

Overview of the PCs on Economic Development & on Trade & Industry's Legacy Reports

August 2019

Role of Portfolio Committees

- ▶ Oversee the actions of the Executive including:
 - ▶ Budgetary oversight
 - ▶ Implementation of legislation
 - ▶ Ensure accountability
- ▶ Pass legislation
- ▶ Approve international agreements for ratification
- ▶ Facilitate public participation
- ▶ Comply with statutory requirements, such as appointments
- ▶ Consider petitions

PC on Economic Development

Core Mandate: Fifth Parliament

ADMINISTRATION

Strategic Objective 1: Ensure good governance in the administration of the Department

GROWTH PATH AND SOCIAL DIALOGUE

Strategic Objective 2: Co-ordinate jobs drivers and the implementation of the National Growth Path economic strategy in support of the National Development Plan

Strategic Objective 3: Facilitate Social Dialogue and implementation of Social Accords.

INVESTMENT, COMPETITION AND TRADE

Strategic Objective 4: Coordinate infrastructure development and strengthen its positive impact on the economy and citizens

Strategic Objective 5: Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth

Strategic Objective 6: Promote competition, trade and economic regulation in support of job creation, industrialisations and social inclusion.

General issues from the Legacy Report

- ▶ Slow economic growth and high levels of unemployment hampering the achievement of objectives to stimulate inclusive economic growth
- ▶ Effects of high electricity costs, below cost imports
- ▶ Development finance and economic opportunities for previously marginalised individuals and youth, including post-investment support
- ▶ Implementation of legislation
- ▶ Partnerships between relevant state organs and business entities for the implementation of mutually beneficial programmes
- ▶ Sustainability of government investments in initiatives such as the Industrial Development Zones
- ▶ Compliance with the Preferential Procurement Policy Framework Act particularly regarding the manufacturing sector
- ▶ The need to increase local content in the manufacturing sector and film productions
- ▶ Cooperation among Portfolio Committees and with Select Committees to oversee transversal issues
- ▶ The need to track responses to recommendations
- ▶ During oversight visits to ensure that all relevant government stakeholders are available to brief the Committee for maximum effectiveness

Issues arising from 2018 BRRR: EDD

- ▶ With National Treasury and the DTI, develop a plan to monitor the implementation of commitments on local procurement
- ▶ Policy coherence and certainty to support industrialisation and investment
- ▶ Governance
 - ▶ Appointments of key vacancies at EDD and its entities
 - ▶ Systems to ensure disclosure of interests
 - ▶ Systems to ensure timely payment of invoices

Issues arising from 2018 BRRR: IDC

- ▶ Administration and impact of developmental funds established from settlement agreements due to uncompetitive behaviour
- ▶ Status of IDC's Shiva Uranium Mine court case against Oakbay Resources and possibility of recovering the R250 million capital and interest owed
- ▶ Merger of the National Empowerment Fund with the IDC
- ▶ Development of a broad-based tourism model for communities and smaller players
- ▶ Growing annual impairment charge and accumulated impairments given the economic climate and its counter-cyclical role
- ▶ Management of ongoing losses at subsidiaries, namely SCAW, FOSKOR and Small Enterprise Finance Agency.

Issues arising from 2018 BRRR: Competition Commission

- ▶ Implementation of amended Competition Act (2018)
- ▶ Adequate funding for market inquiries by Competition Commission (deficit was at R69,3 million at the end of the 2017/18 financial year) and outcomes of these inquiries
- ▶ Possible change to the funding model of the Commission
- ▶ Monitoring compliance with large merger conditions such as establishing enterprise and supplier development funds
- ▶ Transfer of fines received to the National Revenue Fund
- ▶ Issuing of external guidelines on the application of the Competition Act to improve compliance
- ▶ Capacity of staff complement to handle the volume and complexity of competition cases
- ▶ Impact of cancelling the integrated IT and Knowledge Management System Project
- ▶ Security needs of the Commission given criminal acts against certain senior managers as determined by the SSA

Issues arising from 2018 BRRR: Competition Commission

- ▶ Outcome of court judgments regarding the Commission's handling of dawn raids
- ▶ Finalisation of the MOU between the Commission and the NPA to implement the criminal provisions of the Competition Act against cartels
- ▶ Outcomes of the desktop benchmarking study on the fees charged by different competition experts in other countries requested by the previous Committee
- ▶ Briefing by the National Treasury on the procurement processes which the Commission should be following for its sector-specific needs
- ▶ Key audit concerns:
 - ▶ Irregular expenditure including contraventions of Supply Chain Management Regulations (linked to dawn raids/site visits and over-spending on the budget)
 - ▶ Unresolved audit findings

Issues arising from 2018 BRRR: Competition Tribunal

- ▶ Capacity to deal with the increased case load and complexity of cases possibly affecting turnaround times
- ▶ Financial sustainability (deficit of R320 000 and R3,3 million at the end of the 2017/18 and 2016/17 financial years respectively)

