ended 31 March 2022

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act, Act 1 of 2010.

### 1. Financial Statement Presentation

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis.

#### 1.3 Presentation currency

Amounts have been presented in the currency of South African Rand (R), which is also the functional currency of the department.

#### 1.4 Rounding

Unless otherwise stated, financial figures have been rounded to the nearest one thousand Rand (R'000). Unless otherwise stated, percentages have been rounded to the nearest one decimal, where applicable.

#### 1.5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

### 1.6 Comparative information

#### 1.6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

#### 1.6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## 2. Revenue

### 2.1 Appropriated funds

Appropriated funds comprise departmental allocations.

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

### 2.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

#### 2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

#### 2.2.2 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

#### 2.2.3 Fines, penalties and forfeits

Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

#### 2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

#### 2.2.5 Sale of capital assets

The proceeds received on the sale of capital assets are recognised in the statement of financial performance when the cash is received.

#### 2.2.6 Transactions in financial assets and liabilities

Financial assets include repayment of debts and amounts written off, and are recognised as revenue in the statement of financial performance when cash is received or once debt is approved to be written off. Foreign exchange gains are recognised in the statement of financial performance on payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to South African Rand.

#### 2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the notes to the financial statements.

## 2.2.8 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- The amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/or penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write off policy.

## 2.3 Aid assistance

### 2.3.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

### 2.3.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment.

## 3. Expenditure

### 3.1 Compensation of employees

#### 3.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

#### 3.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

### 3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department.

### 3.3 Payment for financial assets

Receivables are written off when identified as irrecoverable. Receivables written-off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is indicated as a disclosure note to the financial statements.

Foreign exchange losses are recognised in the statement of financial performance on the payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

All other losses are recognised in the statement of financial performance when identified.

### 3.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department.

### 3.5 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- Approved by Parliament or the provincial legislature with funding and the related funds are received; or
- Approved by Parliament or the provincial legislature without funding and is written off against the appropriation in the statement of financial performance; or
- Transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

The amount recorded must be equal to the overspending within the vote or main division within the vote or the expenditure incurred that was not in accordance with the purpose of the vote or main division of the vote.

### 3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and/or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

### 3.7 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements once it has been confirmed and after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority; transferred to receivables for recovery, not condoned and removed or written off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

### 3.8 Payments for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

## 4. Assets

### 4.1 Cash and cash equivalents

Cash and cash equivalents are stated in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held, other short-term highly liquid investments and bank overdrafts.

## 4.2 Other financial assets

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

## 4.3 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

## 4.4 Receivables

Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

## 4.5 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## 4.6 Investments

Investments are recognised in the statement of financial position at cost.

## 4.7 Capital assets

### 4.7.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value, and where fair value cannot be determined, the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

### 4.7.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1

All assets acquired before 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

### 4.7.3 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

## 5. Liabilities

### 5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as liabilities in the statement of financial position.

### 5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

### 5.3 Payables

Payables are recognised at cost in the statement of financial position.

### 5.4 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department; or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount of the obligation cannot be measured reliably.

### 5.5 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

### 5.6 Capital Commitments

Capital commitments are recorded at cost in the notes to the financial statements.

### 5.7 Accruals not recognised

Accruals are liabilities to pay for goods and services that have been received or supplied before year-end, but have not been formally paid or invoiced at year-end.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the notes to the financial statements.

Accrued expenditure payable is measured at cost.

### 5.8 Payables not recognised

Payables are liabilities to pay for goods and services that have been received or supplied and formally invoiced before year-end, but not yet paid at year-end.

Payables are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the notes to the financial statements.

## 5.9 Leases

### 5.9.1 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset, or
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

### 5.9.2 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

## 5.10 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

### 5.11 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised, and provisions) is disclosed in the employee benefit note.

## 6. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or to the statement of financial performance when written-off.

## 7. Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period, and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

## 8. Related party transactions

Non-arm's-length related party transactions and balances within the Minister's portfolio are recorded in the notes to the financial statements. A list of all related party relationships, irrespective of whether there were any transactions between the related parties, is disclosed in the notes to the financial statements.

The number of individuals and full compensation of key management personnel is recorded in the notes to the financial statements.

## 9. Public-private partnerships

Public-private partnerships (PPPs) are accounted for based on the nature and/or substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof, together with the description and nature of the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

## 10. Changes in accounting policies, accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## 11. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.



## Notes to the Annual Financial Statements for the year ended 31 March 2022

### 1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds).

Annual Appropriation	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received	Funds not requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	787 258	787 258	-	820 518	820 518	-
2. Trade Policy, Negotiations and Cooperation	218 786	218 786	-	109 400	109 400	-
3. Spatial Industrial Development and Economic Transformation	159 008	159 008	-	110 551	110 551	-
4. Industrial Competitiveness and Growth	1 638 387	1 638 387	-	1 642 529	1 642 529	-
5. Consumer and Corporate Regulation	324 629	324 629	-	292 289	292 289	-
6. Industrial Financing	6 494 979	6 489 162	5 817	5 012 427	5 012 427	-
7. Export Development, Promotion and Outward Investments	415 155	415 155	-	400 457	400 457	-
8. Inward Investment Attraction, Facilitation and Aftercare	65 653	65 653	-	58 921	58 921	-
9. Competition Policy and Economic Planning	1 643 136	1 643 136	-	775 430	775 430	-
10. Economic Research and Coordination	65 014	65 014	-	50 750	50 750	-
<b>Total</b>	<b>11 812 005</b>	<b>11 806 188</b>	<b>5 817</b>	<b>9 273 272</b>	<b>9 273 272</b>	<b>-</b>

The amount of R5.8 million was not requested from the National Revenue Fund based on the department's assessment of the cash flow requirements. The department will not request for the amount to be rolled over in the next financial year.

	Note	2021/22 R'000	2020/21 R'000
<b>2. Departmental revenue</b>			
Tax revenue*		6 907	3 376
Sales of goods and services other than capital assets	2.1	666	698
Fines, penalties and forfeits	2.2	48 944	63 675
Transactions in financial assets and liabilities	2.5	64 861	71 755
<b>Departmental revenue received</b>		<b>121 378</b>	<b>139 504</b>
Interest, dividends and rent on land	2.3	694	678
Sales of capital assets	2.4	-	65
<b>Departmental revenue collected</b>		<b>122 072</b>	<b>140 247</b>

\*Tax revenue relates to liquor licence fees granted to businesses for the sale and distribution of liquor in terms of the Liquor Act no. 59 of 2003.

### 2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	<b>598</b>	<b>662</b>
Sales by market establishment*	271	274
Administrative fees	1	-
Other sales**	326	388
Sales of scrap, waste and other used current goods	68	36
<b>Total</b>	<b>666</b>	<b>698</b>

\*Sales by market establishment relates to revenue received in respect of parking rental.

\*\*Other sales comprise commission charged on the deduction of insurance premiums and patent examination fees.

### 2.2 Fines, penalties and forfeits

Fines	-	-
Penalties*	48 944	36 388
Forfeits	-	27 287
<b>Total</b>	<b>48 944</b>	<b>63 675</b>

\*Included in the amount of R48.9 million is R48.7 million in respect of the Tirisano Construction Fund.

### 2.3 Interest, dividends and rent on land

Interest	694	678
<b>Total</b>	<b>694</b>	<b>678</b>

	Note	2021/22 R'000	2020/21 R'000
<b>2.4 Sales of capital assets</b>			
<b>Tangible capital assets</b>		-	65
Machinery and equipment		-	65
<b>Total</b>		<u>-</u>	<u>65</u>

**2.5 Transactions in financial assets and liabilities**

Receivables	61 816	70 545
Forex gain	49	-
Other Receipts including recoverable revenue	2 996	1 210
<b>Total</b>	<u>64 861</u>	<u>71 755</u>

**2.6 Donations received**

Courtesy gifts	12	6
Face shields	-	240
Surgical masks	-	75
Sponsored venue and lunch	8	-
Sponsored trip for the dtic officials	93	-
<b>Total</b>	<u>113</u>	<u>321</u>

Disclosure in respect of donations received has been re-classified from note 3 in the 2020/21 financial year.

**2.7 Cash received not recognised (not included in the main note) – 2021/22**

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
National Consumer Tribunal	2 280	(2 280)	-
Competition Commission	156 964	(156 964)	-
National Gambling Board	277	(277)	-
South African National Accreditation System	2 266	(2 266)	-
National Consumer Commission	195	(195)	-
National Credit Regulator	4 108	(4 087)	21
Companies and Intellectual Property Commission	126 777	(126 777)	-
National Regulator for Compulsory Specifications	31 448	(31 448)	-
<b>Total</b>	<u>324 315</u>	<u>(324 294)</u>	<u>21</u>

Included in the above amount of R324.3 million received for 2021/22 is R75.4 million, which relates to the balance carried forward from 2020/21 as reflected below.

**Cash received not recognised (not included in the main note) – 2020/21**

Name of entity	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
National Credit Regulator	573	(573)	-
Competition Commission	73 071	-	73 071
South African National Accreditation System	20 129	(17 863)	2 266
Companies and Intellectual Property Commission	74 800	(74 800)	-
National Research Foundation	58 373	(58 373)	-
National Gambling Board	107	-	107
National Consumer Tribunal	303	(303)	-
National Consumer Commission	35 203	(35 203)	-
National Regulator for Compulsory Specifications	30 137	(30 137)	-
Competition Tribunal	14 700	(14 700)	-
<b>Total</b>	<b>307 396</b>	<b>(231 952)</b>	<b>75 444</b>

**3. Aid assistance**

	2021/22 R'000	2020/21 R'000
Opening Balance	17 511	7 700
As restated	17 511	7 700
Transferred from statement of financial performance	-	17 511
Paid during the year	(17 511)	(7 700)
<b>Closing Balance</b>	<b>-</b>	<b>17 511</b>

The department did not receive any funding for the period under review. Eligible applications are assessed against the impact criteria, whereafter such applications are considered, and funding made available by National Treasury.

Refer to annexure 1G for more information relating to aid assistance.

**3.1 Analysis of balance by source**

Aid assistance from RDP	-	17 511
<b>Closing Balance</b>	<b>-</b>	<b>17 511</b>

<b>2021/22</b>	<b>2020/21</b>
<b>R'000</b>	<b>R'000</b>

### 3.2 Analysis of balance

#### Analysis of balance

Aid assistance repayable	-	17 511
<b>Closing balance</b>	<b>-</b>	<b>17 511</b>

#### 3.2.1 Aid assistance prepayments (expensed) - 2021/22

	Amount as at 1 April 2021	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	185 278	(96 434)	-	-	88 844
<b>Closing balance</b>	<b>185 278</b>	<b>(96 434)</b>	<b>-</b>	<b>-</b>	<b>88 844</b>

#### Aid assistance prepayments (expensed) – 2020/21

	Amount as at 1 April 2020	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	49 185	(52 715)	-	188 808	185 278
<b>Closing balance</b>	<b>49 185</b>	<b>(52 715)</b>	<b>-</b>	<b>188 808</b>	<b>185 278</b>

### 3.3 Aid assistance expenditure per economic classification

	<b>2021/22</b>	<b>2020/21</b>
	<b>R'000</b>	<b>R'000</b>
Current	-	846
Transfers and Subsidies	-	188 808
<b>Total aid assistance expenditure</b>	<b>-</b>	<b>189 654</b>

	<b>2021/22</b>	<b>2020/21</b>
	<b>R'000</b>	<b>R'000</b>
<b>4. Compensation of employees</b>		
<b>Salaries and Wages</b>		
Basic salary	657 168	667 309
Performance award	5 586	313
Service Based	817	479
Compensative/circumstantial*	2 935	2 617
Service Bonus	43 502	44 030
Home Owners allowance	11 543	13 210
Periodic payments	681	-
Other non-pensionable allowances**	154 076	136 974
Foreign allowance***	25 900	36 131
<b>Total</b>	<b>902 208</b>	<b>901 063</b>
* Compensative/circumstantial refers to payments and allowances paid to employees, e.g. acting allowance, overtime, etc.		
** Other non-pensionable allowances comprise car allowances and benefits structured as part of salary packages for employees on level 11 and higher.		
*** Foreign allowances refers to the cost of living allowances paid to employees based abroad at foreign mission offices.		
<b>Social contributions</b>		
<b>Employer contributions</b>		
Pension	86 093	87 768
Medical	30 073	28 914
Bargaining council	132	131
<b>Total</b>	<b>116 298</b>	<b>116 813</b>
<b>Total compensation of employees</b>	<b>1 018 506</b>	<b>1 017 876</b>
Average number of employees	1 256	1 303

	Note	2021/22 R'000	2020/21 R'000
<b>5. Goods and services</b>			
Administrative fees		3 285	1 658
Advertising		4 596	3 617
Minor assets	5.1	81	22
Bursaries (employees)		4 420	2 669
Catering		289	884
Communication		12 424	13 294
Computer services	5.2	32 812	56 593
Consultants: Business and advisory services		26 638	37 819
Laboratory services		15	-
Legal services		16 066	18 503
Contractors		7 503	11 338
Agency and support/outsourced services		538	629
Entertainment		116	71
Audit cost-external	5.3	9 634	10 578
Fleet services		842	769
Consumables	5.4	2 867	3 212
Operating leases		321 586	342 175
Property payments	5.5	4 459	7 927
Travel and subsistence	5.6	21 630	12 853
Rental and hiring		497	311
Venues and facilities		6 964	2 051
Training and development		1 675	1 555
Other operating expenditure	5.7	15 906	22 461
<b>Total</b>		<b>494 843</b>	<b>550 989</b>

### 5.1 Minor Assets

#### Tangible assets

Machinery and equipment	81	22
<b>Total</b>	<b>81</b>	<b>22</b>

### 5.2 Computer services

SITA computer services	7 898	8 528
External computer service providers	24 914	48 065
<b>Total</b>	<b>32 812</b>	<b>56 593</b>

	2021/22 R'000	2020/21 R'000
<b>5.3 Audit cost – External</b>		
Regularity audits	9 209	10 209
Computer audits	425	369
<b>Total</b>	<b>9 634</b>	<b>10 578</b>

**5.4 Consumables**

Consumable supplies	<b>388</b>	<b>1 040</b>
Uniform and clothing	248	42
Household supplies	20	342
Building material and supplies	4	3
Communication accessories	7	-
IT consumables	96	161
*Other consumables	13	492
Stationery, printing and office supplies	2 479	2 172
<b>Total</b>	<b>2 867</b>	<b>3 212</b>

\* Other consumables mainly includes medical supplies, security access consumables, bags and accessories

**5.5 Property payments**

Municipal services	521	676
Property management fees	986	4 309
Property maintenance and repairs	2 353	2 533
Other*	599	409
<b>Total</b>	<b>4 459</b>	<b>7 927</b>

\* Other mainly includes cleaning services and gas expenditure (gas stoves for foreign offices).

**5.6 Travel and subsistence**

Local	16 035	8 462
Foreign	5 595	4 391
<b>Total</b>	<b>21 630</b>	<b>12 853</b>



	<b>2021/22</b>	<b>2020/21</b>
	<b>R'000</b>	<b>R'000</b>
<b>5.7 Other operating expenditure</b>		
Professional bodies, membership and subscription fees	1 342	4 171
Resettlement costs	1 501	4 183
*Other	13 063	14 107
<b>Total</b>	<b>15 906</b>	<b>22 461</b>

\* Other operating expenditure mainly includes courier and delivery services as well as printing and publication costs.

## 6. Payments for financial assets

Other material losses written off	6.1	85	44
Debts written off	6.2	1 005	881
Forex losses	6.3	26	4
<b>Total</b>		<b>1 116</b>	<b>929</b>

### 6.1 Other material losses written off

#### Nature of losses

Rental damages*	85	44
<b>Total</b>	<b>85</b>	<b>44</b>

\*Damages to rental vehicles

### 6.2 Debts written off

#### Recoverable revenue written off:

Official debt	7	4
Enterprise Investment Programme (EIP)	944	560
<b>Sub-total</b>	<b>951</b>	<b>564</b>

#### Other debt written off

Official debt	7	317
Vehicle damage	19	-
Rental advance/deposit	28	-
<b>Sub-total</b>	<b>54</b>	<b>317</b>

<b>Total debt written off</b>	<b>1 005</b>	<b>881</b>
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	2021/22 R'000	2020/21 R'000
<b>6.3 Forex losses</b>		
<b>Nature of losses</b>		
Forex losses	26	4
<b>Total</b>	<b>26</b>	<b>4</b>

## 7. Transfers and subsidies

Departmental agencies and accounts	<i>Annex1A</i>	1 294 699	1 042 957
Public corporations and private enterprises	<i>Annex1B</i>	8 611 442	6 215 124
Foreign governments and international organisations	<i>Annex 1C</i>	30 327	30 733
Non-profit institutions	<i>Annex 1D</i>	153 333	134 347
Households	<i>Annex 1E</i>	7 043	4 066
<b>Total</b>		<b>10 096 844</b>	<b>7 427 227</b>

## 8. Expenditure for capital assets

<b>Tangible assets</b>		<b>2 450</b>	<b>42 693</b>
Machinery and equipment	31	2 450	42 693
<b>Intangible assets</b>		<b>337</b>	<b>-</b>
Software	32	337	-
<b>Total</b>		<b>2 787</b>	<b>42 693</b>

### 8.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Machinery and equipment	2 450	-	2 450
<b>Intangible assets</b>			
Software	337	-	337
<b>Total</b>	<b>2 787</b>	<b>-</b>	<b>2 787</b>

## 8.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Machinery and equipment	42 693	-	42 693
<b>Total</b>	<b>42 693</b>	<b>-</b>	<b>42 693</b>

	2021/22 R'000	2020/21 R'000
<b>9. Cash and cash equivalents</b>		
Consolidated Paymaster General Account	173 549	315 403
Cash receipts	-	4
Disbursements	-	11
Cash on hand	23	56
Cash with commercial banks (Local)	2 803	7 920
<b>Total</b>	<b>176 375</b>	<b>323 394</b>

Included in the Consolidated Paymaster General Account is an amount of R165 million, which relates to outstanding payments to suppliers.

## 10. Other financial assets

**Current****Foreign**

Rental deposits for employees based abroad	216	877
<b>Sub-total</b>	<b>216</b>	<b>877</b>
<b>Total current other financial assets</b>	<b>216</b>	<b>877</b>

**Non-current****Foreign**

Rental deposits for employees based abroad	1 256	543
<b>Sub-total</b>	<b>1 256</b>	<b>543</b>
<b>Total non-current other financial assets</b>	<b>1 256</b>	<b>543</b>

	Note	2021/22 R'000	2020/21 R'000
<b>11. Prepayments and advances</b>			
Staff advances		18	25
Travel and subsistence		31	65
Prepayments (Not expensed)	11.2	4 000	4 000
Advances paid (Not expensed)	11.1	67 757	33 145
<b>Total</b>		<b>71 806</b>	<b>37 235</b>

**11.1 Advances paid (Not expensed) \***

	Note	Balance as at 1 April 2021 R'000	Less: Amount expensed in current year R'000	Add/less: Other R'000	Add: Current year advances R'000	Balance as at 31 March 2022 R'000
National departments	11	33 145	(89 056)	-	110 000	54 089
Public entities		-	(84 262)	-	97 930	13 668
<b>Total</b>		<b>33 145</b>	<b>(173 318)</b>	<b>-</b>	<b>207 930</b>	<b>67 757</b>

\* Amount for advances paid to national departments relates to advance payments to the Department of International Relations and Cooperation for costs incurred by the foreign mission offices of the dtic. Furthermore, advances were paid to the Development Bank of Southern Africa for IP SEZ Programme management support, and the National School of Government for training interventions, respectively.

	Note	Balance as at 1 April 2020 R'000	Less: Amount expensed in current year R'000	Add/less: Other R'000	Add: Current year advances R'000	Balance as at 31 March 2021 R'000
<b>Advances paid (Not expensed)</b>	11	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
National departments		2 409	(109 264)	-	140 000	33 145
Public entities		164	(164)	-	-	-
<b>Total</b>		<b>2 573</b>	<b>(109 428)</b>	<b>-</b>	<b>140 000</b>	<b>33 145</b>

**11.2 Prepayments (Not expensed)**

	Note	Balance as at 1 April 2021 R'000	Less: Amount expensed in current year R'000	Add/less: Other R'000	Add: Current year prepayments R'000	Balance as at 31 March 2022 R'000
Goods and services	11	4 000	(6 110)	-	6 110	4 000
<b>Total</b>		<b>4 000</b>	<b>(6 110)</b>	<b>-</b>	<b>6 110</b>	<b>4 000</b>

**Prepayments (Not expensed)**

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add/less: Other	Add: Current year prepayments	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Goods and services	11	3 996	(2 096)	-	2 100	4 000
<b>Total</b>		<b>3 996</b>	<b>(2 096)</b>	<b>-</b>	<b>2 100</b>	<b>4 000</b>

**11.3 Prepayments (Expensed)**

	Balance as at 1 April 2021	Less: Received in the current year	Add/Less: Other	Add: Current year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies (EMIA TISA)	33 669	(4 148)	-	-	29 521
<b>Total</b>	<b>33 669</b>	<b>(4 148)</b>	<b>-</b>	<b>-</b>	<b>29 521</b>

**Prepayments (Expensed)**

	Balance as at 1 April 2020	Less: Received in the current year	Add/less: Other	Add: Current year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies (EMIA TISA)	33 260	-	-	409	33 669
<b>Total</b>	<b>33 260</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>33 669</b>

**11.4 Advances paid (Expensed)**

	Balance as at 1 April 2021	Less: Received in the current year	Add/less: Other	Add: Current year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Public Entities	6 290	(6 028)	-	-	262
<b>Total</b>	<b>6 290</b>	<b>(6 028)</b>	<b>-</b>	<b>-</b>	<b>262</b>

	Balance as at 1 April 2020	Less: Received in the current year	Add/less: Other	Add: Current year advances	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
National departments	406	(406)	-	-	-
Public Entities	-	-	-	6 290	6 290
<b>Total</b>	<b>406</b>	<b>(406)</b>	<b>-</b>	<b>6 290</b>	<b>6 290</b>

## 12. Receivables

	Note	2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
<b>Receivables</b>							
Claims recoverable	12.1	6 266	14 728	20 994	4 896	16 618	21 514
Recoverable expenditure	12.2	23	-	23	-	-	-
Staff debt	12.3	398	882	1 280	341	1 083	1 424
Other receivables	12.4	181	575	756	1 382	437	1 819
<b>Total</b>		<b>6 868</b>	<b>16 185</b>	<b>23 053</b>	<b>6 619</b>	<b>18 138</b>	<b>24 757</b>

	2021/22 R'000	2020/21 R'000
<b>12.1 Claims recoverable</b>		
National departments	21	65
Provincial departments	231	-
Public entities	4 793	3 395
Private enterprises	15 949	18 054
<b>Total</b>	<b>20 994</b>	<b>21 514</b>
<b>12.2 Recoverable revenue</b>		
Recoverable expenditure	23	-
<b>Total</b>	<b>23</b>	<b>-</b>
<b>12.3 Staff debt</b>		
Bursary	470	590
Unpaid leave	353	325
Official debt (in service)	318	362
Tax	1	-
Petty cash	27	1
Child allowances	84	123
Other	10	-
Rental deposit	17	23
<b>Total</b>	<b>1 280</b>	<b>1 424</b>

	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
<b>12.4 Other receivables</b>		
Bursary	171	374
Official debt (out of service)	300	49
Theft and damages	-	19
Unpaid leave	212	211
Other (losses, i.e. laptops, access cards)	73	59
Court order	-	1 107
<b>Total</b>	<b>756</b>	<b>1 819</b>
<b>12.5 Fruitless and wasteful expenditure</b>		
Opening balance	-	1 052
Less amounts written off	-	(1 052)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>12.6 Impairment of receivables</b>		
Estimate of impairment of receivables	15 303	15 423
<b>Total</b>	<b>15 303</b>	<b>15 423</b>
<b>13. Investments</b>		
<b>Non-current</b>		
<b>Shares and other equity</b>		
IDC A Share 1 000 000 at cost (100% shareholding)	1 000	1 000
IDC B Share 1 391 969 357 at cost (100% shareholding)	1 391 969	1 391 969
<b>Total</b>	<b>1 392 969</b>	<b>1 392 969</b>
<b>TOTAL NON-CURRENT</b>	<b>1 392 969</b>	<b>1 392 969</b>
<b>Analysis of non-current investments</b>		
Opening balance	1 392 969	1 392 969
Additions in cash	-	-
Disposals for cash	-	-
Non-cash movements	-	-
<b>Closing balance</b>	<b>1 392 969</b>	<b>1 392 969</b>

	2021/22 R'000	2020/21 R'000
<b>14. Voted funds to be surrendered to the Revenue Fund</b>		
Opening balance	233 550	138 401
Transfer from statement of financial performance (as restated)	197 909	233 558
Add: Unauthorised expenditure for current year	-	-
Voted funds not requested/not received	(5 817)	-
Paid during the year	(233 552)	(138 409)
<b>Closing balance</b>	<b>192 090</b>	<b>233 550</b>

	2021/22 R'000	2020/21 R'000
<b>15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund</b>		
Opening balance	10 375	20 393
Transfer from statement of financial performance	122 072	140 247
Paid during the year	(128 243)	(150 265)
<b>Closing balance</b>	<b>4 204</b>	<b>10 375</b>

	Note	2021/22 R'000	2020/21 R'000
<b>16. Payables – current</b>			
Advances received	16.1	-	5 711
Clearing accounts	16.2	345	249
Other payables	16.3	61 839	104 040
<b>Total</b>		<b>62 184</b>	<b>110 000</b>

<b>16.1 Advances received</b>			
Public entities	<i>Annex 6B</i>	-	5 711
<b>Total</b>		<b>-</b>	<b>5 711</b>

<b>16.2 Clearing accounts</b>			
PAYE		308	157
Government Employee Housing Scheme		25	90
Pension fund		12	2
<b>Total</b>		<b>345</b>	<b>249</b>



	<b>2021/22</b>	<b>2020/21</b>
	<b>R'000</b>	<b>R'000</b>
<b>16.3 Other payables</b>		
Official debt (out of service)	43	6
Liquor licence deposits	3 544	4 342
Money collected from other entities	21	75 444
Unknown deposits	17	-
Other	-	4
Rejected payments	58 214	24 244
<b>Total</b>	<b>61 839</b>	<b>104 040</b>

### 17. Net cash flow available from operating activities

Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	319 981	391 316
Add back non cash/cash movements not deemed operating activities	(464 972)	(188 053)
(Increase)/decrease in receivables	(249)	(1 041)
(Increase)/decrease in prepayments and advances	(34 571)	(30 330)
Increase/(decrease) in payables – current	(47 816)	97 064
Proceeds from sale of capital assets	-	(65)
(Increase)/decrease in other financial assets	(661)	370
Expenditure on capital assets	2 787	42 693
Surrenders to Revenue Fund	(361 795)	(288 674)
Surrenders to RDP Fund/Donor	(17 511)	(7 700)
Voted funds not requested/not received	(5 817)	-
Other non-cash items	661	(370)
<b>Net cash flow generated by operating activities</b>	<b>(144 991)</b>	<b>203 263</b>

### 18. Reconciliation of cash and cash equivalents for cash-flow purposes

Consolidated Paymaster General account	173 549	315 403
Cash receipts	-	4
Disbursements	-	11
Cash on hand	23	56
Cash with commercial banks (local)	2 803	7 920
<b>Total</b>	<b>176 375</b>	<b>323 394</b>

## 19. Contingent liabilities and contingent assets

	Note	2021/22 R'000	2020/21 R'000
<b>19.1 Contingent liabilities</b>			
<b>Liable to</b>			
Housing loan guarantees	Annex 3A	-	111
<sup>3</sup> Other guarantees	Annex 3A	129 685	145 059
<sup>1</sup> Claims against the department	Annex 3B	33 515	19 854
<sup>2</sup> Incentive grants	Annex 3B	8 548 297	9 425 459
Intergovernmental payables (unconfirmed balances)	Annex 5	-	-
<b>Total</b>		<b>8 711 497</b>	<b>9 590 483</b>

<sup>1</sup> Claims against the department are disclosed and will only be settled on decision of the court or if the department accepts liability, both of which are unknown. Amounts disclosed are not necessarily the claim amount, but the amount determined as the most likely amount that the court might settle on. There are instances where claims were lodged against the department due to incentive claims not being approved. However, these were not included above due to the remoteness of the claims.

<sup>2</sup> Incentive grants approved by **the dtic** are not always disbursed in the year of approval. Based on the rules of a particular incentive scheme, grants approved in one year may be disbursed over a period of one to three years following approval. Disbursement of the incentive grant is in all cases conditional on the recipient firms carrying out their approved projects in line with the guidelines of the respective incentive scheme and meeting key performance requirements that are linked to the particular incentive, such as achieved investment, output, employment, etc.

<sup>3</sup> Other guarantee relates to loans given to the Industrial Development Corporation (IDC) by foreign banks

## 19.2 Contingent assets

### Nature of contingent asset

Incentive claims <sup>1</sup>	5 910	5 160
Ditsebi Solutions <sup>2</sup>	68 480	68 480
<b>Total</b>	<b>74 390</b>	<b>73 640</b>

<sup>1</sup> This is in respect of claims instituted by the department against certain incentive applicants. These claims have also resulted in the defendants raising counter claims against the department.

<sup>2</sup> The department has instituted a claim of R68 million against Ditsebi Solutions for breach of contract and damages

## 20. Capital commitments

	2021/22 R'000	2020/21 R'000
Machinery and equipment	1 442	141
Intangible assets	172	207
<b>Total</b>	<b>1 614</b>	<b>348</b>

## 21. Accruals and payables not recognised

### 21.1 Accruals

Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	37 240	17 333	54 573	52 811
Transfers and subsidies	-	11 840	11 840	250
*Other	-	76 945	76 945	59 967
<b>Total</b>	<b>37 240</b>	<b>106 118</b>	<b>143 358</b>	<b>113 028</b>

\*Other includes allowances payable to foreign officials and outstanding vouchers not yet received from DIRCO.

	2021/22 R'000	2020/21 R'000
<b>Listed by programme level</b>		
Administration	52 441	48 804
Trade Policy Negotiations and Cooperation	130	21
Spatial Industrial Development and Economic Transformation	896	1 736
Industrial Competitiveness and Growth	202	1 285
Consumer and Corporate Regulation	62	23
Industrial Financing	12 190	655
Export Development, Promotion and Outward Investments	77 150	60 228
Outward Investment Attraction Facilitation and Aftercare	211	229
Competition Policy and Economic Planning	18	-
Economic Research and Coordination	58	47
<b>Total</b>	<b>143 358</b>	<b>113 028</b>

**21.2 Payables not recognised**

			2021/22 R'000	2020/21 R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	202	-	202	3 750
<b>Total</b>	<b>202</b>	<b>-</b>	<b>202</b>	<b>3 750</b>

**Listed by programme level**

Administration			30	1 278
Trade Policy Negotiations and Cooperation			13	-
Spatial Industrial Development and Economic Transformation			-	27
Industrial Competitiveness and Growth			-	1
Consumer and Corporate Regulation			-	2 347
Industrial Financing			-	97
Export Development, Promotion and Outward Investments			-	-
Outward Investment Attraction Facilitation and Aftercare			2	-
Competition Policy and Economic Planning			-	-
Economic Research and Coordination			157	-
<b>Total</b>			<b>202</b>	<b>3 750</b>

**Included in the above totals are the following:**

	Note	2021/22 R'000	2020/21 R'000
Confirmed balances with departments	<i>Annex 5</i>	23 638	16 178
Confirmed balances with other government entities	<i>Annex 5</i>	-	3 648
<b>Total</b>		<b>23 638</b>	<b>19 826</b>

**22. Employee benefits**

	2021/22 R'000	2020/21 R'000
<b>Included in the above totals are the following:</b>		
*Leave entitlement	71 585	76 802
Service bonus (13th cheque)	22 884	23 504
Performance awards	5 323	5 465
Capped leave commitments	9 169	10 607
**Long service awards	690	545
<b>Total</b>	<b>109 651</b>	<b>116 923</b>

\* The full leave entitlement becomes due on the first day of each leave cycle (January – December). In addition to the leave entitlement provision, there are negative leave credits to the value of R144 thousand, which relates to leave taken in excess of the accrued leave credits as at 31 March 2022.

\*\* The provision on the long-service awards disclosed above does not include the long-term portion of the long-service awards.

The disclosure with respect to performance awards is as per DPSA circular no. 01 of 2019, relating to the 2020/21 performance cycle, which is yet to be paid.

## 23. Lease commitments

### 23.1 Operating leases

2021/22	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	20 021	3 988	24 009
Later than 1 year and not later than 5 years	13 228	3 845	17 073
Later than 5 years	-	-	-
<b>Total lease commitments</b>	<b>33 249</b>	<b>7 833</b>	<b>41 082</b>

2020/21	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	15 346	200	15 546
Later than 1 year and not later than 5 years	16 284	14	16 298
Later than 5 years	-	-	-
<b>Total lease commitments</b>	<b>31 630</b>	<b>214</b>	<b>31 844</b>

This note excludes leases relating to public private partnerships (PPPs) as they are separately disclosed in note 29.

The lease commitment above includes:

- Accommodation leases relating to foreign economic representatives stationed abroad
- Regional offices of **the dtic** (i.e. Durban, Port Elizabeth and Cape Town)

Block G: In addition to the above, National Treasury consented that **the dtic** could enter into a sub-leasing arrangement with public entities for Block G until **the dtic** completes the process of acquiring Block G and including it into the PPP contract. National Treasury has given an extension until 31 May 2022. It has, however, been established that Block G would no longer be beneficial to incorporate into the PPP. The lease commitment as per the contractual obligation was R5 million in the 2020/21 financial year.

### 23.2 Finance leases

	Machinery and equipment	Total
2021/22	R'000	R'000
Not later than 1 year	2 562	2 562
Later than 1 year and not later than 5 years	403	403
<b>Total Lease Commitments</b>	<b>2 965</b>	<b>2 965</b>

<b>2020/21</b>	<b>Machinery and equipment R'000</b>	<b>Total R'000</b>
Not later than 1 year	4 208	4 208
Later than 1 year and not later than 5 years	1 386	1 386
<b>Total Lease Commitments</b>	<b>5 594</b>	<b>5 594</b>

the dtic is a participant on the Transversal Contract facilitated by National Treasury for the supply and delivery of mobile communication services and handsets to the state.

	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>24. Accrued departmental revenue</b>		
Fines, penalties and forfeits	-	-
Interest, dividends and rent on land	-	-
Transaction in financial assets and liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 24.1 Analysis of accrued departmental revenue

Opening balance	-	25 261
Less: Amounts received	-	23 657
Add: Amounts recognised	-	-
Less: Amounts transferred to receivables for recovery	-	-
Other (foreign exchange losses)	-	(1 604)
<b>Total</b>	<b>-</b>	<b>-</b>

## 25. Irregular expenditure

### 25.1 Reconciliation of irregular expenditure

Opening balance	320	320
Add: Irregular expenditure – relating to current year	-	-
Less: Prior year amounts condoned	(320)	-
Less: Amounts not condoned and recoverable	-	-
<b>Irregular expenditure awaiting condonation</b>	<b>-</b>	<b>320</b>

	2021/22 R'000	2020/21 R'000
<b>Analysis of awaiting condonation per age classification</b>		
Current year	-	-
Prior years	-	320
<b>Total</b>	<u>-</u>	<u>320</u>

## 25.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
		-
<b>Total</b>		<u>-</u>

## 25.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2021/22 R'000
Procurement processes	National Treasury	320
<b>Total</b>		<u>320</u>

## 25.4 Details of irregular expenditure recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2021/22 R'000
		-
<b>Total</b>		<u>-</u>

## 26. Fruitless and wasteful expenditure

### 26.1 Reconciliation of fruitless and wasteful expenditure

	2021/22 R'000	2020/21 R'000
Opening balance	-	51
Less: Amounts written off	-	(51)
<b>Closing Balance</b>	<u>-</u>	<u>-</u>

	Note	2021/22 R'000	2020/21 R'000
<b>27. Related-party transactions</b>			
<b>Revenue received</b>			
Interest, dividends and rent on land	27.1	51 425	43 571
<b>Total</b>		<b>51 425</b>	<b>43 571</b>
<b>Year-end balances arising from revenue/payments</b>			
Receivables from related parties	Annex 4	4 793	1 241
<b>Total</b>		<b>4 793</b>	<b>1 241</b>
<b>27.1 Rent on land</b>			
<b>Name of Department/Entity</b>			
Companies and Intellectual Property Commission		22 123	18 577
International Trade Administration Commission		8 865	8 059
Competition Commission		13 606	13 313
Competition Tribunal		6 831	3 622
<b>Total</b>		<b>51 425</b>	<b>43 571</b>
<b>Other</b>			
Guarantees issued/received	Annex 3A	129 685	145 059
<b>Total</b>		<b>129 685</b>	<b>145 059</b>

the dtic is providing accommodation on its campus to the CIPC, Competition Commission, Competition Tribunal, and ITAC at a reduced rental.

In addition, the department is providing office accommodation to the Companies Tribunal at no charge.

Officials from the department were seconded to the South African Bureau of Standards and the IDC for which the department carries the full cost of their salaries. Furthermore, an official was seconded to the South African National Accreditation System, for which the department carries no cost.

**List of related party relationships:**

- Companies and Intellectual Property Commission (CIPC)
- Export Credit Insurance Corporation (ECIC) SOC Limited of South Africa
- National Consumer Commission (NCC)
- National Consumer Tribunal (NCT)
- Companies Tribunal (CT)
- National Credit Regulator (NCR)
- National Empowerment Fund (NEF)
- National Gambling Board of SA (NGB)
- National Lotteries Commission (NLC)
- National Metrology Institute of South Africa (NMISA)
- National Regulator for Compulsory Specifications (NRCS)
- South African Bureau of Standards (SABS)
- South African National Accreditation System (SANAS)
- Competition Commission (CC)
- Competition Tribunal (CT)
- International Trade Administration Commission (ITAC)
- Industrial Development Corporation (IDC)



Related parties disclosed under this note are only those related parties that fall within the Minister's portfolio. For related party transactions relating to other departments and entities, please refer to the Accounting Officer's report.

As per the definition of related parties, key management personnel form part of the related parties. This has been separately disclosed under note 28.

## 28. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers (provide detail below)	3	6 423	6 357
Officials:			
Level 15 to 16	16	23 696	28 132
Level 14	79	98 946	98 625
Family members of related parties	1	981	947
<b>TOTAL</b>		<b>130 046</b>	<b>134 061</b>

### Political office bearers consist of:

- Minister E Patel, from 1 April 2020 to date
- Deputy Minister N Gina, from 30 May 2019 to date
- Deputy Minister FZ Majola, from 30 May 2019 to date

## 29. Public-private Partnership

### Buildings and other fixed structures

**the dtic** Campus PPP is based on a partnership between **the dtic** and the City of Tshwane under which the City owns the land. The City will also own all fixed assets erected thereon. **the dtic** will enjoy the peaceful and undisturbed benefits of a sustained collaborative working and unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private-sector partner that signed an experience delivery agreement with **the dtic**.

The construction of **the dtic** Campus was finalised during the first half of 2004, whereafter the move and decant took place between May and November 2004.

### Motor vehicles

In the previous financial year, **the dtic** participated in the Department of Transport's Fleet Management contract for the use of its pool vehicles until 28 February 2021. The contract has since expired, and there is no extension in place.

	Note	2021/22	2020/21
	29	R'000	R'000
<b>29.1 Unitary fee paid</b>			
<b>Fixed component</b>		<b>273 164</b>	<b>268 063</b>
•Buildings and other fixed structures		273 164	263 781
•Motor vehicles		-	4 282
<b>Indexed component</b>		<b>21 477</b>	<b>21 165</b>
•Buildings and fixed structures		21 477	20 371
•Motor vehicles		-	794
<b>Analysis of indexed component</b>		<b>21 477</b>	<b>21 165</b>
Goods and services (excluding lease payments)		21 477	20 371
Operating leases		-	794

## 29.2 PPP commitments

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
<b>2021/22</b>			
Not later than 1 year	281 728	-	281 728
Later than 1 year and not later than 5 years	1 219 997	-	1 219 997
Later than five years	670 120	-	670 120
<b>Total lease commitments</b>	<b>2 171 845</b>	<b>-</b>	<b>2 171 845</b>
<b>2020/21</b>			
Not later than 1 year	272 992	-	272 992
Later than 1 year and not later than 5 years	1 182 168	-	1 182 168
Later than five years	989 678	-	989 678
<b>Total lease commitments</b>	<b>2 444 838</b>	<b>-</b>	<b>2 444 838</b>

## 30. Provisions

	2021/22	2020/21
	R'000	R'000
Export Marketing and Investment Assistance (EMIA)	2 121	1 418
<b>Total</b>	<b>2 121</b>	<b>1 418</b>

As from the date **the dtic** approves funding, **the dtic** has an unconditional obligation to pay the preferred supplier on submission of the required claim documents. The preferred supplier can claim the incentive at any time, therefore, the timing of the obligation is not known. The amount of the obligation is known as the approval letter specifies the maximum amount payable to the grantee.

### 30.1 Reconciliation of movement in provisions – 2021/22

	EMIA R'000	Total Provisions R'000
Opening balance	1 418	1 418
Increase in provision	67 192	67 192
Settlement of provision	(65 645)	(65 645)
Unused amount reversed	(844)	(844)
<b>CLOSING BALANCE</b>	<b>2 121</b>	<b>2 121</b>

### 30.2 Reconciliation of movement in provisions – 2020/21

	EMIA R'000	Total Provisions R'000
Opening balance	27 101	27 101
Increase in provision	18 721	18 721
Settlement of provision	(31 131)	(31 131)
Unused amount reversed	(13 273)	(13 273)
Change in provision due to change is estimation inputs	-	-
<b>CLOSING BALANCE</b>	<b>1 418</b>	<b>1 418</b>

## 31. Movable tangible capital assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>195 315</b>		<b>2 450</b>	<b>(12 861)</b>	<b>184 904</b>
Transport assets	8 711	-	1 544	-	10 255
Computer equipment	162 097	-	476	(11 646)	150 927
Furniture and office equipment	10 806	-	57	(1 156)	9 707
Other machinery and equipment	13 701	-	373	(59)	14 015
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>195 315</b>	<b>-</b>	<b>2 450</b>	<b>(12 861)</b>	<b>184 904</b>

Assets with an amount of R527 thousand are reported as stolen. Assets will be removed from the FAR once approval is granted. Approval was granted to auction motor vehicles through G-fleet; amount to be received for the sale of motor vehicles is currently unknown.

### Movable tangible capital assets under investigation

	Number	Value
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		<b>R'000</b>
Machinery and equipment	48	731

### 31.1 Movement for 2020/21

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>161 826</b>	-	<b>42 693</b>	<b>(9 204)</b>	<b>195 315</b>
Transport assets	9 031	-	640	(960)	8 711
Computer equipment	126 323	-	40 497	(4 723)	162 097
Furniture and office equipment	12 127	-	904	(2 225)	10 806
Other machinery and equipment	14 345	-	652	(1 296)	13 701
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>161 826</b>	-	<b>42 693</b>	<b>(9 204)</b>	<b>195 315</b>

### 31.2 Minor assets

#### MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2022

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	2 958	5 214	-	8 172
Value adjustments	-	-	-	-
Additions	-	81	-	81
Disposals	-	(17)	-	(17)
<b>TOTAL MINOR ASSETS</b>	<b>2 958</b>	<b>5 278</b>	-	<b>8 236</b>

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	47	-	47
Number of minor assets at cost	2 587	2 963	-	5 550
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>2 587</b>	<b>3 010</b>	<b>-</b>	<b>5 597</b>

Minor capital assets under investigation	Number	Value
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	38	66

### MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2021

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	2 958	5 876	8 834
Prior period error	-	-	-
Additions	-	22	22
Disposals	-	(684)	(684)
<b>TOTAL MINOR ASSETS</b>	<b>2 958</b>	<b>5 214</b>	<b>8 172</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	47	47
Number of minor assets at cost	2 587	2 949	5 536
<b>TOTAL MINOR ASSETS</b>	<b>2 587</b>	<b>2 996</b>	<b>5 583</b>

### 31.3 Moveable assets written off

#### MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	Machinery and equipment R'000	Total R'000
Assets written off	490	490
<b>TOTAL</b>	<b>490</b>	<b>490</b>

**MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2021**

	Machinery and equipment	Total
	R'000	R'000
Assets written off	302	302
<b>TOTAL</b>	<b>302</b>	<b>302</b>

**32. Intangible capital assets****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	67 016	337	(4 192)	63 161
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>67 016</b>	<b>337</b>	<b>(4 192)</b>	<b>63 161</b>

**32.1 Movement for 2020/21****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	67 016	-	-	67 016
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>67 016</b>	<b>-</b>	<b>-</b>	<b>67 016</b>

**33. Prior period errors**

	Note	Amount before error correction	Prior period error 2020/21	Restated Amount
		R'000	R'000	R'000
<b>Liabilities</b>				
<sup>1</sup> Contingent liabilities	19	9 446 946	(1 633)	9 445 313
<b>Net effect</b>		<b>9 446 946</b>	<b>(1 633)</b>	<b>9 445 313</b>

<sup>1</sup> The closing balance relating to the Cluster Development Programme incentive was overstated in 2017.

### 34. Broad-Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 35. COVID-19 response expenditure

		2021/22	2020/21
	Note	R'000	R'000
Compensation of employees	<i>Annexure 7</i>	-	-
Goods and services		35	564
<b>Total</b>		<b>35</b>	<b>564</b>

## Annexures to the Annual Financial Statements for the year ended March 2022

**ANNEXURE 1A  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2020/21 Final Appropriation R'000	
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer		% of Available funds transferred
	R'000	R'000	R'000	R'000	R'000		%
Companies Tribunal	20 313	-	-	20 313	20 313	100%	20 752
National Consumer Commission	58 505	-	-	58 505	58 505	100%	51 530
Competition Commission	439 550	-	-	439 550	439 550	100%	302 586
Competition Tribunal	36 970	-	-	36 970	36 970	100%	32 342
International Trade Administration Commission	112 478	-	-	112 478	112 478	100%	95 998
National Consumer Tribunal	53 515	-	-	53 515	53 515	100%	47 492
National Credit Regulator	82 632	-	-	82 632	82 632	100%	71 272
National Gambling Board	35 928	-	-	35 928	35 928	100%	31 027
National Metrology Institute of South Africa: Operations	121 061	-	-	121 061	121 061	100%	103 550
National Metrology Institute of South Africa	140 655	-	-	140 655	140 655	100%	119 741
National Productivity Institute	10 389	-	4 239	14 628	14 628	100%	10 741
National Regulator for Compulsory Specifications	144 099	-	-	144 099	144 099	100%	126 126
South African National Accreditation System	32 967	-	-	32 967	32 967	100%	28 748
Council for Geoscience	1 398	-	-	1 398	1 398	100%	1 052
<b>Total</b>	<b>1 290 460</b>	<b>-</b>	<b>4 239</b>	<b>1 294 699</b>	<b>1 294 699</b>	<b>100%</b>	<b>1 042 957</b>



## ANNEXURE 1B

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public corporations</b>									
<b>Transfers</b>	<b>5 655 090</b>	<b>-</b>	<b>419 986</b>	<b>6 075 076</b>	<b>6 049 061</b>	<b>99.6%</b>	<b>1 754 350</b>	<b>4 294 711</b>	<b>4 413 678</b>
Council for Scientific and Industrial Research: Fibre and Textile	2 047	-	-	2 047	2 047	100.0%	-	2 047	1 606
Council for Scientific and Industrial Research: Aerospace Industry	29 967	-	-	29 967	29 967	100.0%	-	29 967	20 154
Council for Scientific and Industrial Research: National Cleaner Production Centre	62 926	-	-	62 926	62 926	100.0%	-	62 926	48 023
Export Credit Insurance Corporation	208 078	-	-	208 078	208 078	100.0%	-	208 078	162 712
Industrial Development Corporation: Clothing and Textile Production Incentive	577 363	-	(100 000)	477 363	477 363	100.0%	-	477 363	624 080
Industrial Development Corporation: Customised Sector Programme	10 000	-	-	10 000	10 000	100.0%	-	10 000	12 949
Council for Scientific and Industrial Research: National Foundry Technology Network	19 309	-	-	19 309	19 309	100.0%	-	19 309	18 801
ProTechnik Laboratories: Capital	1 592	-	(1 500)	92	-	-	-	-	-
ProTechnik Laboratories: Operations	3 715	-	-	3 715	3 648	98.2%	-	3 648	3 645

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21	
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
South African Bureau of Standards	328 819	-	-	328 819	328 819	100.0%	-	328 819	270 421	
Various Institutions Critical Infrastructure Programme: Industrial Parks	130 921	-	(35 000)	95 921	84 262	87.8%	84 262	-	54 552	
Various Institutions: Special Economic Zones	1 304 670	-	365 553	1 670 223	1 670 088	99.9%	1 670 088	-	1 975 750	
Industrial Development Corporation: Tirisano Trust Fund	51 250	-	-	51 250	46 221	90.2%	-	46 221	93 750	
Industrial Development Corporation: Steel Development	37 727	-	-	37 727	37 727	100.0%	-	37 727	29 449	
Industrial Development Corporation: SEFA	251 706	-	-	251 706	251 706	100.0%	-	251 706	196 786	
Industrial Development Zone other	20 000	-	(6 600)	13 400	13 400	100.0%	-	13 400	-	
Industrial Development Corporation: Industrial Financing	1 800 000	-	197 533	1 997 533	1 997 500	99.9%	-	1 997 500	892 000	
Industrial Development Corporation: Social Employment Fund	800 000	-	-	800 000	800 000	100.0%	-	800 000	-	
Various Institutions: One Stop Shop	15 000	-	-	15 000	6 000	40.0%	-	6 000	9 000	
<b>Subsidies</b>	-	-	-	-	-	-	-	-	-	
<b>Subtotal: Public corporations</b>	<b>5 655 090</b>	<b>-</b>	<b>419 986</b>	<b>6 075 076</b>	<b>6 049 061</b>	<b>99.6%</b>	<b>1 754 350</b>	<b>4 294 711</b>	<b>4 413 678</b>	
<b>Private enterprises</b>										
<b>Transfers</b>	<b>524 844</b>	<b>-</b>	<b>(335 000)</b>	<b>189 844</b>	<b>184 276</b>	<b>97.1%</b>	<b>113 574</b>	<b>70 702</b>	<b>59 874</b>	

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2020/21	
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Appropriation		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Various institutions: Export Market and Investment Assistance	139 067	-	(85 000)	54 067	53 806	99.5%	-	53 806	23 482		
Various Institutions Support Programme for Industrial Innovation	72 203	-	(50 000)	22 203	16 896	76.1%	-	16 896	11 521		
Various institutions: Critical Infrastructure Programme	313 574	-	(200 000)	113 574	113 574	100.0%	113 574	-	24 871		
<b>Subsidies</b>	<b>2 284 711</b>	<b>-</b>	<b>105 000</b>	<b>2 389 711</b>	<b>2 378 105</b>	<b>99.5%</b>	<b>-</b>	<b>2 378 105</b>	<b>1 882 336</b>		
Automotive Production and Development Programme: Production Allowance	935 517	-	137 681	1 073 198	1 073 198	100.0%	-	1 073 198	733 497		
Supplier Cluster Development	4 739	-	(858)	3 881	3 880	99.9%	-	3 880	869		
National Research Foundation: Technology and Human Resources for Industrial Programme	94 784	-	(36 705)	58 079	46 781	80.5%	-	46 781	83 891		
Business Process Service Incentive	349 581	-	158 388	507 969	507 743	99.9%	-	507 743	419 012		
Enterprise Investment Programme	151 655	-	(133 605)	18 050	18 050	100.0%	-	18 050	48 921		
Film and Television Production Incentive	362 427	-	(8 388)	354 039	354 039	100.0%	-	354 039	141 637		
Industrial Development Zone - Other	-	-	-	-	-	-	-	-	22 800		
Manufacturing Competitiveness Enhancement Programme	386 008	-	(11 513)	374 495	374 414	99.9%	-	374 414	431 709		
<b>Subtotal: Private enterprises</b>	<b>2 809 555</b>	<b>-</b>	<b>(230 000)</b>	<b>2 579 555</b>	<b>2 562 381</b>	<b>99.3%</b>	<b>113 574</b>	<b>2 448 807</b>	<b>1 942 210</b>		
<b>TOTAL</b>	<b>8 464 645</b>	<b>-</b>	<b>189 986</b>	<b>8 654 631</b>	<b>8 611 442</b>	<b>99.5%</b>	<b>1 867 924</b>	<b>6 743 518</b>	<b>6 355 888</b>		

## ANNEXURE 1C

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21 Final Appropriation R'000
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
World Trade Organisation	17 420	-	(3 214)	14 206	14 206	100.0%	14 672
Organisation for the Prohibition of Chemical Weapons	6 213	-	(3 297)	2 916	2 916	100.0%	4 405
United Nations: Treaty on the Prohibition of Nuclear Weapons	330	-	-	330	330	100.0%	-
United Nations Industrial Development Organisation	8 130	-	(2 800)	5 330	5 235	98.2%	4 735
World Intellectual Property Organisation	6 214	-	(500)	5 714	5 668	99.2%	5 487
Treaty Organisation for Metrology	2 160	-	-	2 160	1 972	91.3%	2 492
<b>Total</b>	<b>40 467</b>	<b>-</b>	<b>(9 811)</b>	<b>30 656</b>	<b>30 327</b>		<b>31 791</b>

## ANNEXURE 1D

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Proudly South African Campaign	44 166	-	-	44 166	44 165	99.9%	35 475
Intsimbi Future Production Technologies Initiatives	66 257	-	-	66 257	66 257	100%	61 840
Centurion Aerospace Village	17 922	-	-	17 922	17 922	100%	15 531
Trade and Industrial Policy Strategies	18 235	-	-	18 235	18 235	100%	18 243
Automotive Supply Chain Competitiveness Initiative	9 656	-	(4 546)	5 110	5 110	100%	8 368
Black Business Council	1 644	-	-	1 644	1 644	100%	1 425
<b>Total</b>	<b>157 880</b>	<b>-</b>	<b>(4 546)</b>	<b>153 334</b>	<b>153 333</b>		<b>140 882</b>

**ANNEXURE 1E**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2020/21 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%		
<b>Transfers</b>								
Employee social benefits	1 271	-	5 710	6 981	6 969	99.8%	2 240	
Gifts and donations	-	-	39	39	38	97.4%	100	
Payments/refunds and remissions as an act of grace	-	-	36	36	36	100%	37	
Claims against the state	-	-	-	-	-	-	1 705	
<b>Total</b>	<b>1 271</b>	<b>-</b>	<b>5 785</b>	<b>7 056</b>	<b>7 043</b>		<b>4 082</b>	

**ANNEXURE 1F**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
<b>Received in kind</b>			
Chinese Embassy of South Africa	Donation of surgical masks to fight against COVID-19	-	240
Ford Motor Company of SA	Donation of face shields to fight COVID-19	-	75
Rheinmetall Denel Munition	Sponsored venue and lunch for Industry Outreach	8	-
Organisation for the Prohibition of Chemical Weapons	Sponsored trip for <b>the dtic</b> officials to participate in the Regional Joint Review Workshop	56	-
European Union	Sponsored Europe study tour for <b>the dtic</b> official	37	-
Miscellaneous	Courtesy gifts	12	6
<b>Total</b>		<b>113</b>	<b>321</b>

## ANNEXURE 1G

## STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
Employment Creation Fund	To create long-term sustainable employment	16 351	-	-	16 351	-
Flemish Government	To develop a social economy policy for South Africa	1 160	-	-	1 160	-
<b>TOTAL</b>		<b>17 511</b>	<b>-</b>	<b>-</b>	<b>17 511</b>	<b>-</b>



## ANNEXURE 1H

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22 R'000	2020/21 R'000
<b>Paid in cash</b>		
Bereavement of employees	36	42
<b>Subtotal</b>	<b>36</b>	<b>42</b>
<b>Made in kind</b>		
Ministerial outreach programme	38	100
Donation of used computers	5	-
Miscellaneous (e.g. hospitality gifts and long service awards)	3	39
<b>Subtotal</b>	<b>46</b>	<b>139</b>
<b>Total</b>	<b>82</b>	<b>181</b>

## ANNEXURE 2A

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entity's PFMA Schedule type (state year-end if not 31 March)	% of shares held		Number of shares held		Cost of investment R'000	Net Asset Value of investment R'000		Profit/(loss) for the year R'000		Losses guaranteed	
		2021/22	2020/21	2021/22	2020/21		2021/22	2020/21	2021/22	2020/21		
<b>National/Provincial Public Entity</b>												
Industrial Development Corporation of SA	Schedule 2	100	100	1 392 969 357	1 392 969 357	1 392 969	160 001 000	128 437 000	5 293 000	2 487 000		No
<b>TOTAL</b>				1 392 969 357	1 392 969 357	1 392 969	160 001 000	128 437 000	5 293 000	2 487 000		

## ANNEXURE 2B

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (continued)

Name of public entity	Nature of business	Cost of investment R'000		Net Asset Value of investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
<b>Controlled entities</b>									
Industrial Development Corporation of SA	Contribution to growth industrial development and economic empowerment through its financial activities	1 392 969	1 392 969	160 001 000	128 437 000	-	-	-	-
<b>TOTAL</b>		<b>1 392 969</b>	<b>1 392 969</b>	<b>160 001 000</b>	<b>128 437 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE 3A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Housing</b>									
ABSA	Housing	111	111	-	111	-	-	-	-
<b>Subtotal</b>		<b>111</b>	<b>111</b>	<b>-</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>		<b>111</b>	<b>111</b>	<b>-</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE 3A (continued)

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – FOREIGN

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
KFW	IDC	496 138	145 053	-	6 126	(9 247)	129 680	-	5
<b>Subtotal</b>		<b>496 138</b>	<b>145 053</b>	<b>-</b>	<b>6 126</b>	<b>(9 247)</b>	<b>129 680</b>	<b>-</b>	<b>5</b>
<b>TOTAL</b>		<b>496 138</b>	<b>145 053</b>	<b>-</b>	<b>6 126</b>	<b>(9 247)</b>	<b>129 680</b>	<b>-</b>	<b>5</b>

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

NATURE OF LIABILITY	Opening balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Automotive Incentive Scheme (AIS)	2 503 143	2 952 381	2 604 473	-	2 851 051
Business Process Services (BPS)	320 579	513 380	528 375	-	305 584
Film and Television Production	1 664 027	694 511	442 029	-	1 916 509
Critical Infrastructure Programme (CIP)	479 833	433 999	252 643	-	661 189
Capital Project Feasibility Programme (CPFP)	1 159	-	1 159	-	-
Manufacturing Competitive Enhancement Programme (MCEP)	57 560	-	5 000	-	52 560
Incubator Support Programme (ISP)	-	5 974	5 974	-	-
Aquaculture Development Enhancement Programme (ADEP)	196 652	4 834	73 717	-	127 769
Support Programme for Industrial Innovation (SPII)	102 217	30 193	23 366	-	109 044
Cluster Development Programme (CDP)	17 834	-	17 834	-	-
Black Industrialist Scheme (BIS)	1 694 794	380 121	529 173	-	1 545 742
Technology and Human Resources for Industry Programme (THRIP)	411 536	-	105 729	-	305 807
Aggro-Processing Support Scheme (APSS)	93 382	24 181	54 045	-	63 518

NATURE OF LIABILITY	Opening balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Special Economic Zones	1 862 965	378 716	1 832 986	-	408 695
Special Partnership Programme	19 778	10	17 250	-	2 538
Critical Infrastructure Recovery Programme	-	198 291	-	-	198 291
Rainprop	13 429	303 554	305 803	-	11 180
Interactive trading	895	-	895	-	-
Property Management Trading Entity	289	-	237	-	52
The Clothing Bank	-	3 253	-	-	3 253
Mellow shark	-	3 278	-	-	3 278
Keolebogile Consortium	105	-	-	-	105
Mthimkhulu	1 257	488	-	-	1 745
T Nthutang	281	-	-	-	281
N Mekgwe	3 598	752	-	-	4 350
Blue Ice Africa	-	9 271	-	-	9 271
<b>TOTAL</b>	<b>9 445 313</b>	<b>5 937 187</b>	<b>6 800 688</b>	<b>-</b>	<b>8 581 812</b>

## ANNEXURE 4

## CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six working days after year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Department of Small Business Development	21	-	-	65	21	65	-	-
Eastern Cape: Department of Employment and Labour	-	-	106	-	106	-	-	-
Gauteng: Department of Health	-	-	41	-	41	-	-	-
Chief of Justice	-	-	84	-	84	-	-	-
<b>Subtotal</b>	<b>21</b>	<b>-</b>	<b>231</b>	<b>65</b>	<b>252</b>	<b>65</b>	<b>-</b>	<b>-</b>
<b>OTHER GOVERNMENT ENTITIES</b>								
Companies and Intellectual Property Commission	-	2 068	2 121	-	2 121	2 068		
Competition Tribunal	1	1	-	-	1	1		
Companies Tribunal	-	-	2	3	2	3		
International Trade Administration Commission	-	-	26	173	26	173		
The Competition Commission	-	-	1 152	1 065	1 152	1 065		



GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six working days after year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
South African National Accreditation System	-	-	1 491	-	1 491	-		
Tshwane Automotive Special Economic Zone	-	-	-	85	-	85		
Subtotal	1	2 069	4 792	1 326	4 793	3 395		
TOTAL	22	2 069	5 023	1 391	5 045	3 460		

## ANNEXURE 5

## INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*	Amount
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Department of Justice and Constitutional	23 587	16 143	-	-	23 587	16 143	-	-
Department of Public Works	51	35	-	-	51	35	-	-
<b>Subtotal</b>	<b>23 638</b>	<b>16 178</b>	<b>-</b>	<b>-</b>	<b>23 638</b>	<b>16 178</b>	<b>-</b>	<b>-</b>
<b>OTHER GOVERNMENT ENTITY</b>								
<b>Current</b>								
National School of Government	-	190	-	-	-	190	-	-
National Gambling Board	-	45	-	-	-	45	-	-
South African Revenue Services	-	3 413	-	-	-	3 413	-	-
<b>Subtotal</b>	<b>-</b>	<b>3 648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 648</b>	<b>-</b>	<b>-</b>
<b>TOTAL INTERGOVERNMENTAL PAYABLES</b>	<b>23 638</b>	<b>19 826</b>	<b>-</b>	<b>-</b>	<b>23 638</b>	<b>19 826</b>	<b>-</b>	<b>-</b>

## ANNEXURE 6A

## INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Co-operation	-	-	54 089	33 145	54 089	33 145
<b>Subtotal</b>	-	-	54 089	33 145	54 089	33 145
<b>PUBLIC ENTITIES</b>						
Development Bank of South Africa	-	-	11 596	-	11 596	-
National School of Government	-	-	2 072	-	2 072	-
<b>Subtotal</b>	-	-	13 668	-	13 668	-
<b>TOTAL</b>	-	-	67 757	33 145	67 757	33 145

## ANNEXURE 6B

## INTER-ENTITY ADVANCES RECEIVED (note 16)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PUBLIC ENTITIES</b>						
<b>Current</b>						
National Skills Fund	-	-	-	5 711	-	5 711
<b>Subtotal</b>	-	-	-	<b>5 711</b>	-	<b>5 711</b>
<b>TOTAL</b>	-	-	-	<b>5 711</b>	-	<b>5 711</b>
<b>Current</b>	-	-	-	<b>5 711</b>	-	<b>5 711</b>

## ANNEXURE 7

## COVID-19 RESPONSE TO EXPENDITURE

## Per quarter and in total

Expenditure per economic classification	APRIL 2021	MAY 2021	JUN 2021	Subtotal Q1	JUL 2021	AUG 2021	SEPT 2021	Subtotal Q2	OCT 2021	NOV 2021	DEC 2021	Subtotal Q3	JAN 2022	FEB 2022	MAR 2022	Subtotal Q4	2021/22 TOTAL	2020/21 TOTAL	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Goods services</b>	-	2	1	3	-	1	2	3	1	5	-	6	2	15	6	23	35	564	
CONS SUPP:MEDICAL SUPPLIES	-	-	1	1	-	1	1	2	-	-	-	-	-	-	-	-	-	446	
CONS HOUS SUP:DIS PAPER/PLAST	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	-	4	
CONS HOUS SUP:TOILETRIES	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	12	12	49	
CONS HOUS SUP:WASH/CLEAN DETE	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	1	2	1	
P/P:PEST CNTRL/ FUMIGATION SER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	
CONS:SP& OS:STATIONERY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	
CONTRCTRS:MEDICAL SERVICE	-	2	-	2	-	-	-	-	-	1	-	1	-	-	-	-	-	14	
MEDICAL LAB SERV OTH	-	-	-	-	-	-	-	-	-	4	-	4	2	3	5	10	14	-	
<b>TOTAL COVID-19 RESPONSE EXPENDITURE</b>	-	2	1	3	-	1	2	3	1	5	-	6	2	15	6	23	35	564	

# Part F

# Foreign Economic Offices



East Africa and SADC		
Mission	Economic Office Staff	Telephone/Facsimile/e-mail
<p><b>Addis Ababa</b></p> <p>S A Embassy, Higher 23, Kebele 10, House No 1885, Addis Ababa, ETHIOPIA Postal address P O Box 1091, Addis Ababa, ETHIOPIA</p> <p><b>+1 HOUR</b></p>	<p>Vacant Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00251 11 371 1002</p> <p>M 00251 922 73 9017</p> <p>F 00251 11 371 3035</p>
<p><b>Harare</b></p> <p>S A High Commission, 7 Elcombe Road, Belgravia, Harare, ZIMBABWE Postal Address: P O Box A1654 Avondale, Harare, ZIMBABWE</p> <p><b>0 HOURS</b></p>	<p>Mr Sisanda Mtwazi Counsellor (Economic)</p> <p>Mr Keith Goto Marketing Officer</p> <p>Vacant Secretary</p>	<p>T 00263 4 251 849 00263 4 251 853</p> <p>M 00263 78 270 3972 (Sisanda) 00263 772 135 344 (Keith)</p> <p>F 00263 4 753 185 00263 4 749 657</p> <p>E smtwazi@saembassy.co.zw trade@saembassy.co.zw trademarketing@saembassy.co.zw SMtwazi@thedti.gov.za</p>
<p><b>Kampala</b></p> <p>S A High Commission, 15A Nakasero Road, Kampala, UGANDA Postal Address: P O Box 22667 KAMPALA</p> <p><b>+1 HOURS</b></p>	<p>Vacant: Counsellor (Economic)</p> <p>Vacant: Marketing Officer</p>	<p>T 00256 41 770 2100</p> <p>F 00256 41 434 8216</p>
<p><b>Kinshasa</b></p> <p>S A Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, DEMOCRATIC REPUBLIC OF THE CONGO (DRC) Postal address Boite Postale 7829, Kinshasa 1, DRC</p> <p><b>-1 HOURS</b></p>	<p>Mr Siphamandla Kumkani Counsellor (Economic)</p> <p>Ms Vanessa Kasongo Marketing Officer</p> <p>Mr Victor M Mulenda Driver</p>	<p>T 00243 81 556 6598</p> <p>M 00243 82 850 2631 (Vanessa) 00233 81 056 4151 (Siphamandla)</p> <p>F 00243</p> <p>E KasongoV@dirco.gov.za KumkaniS@dirco.gov.za</p>

East Africa and SADC		
Mission	Economic Office Staff	Telephone/Facsimile/e-mail
<p><b>Luanda</b></p> <p>SA Embassy, Condominio Ouro Verde II, Premio Dubai Road, Municipio da Samba Sector ZRGA, Talatona, Luanda, ANGOLA</p> <p><b>-1 HOURS</b></p>	<p>Mr Meshack Mathye Counsellor (Economic)</p> <p>Mr Antonio Coutinho Dos Santos Marketing Officer</p> <p>Vacant Driver</p>	<p>T 00244 22 33 9126</p> <p>M 00244 94 288 9535 (Meshack) 00244 93 778 2753 (Antonio)</p> <p>F 00244 222 39 8730</p> <p>E MMathye@thedtic.gov.za coutinhosantossaembassy@gmail.com</p>
<p><b>Maputo</b></p> <p>SA High Commission Avenida Eduardo Mondlane 41 Caixa Postal 1120 Maputo, MOZAMBIQUE</p> <p><b>0 HOURS</b></p>	<p>Ms Tinyiko Mafowane Counsellor (Economic)</p> <p>Mr Luis Labo Marketing Officer</p> <p>Ms Nadia Babar Secretary</p>	<p>T 00258 21 243000 x 52262</p> <p>M 00258 84 398 7120 (Luis) 00258 84 737 6870 (Nadia) 00258 84 311 5946 (Tinyiko)</p> <p>F 00258 21 488896</p> <p>E saeconomic@tropical.co.mz satrade@tropical.co.mz saeconomic.mail@tropical.co.mz TMafuwane@thedti.gov.za</p>
<p><b>Nairobi</b></p> <p>SA High Commission, 5th Floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, KENYA Postal Address: P O Box 42441, Nairobi, KENYA.</p> <p><b>+1 HOUR</b></p>	<p>Ms Zanele Sanni Counsellor (Economic)</p> <p>Mr Gerald Ockotch Marketing Officer</p> <p>Ms Verydiana Selebwa Secretary</p>	<p>T 00254 20 282 7000/7218 Direct</p> <p>M 00254 71 460 6812 00254 79 325 8958 (Zanele)</p> <p>F 00254 20 282 7219/7236</p> <p>E ockotchg@dirco.gov.za SanniZ@dirco.gov.za</p>
<p><b>Juba</b></p> <p>SA Embassy, House 873 Southern Block K-3-K South Tongping Area Juba South Sudan</p>	<p>Vacant Counsellor (Economics)</p>	<p>T 00211</p> <p>M 00211 923 00 4783</p>



<b>West Africa and Middle East Region</b>		
<b>Mission</b>	<b>Economic Office Staff</b>	<b>Telephone/Facsimile/e-mail</b>
<b>Abuja</b>  South African High Commission, 371 Diplomatic Drive, Central Business District, Abuja, Nigeria  <b>- 1 HOURS</b>	Mr Greg Munyai Counsellor (Economic)  Mr Abdul-Muizz Momodu Marketing Officer	T 00234 9 782 2852  M 00234 90 6297 8001 (Greg) 00234 70 3408 9962 (Abdul)  F 00234 9 413 3829  E muizzmomodu@gmail.com GMunyai@thedtic.gov.za
<b>Accra</b>  SA High Commission, 10 Klotey Crescent, North Labone, Accra, GHANA Postal Address P O Box 298, Trade Fair, Accra, GHANA  <b>-2 HOURS</b>	Mr Mzwakhe Lubisi Counsellor (Economic)  Mr Stephen Nii Kotey Marketing Officer	T 00233 302 740465  M 00233 244 340 200 (Mzwakhe) 00233 249 113 750 (Stephen)  F 00233 302 764460  E MLubisi@thedti.gov.za kotey@dirco.gov.za
<b>Cairo</b>  S A Embassy, Building 11, Intersection Road 200 & 203, Digla-Maadi, Cairo, EGYPT Postal Address:  <b>+1 HOURS</b>  <b>Working week is from Sunday - Thursday</b>	Vacant Consellor (Economic)  Ms Abeer Aboul Enein Marketing Officer  Vacant Secretary	T 00 202 253 53028/000  M 00 201 005 451 399 (Abeer)  F 00 202 2521 3261  E essaemb@idsc.net.eg
<b>Algiers</b>  S A Embassy, 21 Rue du Stade, Hydra, Algiers 16000, Algeria  <b>+2 HOURS</b>	Vacant Counsellor (Economic)	T 00213 2148 4418  M 00213 7708 7006  F 00213 2148 4419
<b>Dakar</b>  SA Embassy, Mermoz Sud, Lotissement Ecole de Police. Lot no. 5 Dakar, Senegal Postal Address: BP 21010, Dakar-Ponty, Dakar Senegal no. 5, Dakar, Senegal  <b>-2 HOURS</b>	Mr Karabo Modimokwane Counsellor (Economic)  Vacant Marketing Officer  Ms Rokhaya Diop Trade Secretary	T 00221 22 864 7363 (Karabo) 00221 33 864 6055 (Rokhaya)  M 00221 77 819 6113 (Karabo) 00221 78 526 6760 (Rokhaya)  F 00221 33 824 2125  E KModimokwane@thedtic.gov.za tradesa@orange.sn  W www.saesenegal.info

## West Africa and Middle East Region

Mission	Economic Office Staff	Telephone/Facsimile/e-mail
<p><b>Dubai</b></p> <p>South African Consulate, Khalid Bin Waleed Street, Al Karama, Bur Dubai, UNITED ARAB EMIRATES Postal Address P O Box 34800, Dubai, UNITED ARAB EMIRATES</p> <p><b>+ 2 HOURS</b></p> <p><b>Working week is from Sunday - Thursday</b></p>	<p>Vacant Consul (Economic)</p> <p>Vacant Marketing Officer</p> <p>Vacant Trade Assistant</p>	<p>T 00971 4 370 9901 (Direct) 00971 4 397 5222 (Switchboard)</p> <p>F 00971 4 397 9602</p> <p>E tradeassistant@thedti.ae</p>
<p><b>Riyadh</b></p> <p>South African Embassy, 150 King Kalid Street, Um Al-Hammam District East, Riyadh, SAUDI ARABIA Postal Address: P O Box 94006 Riyadh 11693</p> <p><b>+1 HOURS</b></p> <p><b>Working week is from Saturday - Wednesday</b></p>	<p>Vacant Counsellor(Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00 966 1 442 9716</p> <p>M 00 966 5 5882 6556</p> <p>F 00 966 1 442 9708</p>
<p><b>Tehran</b></p> <p>SA Embassy, No 5 Yekta St, Bagh-e-Ferdows, Valise Ave, Tajrish Sq, Tehran, ISLAMIC REPUBLIC OF IRAN Postal Address: P O Box 11365-7476, Tehran, Iran</p> <p><b>+2½ HOURS</b></p> <p><b>Working week is from Sunday - Thursday</b></p>	<p>Vacant Counsellor (Economic)</p> <p>Mr Fariborz Farzaneh Marketing Officer</p> <p>Vacant Secretary</p>	<p>T 0098 21 2270 2866 Ext 302</p> <p>M 0098 912 823 8405</p> <p>F 0098 21 2271 6192</p> <p>E ffarzaneh@satrade.ir</p>

Asia East Region			
Mission	Economic Office Staff	Telephone/Facsimile/e-mail	
<b>Beijing</b>  South African Embassy, 5 Dongzhimenwai Dajie, Sanlitun, Chaoyang District, Beijing, PEOPLE'S REPUBLIC OF CHINA  <b>+6 HOURS</b>	Mr Yusuf Timol Minister (Economic)	T	0086 10 853 20000
	Vacant Marketing Officer	M	0086 136 0116 9744 (Yusuf)
	Vacant Secretary	F	0086 10 6532 0182
		E	timoly@saembassy.org.cn
<b>Hong Kong (Also Macau)</b>  SA Consulate General, Hong Kong SAR & Macao SAR, Room 1906-8, 19th Floor Central Plaza, 18 Harbour Road, Wanchai, HONG KONG  <b>+6 HOURS</b>	Vacant Marketing Officer	T	00 852 3926 4300
		F	00 852 2577 4532
<b>Seoul</b>  SA Embassy, 104 Dokseodang, Hannam- dong, Yongsan - ku, Seoul, SOUTH KOREA  <b>+7 HOURS</b>	Ms Seema Sardha Counsellor (Economic)	T	0082 2 795 0948
	Mr Kwangsu Jin Marketing Officer	M	0082 10 9038 0948 (Seema) 0082 10 3467 9668 (Kwangsu) 0082 10 4125 2856 (Sungwan)
	Mr Sung-Wan Im Trade Secretary	F	0082 2 795 0949
		E	satrade@korea.com SSardha@thedti.gov.za ksjin@southafrica-embassy.or.kr
<b>Shanghai</b>  South African Consulate-General 222 Yan An Road East 27th Floor, Room 2705/6 Shanghai, PEOPLES REPUBLIC OF CHINA  <b>+6 HOURS</b>	Mr Rirhandzu Mahlale Consul (Economic)	T	0086 21 5359 4977
	Vacant Marketing Officer (x103)	M	0086 138 1661 3041 (Rirhandzu)
		F	0086 21 6335 2820
		E	dtishanghai@rsaconsulate.com RMahlale@thedtic.gov.za MahlaleR@dirco.gov.za
<b>Tokyo</b>  SA Embassy, 4th Floor Hanzomon First Building,1-4 Kojimachi, Chiyoda-ku , Tokyo 102-0083, JAPAN  <b>+7 HOURS</b>	Mr Riaan le Roux Counsellor (Economic)	T	0081 3 3265 3366 (Riaan) 0081 3 3265 2123 (Tomoko)
	Ms Tomoko Yamaguchi Marketing Officer	M	0081 90 1429 3880 (Riaan)
	Vacant Marketing Officer	F	0081 3 3261 6445
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Asia West Region			
Mission	Economic Office Staff	Telephone/Facsimile/e-mail	
<b>Bangkok</b> <b>(also: Vietnam, Cambodia, Myanmar and Laos)</b>  SA Embassy, 12th A Floor, M-Thai Tower, All Seasons Place, 87 Wireless Road, Pathumwan, Bangkok 10330, THAILAND  <b>+5 HOURS</b>	Vacant Marketing Officer  Mr Kanapich Nildamon Driver	T	0066 2 659 2900 0066 2 659 2906 (Direct)
		M	0066 81 808 5400
		F	0066 2 250 1065
<b>Canberra</b> <b>(also: New Zealand)</b>  SA High Commission, Rhodes Place, State Circle, Yarralumla, Canberra, A.C.T 2600, AUSTRALIA  <b>+8 HOURS</b>	Mr Syed M H Jaffry Marketing Officer  Kala Govind Trade Assistant	T	0061 2 6272 7300 (Switchboard) 0061 2 6272 7328 (Direct)
		M	0061 416 197 460
		F	0061 2 6273 4995
		E	samarket@optusnet.com.au satrade@optusnet.com.au
<b>Jakarta</b>  SA Embassy, 7th floor, Wisma GKBI, Site 705, JL Jend. Sudiman No 28 Jakarta 10210, INDONESIA  <b>+5 HOURS</b>	Vacant Marketing Officer	T	0062 21 574 0660
		M	0062 861 137 7339
		F	0062 21 572 2206 0062 21 574 0661/0655
<b>Kuala Lumpur</b> <b>(also: Philippines and Brunei)</b>  South African High Commission Suite 22-01, Level 22, Menara HLA, No 3 Jalan Kia Peng, 50450 Kuala Lumpur, MALAYSIA  <b>+6 HOURS</b>	Ms Chang Hou Yea Marketing Officer	T	0060 3 2170 2400 Ext 32423
		M	0060 12 312 2512
		F	0060 3 2168 8591
		E	CHouYea@thedtic.gov.za changh@sahckl.net
<b>Mumbai</b>  SA Consulate General, Urmi Estate 9th Floor, Tower A 95 Ganpatrao Kadam Marg, Lower Parel (W) Mumbai 400013, INDIA  <b>+3½ HOURS</b>	Mr Dean Hoff Consul (Economic)  Mr Rajan Kumar Marketing Officer  Mr Ravi Ramaiah Driver	T	0091 22 2491 4238 (Dean) 0091 22 2495 5436 (Rajan)
		M	0091 829 1003 277 (Dean) 0091 998 7345 599 (Rajan) 0091 998 7590 967 (Ravi)
		F	0091 22 2352 1158
		E	DHoff@thedtic.gov.za rajan@dtimumbai.com RKumar@thedtic.gov.za

Asia West Region			
Mission	Economic Office Staff	Telephone/Facsimile/e-mail	
<b>New Delhi</b>  South African High Commission, B-18 Vasant Marg, Vasant Vihar, New Delhi - 110045, INDIA  <b>+3½ HOURS</b>	Vacant Minister Counsellor (Economic)	T	0091 11 2614 8606
	Vacant Marketing Officer	M	0091 98 1817 5505 (Recado) 0091 98 1817 5507 (Ravi)
	Mr Ravi Issar Marketing Officer	F	0091 11 2614 3605
	Ms Sonu Batra Secretary	E	rissar@thedtic.gov.za SBatra@thedtic.gov.za
<b>Singapore</b>  SA High Commission, 15 Floor, Odeon Towers, 331 North Bridge Road, SINGAPORE 188720  <b>+6 HOURS</b>	Vacant Marketing Officer	T	0065 6 339 3319
	Vacant Trade Secretary	F	0065 6339 6658

Europe 1 Region			
Mission	Economic Office Staff	Telephone/Facsimile/e-mail	
<b>Brussels (also: Luxembourg)</b>  SA Embassy to Belgium and Luxembourg and the SA Mission to the EU, Rue Montoyer 17-19 (B-1000), 1040 Brussels, BELGIUM  <b>-1 HOURS</b>	Vacant Minister (Economic)	T	0032 2 285 4400 (Julian) 0032 2 285 4441 (Marcia)
	Mr Julian Van Hille Marketing Officer	M	0032 473 864 436 (Julian) 0032 487 478 287 (Marcia)
	Vacant Marketing Officer	F	0032 250 201 24
	Vacant Secretary	E	jvanhille@thedti.be
<b>London</b>  SA High Commission, South Africa House, Trafalgar Square, London WC2N 5DP, UNITED KINGDOM  <b>-2 HOURS</b>	Mr Madileke Ramushu Minister (Economic)	T	0044 20 7451 7243/7248/7251
	Mr Jacob Mothopeng Marketing Officer	M	0044 77 1448 7143 0044 77 3062 2304 (Madileke)
	Vacant Marketing Officer	F	0044 20 7839 0634
	Vacant Secretary	E	MRamushu@thedti.gov.za Mothopengj@dirco.gov.z
		W	www.southafricahouse.com

Europe 1 Region			
Mission	Economic Office Staff	Telephone/Facsimile/e-mail	
<b>Moscow</b> <b>(also: Belarus, Ukraine, Georgia, Armenia and Kazakhstan)</b>  South African Embassy, Granatny Per1, Building 9, Moscow 123001, RUSSIA  <b>+1 HOURS</b>	Vacant Minister (Economic)  Mr Vladislav Krivosheev Marketing Officer  Ms Irina Cheburkova Secretary	T	007 495 926 1177
		M	007 985 182 8765
		E	vladislav@thedti.ru tradesa@econsa.ru irina.thedti@gmail.com
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<b>Stockholm</b> <b>(also: Denmark, Norway, Finland, Iceland and Baltic States)</b>  SA Embassy, Flemmegatan 20, S – 112 26 Stockholm, SWEDEN  <b>-1 HOURS</b>	Vacant Marketing Officer  Ms Alyce Frisk	T	0046 8 783 7743 (Trade) 0046 8 243950 (Switchboard)
		F	0046 8 660 2837
		W	www.southafrica.se
<b>The Hague</b>  SA Embassy, Wassenaarseweg 40, 2596 CJ The Hague, THE NETHERLANDS  <b>-1 HOURS</b>	Vacant Marketing Officer	T	0031 70 3924501
		M	0031 614600714
		E	hvdkroef@thedti.nl

Europe 2 Region			
Mission	Economic Office Staff	Telephone / Facsimile / e-mail	
<b>Berlin</b>  SA Embassy, Economic Section, Tiergartenstrasse 18, 10785 Berlin, GERMANY  <b>-1 HOUR</b>	Vacant Consul (Economic)  Vacant Marketing Officer	T	0049 30 22073152
		M	0049 17 2906 4917
		F	0049 30 22073207
<b>Berne</b>  South African Embassy, Alpenstrasse 29, 3006 Berne, SWITZERLAND Postal Address: Postfach, 3000 Berne 6, SWITZERLAND  <b>-1 HOUR</b>	Vacant Marketing Officer	T	0041 31 350 1313
		M	0041 79 822 8371
		F	0041 31 368 1750

Europe 2 Region			
Mission	Economic Office Staff	Telephone / Facsimile / e-mail	
<b>Madrid (also: Portugal)</b>  SA Embassy, Calle Claudio Coello 91, 6th Floor, Madrid, 28006, SPAIN  <b>-1 HOUR</b>	Ms Alicia Segura Marketing Officer	T	0034 91 436 3780 (Switchboard) 0034 91 436 3781(Alicia)
	Vacant Assistant: Trade Section	M	0034 60 765 0952 (Alicia)
		F	0034 91 575 5369
		E	econ@sudafrica.com
<b>Munich</b>  SA Consulate-General, Sendlinger-Tor-Platz 5, 80336 Munich, GERMANY  <b>-1 HOUR</b>	Vacant Consul (Economic)	T	0049 89 2311 6352
	Mr Marc Mueller Marketing Officer	M	0049 17 5864 4571 (Marc)
		F	0049 89 2311 6350
	Vacant Trade Secretary	E	mueller@suedafrika.org
<b>Ankara</b>  SA Embassy, Filistin Sokak No 27, Gaziosmanpasa, Ankara 06700, TURKEY  <b>-1 HOUR</b>	Ms Sultan Onacak Marketing Officer	T	0090 312 405 6863
		M	0090 535 105 3169 (Sultan)
		F	0090 312 446 6434
		E	OnacakS@dirco.gov.za www.southafrica.org.tr
<b>Paris</b>  SA Embassy, 59 Quai d'Orsay, 75343 Paris, FRANCE  <b>-1 HOUR</b>	Vacant Counsellor (Economic)	T	0033 1 5359 2323
	Mr Mustapha Adams Marketing Officer	M	0033 6 1820 0114
		F	0033 1 4555 4867
	Vacant Marketing Officer	E	mustapha.adams@orange.fr
<b>Vienna</b>  SA Embassy, Sandgasse 33, A 1190 Vienna, AUSTRIA  <b>-1 HOUR</b>	Ms Andrijana Ruzic Marketing Officer	T	0043 1 320 649333
		M	0043 676 500 7741
		E	vienna.trade@dirco.gov.za ruzic-terglava@dirco.gov.za

Americas Region			
Mission	Economic Office Staff		Telephone / Facsimile / e-mail
<b>Buenos Aires</b> <b>(Also: other Latin American Countries except Brazil)</b>  SA Embassy, Marcelo T de Alvear 590, 8th Floor Capital Federal, 1058 Buenos Aires, ARGENTINA  <b>-5 HOURS</b>	Ms Florencia Achcar Marketing Officer     Ms Bing Alo-Villareal Marketing Officer  Myrna x2427 Sandra x2494	T	0054 11 43172900 0054 11 43172923 (Direct)
		M	0054 911 4171 5685
		F	0054 11 4311 8991
		E	achcarf@dirco.gov.za
		W	www.sudafrica.org.ar
<b>New York</b>  SA Consulate-General, 333 East 38th Street, 9th Floor, New York, NY 10016, USA  <b>-7/8 HOURS</b>	Mr Jeffrey Govan Marketing Officer  Ms Bing Alo-Villareal Marketing Officer  Myrna x2427 Sandra x2494	T	001 212 692 2428/27
		M	001 917 496 5007 (Jeff) 001 917 496 5006 (Bing)
		F	001 212 856 1576
		E	govanj@dirco.gov.za alo-villarealb@dirco.gov.za
<b>Sao Paulo</b>  SA Consulate General, Avenida Paulista 1754, 17th Floor, 01310-920, São Paulo, SP, BRAZIL  <b>-5 HOURS</b>	Vacant Consul (Economic)  Mr Mark T Rabbitts Marketing Officer	T	005511 3288 3742
		M	0055 11 97140 7741 ( Mark)
		E	satrade@terra.com.br
<b>Toronto</b>  South African Consulate General Toronto, 110 Sheppard Avenue East, Suite 600, Toronto, Ontario, CANADA M2N 6Y8  <b>-6/7 HOURS</b>	Vacant Marketing Officer  Vacant Trade Secretary	T	001 416 944 8825 (Switchboard) 001 416 730 7284 (Sybil)
		F	001 416 944 0925
		E	millers@dirco.gov.za
<b>Washington</b>  SA Embassy, 3051 Massachusetts Avenue, NW Washington, DC 20008, U S A  <b>-6/7 HOURS</b>	Vacant Minister (Economic)  Ms Jennifer Cheong Marketing Officer  Vacant Secretary	T	001 202 274 7973 001 202 274 7975 (Jennifer)
		M	001 202 271 7743 001 202 679 7132 (Jennifer)
		F	001 202 966 5919
		E	jcheong@saembassy.org



## South African Permanent Mission to the World Trade Organisation (Trade Negotiations)

Mission	Economic Office Staff	Telephone/Facsimile/e-mail	
<b>Geneva</b>  SA Permanent Mission, 65 rue du Rhone, 1204 Geneva, SWITZERLAND  <b>-1 HOUR</b>	Ms Xolelwa Mlumbi-Peter Ambassador to WTO (Economic)	T	0041 22 849 5401 (Xolelwa) 0041 22 849 5405 (Marumo) 0041 22 849 5403 (Miguel) 0041 22 849 5450 (Tshifhiwa) 0041 22 849 5405 (Kekeletso)
	Mr Tshifhiwa Mahosi Counsellor (Economic)	M	0041 79 786 6024 (Xolelwa) 0041 79 812 5339 (Marumo) 0041 79 273 4124 (Tshifhiwa) 0041 79 812 5339 (Kekeletso)
	Mr Marumo Nkomo Counsellor (Economic)		
	Ms Kekeletso Mashigo Counsellor (Economic)	F	0041 22 735 7365
	Mr Miguel Ghannam Admin Officer	E	Xolelwa.mlumbipeter@sawtomission.com Miguel.Ghannam@sawtomission.com samantha.muller@sawtomission.com marumo.nkomo@sawtomission.com tshifhiwa.mahosi@sawtomission.com kekeletso.mashigo
	Ms Samantha Muller Secretary		
	Mr Federico Tolentino Driver		

## ANNEXURE A: B-BBEE INITIATIVES

In terms of Section 13G(1) of the B-BBEE Act, 2003 (Act No. 53 of 2003), read with Regulation 12(1) and Regulation 12(2), all organs of state and public entities are required to report on their compliance and report to the B-BBEE Commissioner within 30 days of the audited Annual Financial Statements and Annual Report being approved.

The summary below sets out the dtic's compliance with this Act and regulations. The dtic implemented the B-BBEE Amendment Act, 2013 (Act No. 46 of 2013) role in the advocacy and enforcement of the B-BBEE Act and its regulations.

In an effort to promote economic transformation, the department fully implemented the requirements of the B-BBEE Amendment Act and its regulations for all procurement requirements within the dtic.

The department has engaged in a number of initiatives to ensure the transformation and inclusivity of the economy. To support black entrepreneurs more effectively, especially in townships, the department launched a programme to revitalise South Africa's local industrial parks. This has rapidly proven itself to be an important and effective mechanism to support black enterprises. Given the large numbers of people dependent on these industrial parks for direct and indirect employment, the department is convinced that further support to industrial parks is a critical investment in South Africa's long-term development.

The revitalisation of industrial parks is providing important support to township areas. These industrial parks are adjacent to the townships. The industrial parks have created and supported significant numbers of jobs. The first 12 industrial parks in the programme provide more than 65 000 jobs to these areas.

Phase 1 activities have been completed for the following industrial parks in 2017/18 financial year: Vulindlela, Babelegi and Phuthaditjhaba. In the current financial year, the following parks were completed and launched: Ekandustria, Garankuwa and Nkowankowa. Dimbaza Industrial Park is a new addition that has been initiated.

Phase 2, which covers regulatory requirements, upgrading electricity infrastructure, bulk water supply and sewage treatment plants or industrial effluent control, will be initiated in the current financial year. The following Industrial parks have already been scoped for Phase 2: Bebelegi, Vulindlela, Isithebe, Botshabelo and Phuthaditjhaba. The programme has been expanded to cover up to 30 industrial parks covering additional townships and impacting a greater number of jobs. Additional industrial parks include Kabokweni, Siyabuswa, Ezakheni, Madadeni, Uppington, Kathu, Mosselbay, Eldorado Park, Pennyville and Orlando West, to name a few.

Multinational companies that cannot sell their equity to black South Africans and have never sold equity outside their country of origin are allowed to make a contribution to the Equity Equivalent Investment Programme (EEIP) in exchange for full BEE ownership points for an agreed period of time based on the investment amount. The value of the EEIP contribution may be measured against 25% of the business value of the South African operation or against 4% of the total revenue from its South African operations annually over the period of continued measurement.

These investments are focused on enterprise and supplier development, critical skills development and research and development. The beneficiaries of the programme are black South Africans and black-owned South African companies.

During the 2017/18 financial year the dtic facilitated the launch of the EEIP for Caterpillar Southern Africa (Pty) Ltd in October 2017. To date, nine multinational companies have been approved, six continue to participate in the EEIP and three contracts expired. Two-thirds of the participants are in the ICT sector with the balance falling within the engineering and agricultural sectors. To date the total investment value is more than R2.2 billion. More than 100 students are benefiting from skills development across all programmes. More than 20 emerging enterprises are benefiting from enterprise and supplier development programmes. More than 3000 jobs will be created across all approved programmes.

### Summary of the incentive

- The Black Industrialists Scheme offers a cost-sharing grant ranging from 30% to 50% to a maximum of R50 million.

- The quantum of the grant will depend on the level of black control, and the project's economic benefit and value.

The Black Industrialists Policy calls for the leveraging of the state's capacity to unlock the industrial potential that exists within black-owned and black-managed businesses through deliberate, targeted and well-defined financial and non-financial interventions.

This policy emphasises a need for government departments and state-owned companies to set targeted procurement for the promotion of black industrialists in manufacturing sectors, and for the private sector to explore collaborations with government to assist black industrialists with sustainable procurement opportunities.

The policy outlines that state-owned companies, as tools of government delivery across strategic sectors of the economy, can anchor the Black Industrialists Policy through procurement and supplier development mechanisms.

The department is working with various institutions to facilitate market access opportunities.

The Black Industrialists Policy calls for further technical support to enable the sustainability of black industrialists. Such support includes training and capacity building, research and innovation support, quality standards and productivity support, and information and other relevant technical support. High-level engagements with various institutions, including Productivity SA, CSIR, SABS, and the Technology Innovation Agency, are at an advanced stage to provide technical support to black industrialists.

The B-BBEE Act allows for the development of a sectoral approach to transformation using a sector charter as an instrument intended to address sector-specific challenges and peculiarities on transformation that would otherwise not be addressed fully by generic provisions of the policy. The sector charter development process enables sector stakeholders and social partners to negotiate and craft a roadmap for sector-specific transformation imperatives. To create a standardised and consistent application and measurement of B-BBEE across all sectors, the legislation prescribes that all sector codes must be aligned to the B-BBEE policy and that approval is, therefore, the responsibility of the Minister of Trade and Industry.

The department will commence with the monitoring and evaluation of the Black Industrialists Programme to provide feedback to Cabinet, through the Minister, biannually, as per the policy.

To date, the department has approved 50 black industrialists with a grant value of R1.6 billion which will leverage private sector investment of R5 billion.

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