Issues arising from 2018 BRRR: ITAC

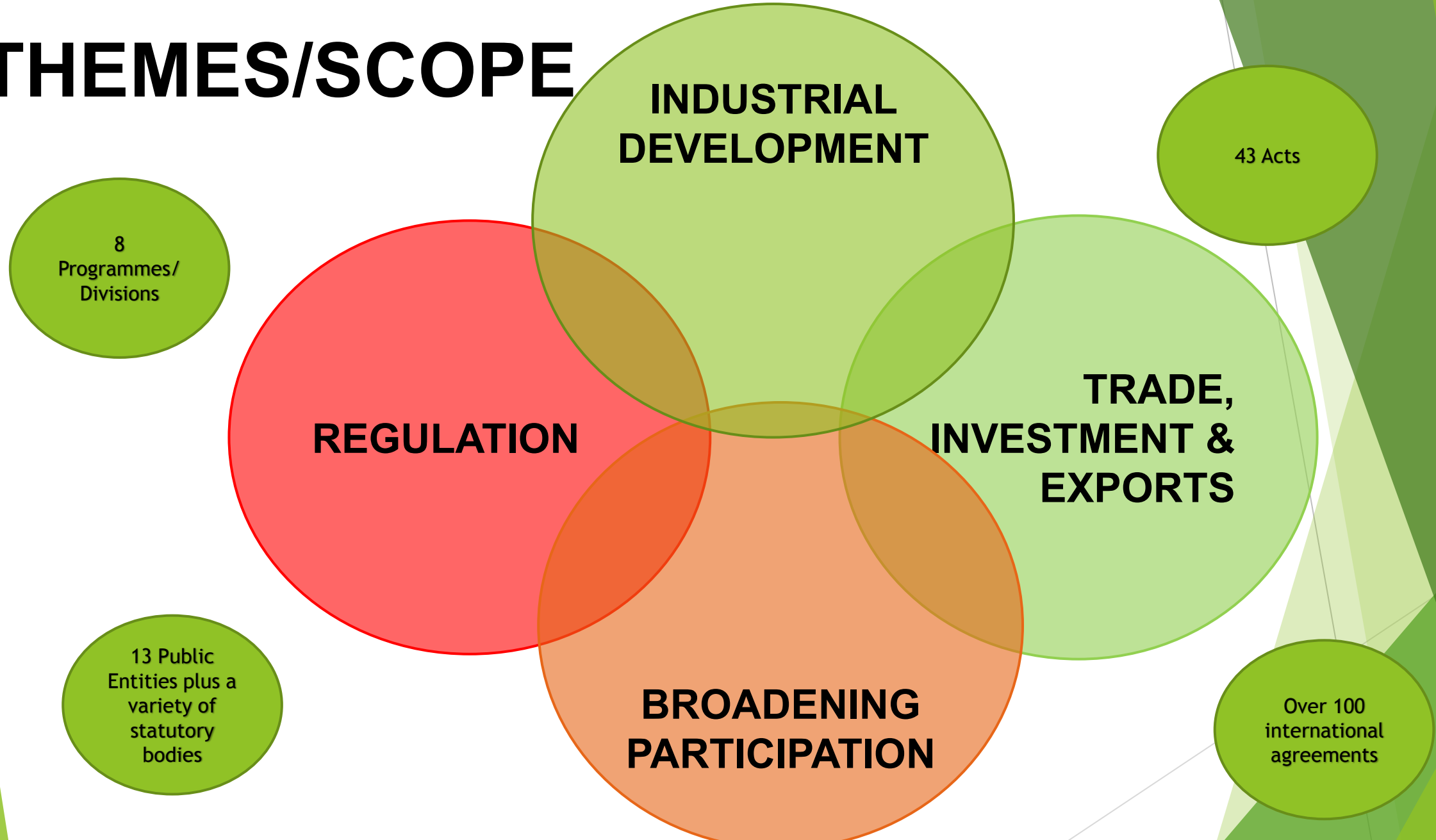
- ▶ Plays a dual role in trade administration for South Africa and SACU, due to lack of capacity in the customs union
- ▶ Impact of scrap metal exports on the local steel industry and pricing policy in this regard
- ▶ Import controls
- ▶ Implementation and impact of reciprocal agreements
- ▶ Turnaround times of customs tariff investigations
- ▶ Financial sustainability as deficit of R7,5 million and R11,6 million at the end of the 2017/18 and 2016/17 financial years respectively

PC on Trade & Industry

Core Mandate: Fifth Parliament

- ▶ Promoting a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.
- ▶ Building mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives.
- ▶ Facilitating broad-based economic participation through targeted interventions to achieve more inclusive growth.
- ▶ Facilitating transformation of the economy to promote industrial development, investment, competitiveness and employment creation.
- ▶ Creating a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.

THEMES/SCOPE



National custodian for: Industrial, Trade, B-BBEE, Intellectual Property and Space Policies

Industrial Development: Implementation of the Industrial Policy Action Plan

► Focus Areas

- Colloquiums on
 - Beneficiation (2014)
 - Relationship and impact of transfer pricing on beneficiation and on broadening participation (2015)
 - Compliance with local public procurement (2016 and 2017)
- Oversight visit to Gauteng - effectiveness of the DTI's implementation of the industrial development and incentives programmes (2017)
- Announced an Oversight Inquiry into Compliance with the Localisation and Local Public Procurement Policy focusing on the transport sector for 2018.
 - Started with hearings on bus body procurement in February 2018
 - Process was overtaken by the Committee's legislative responsibility

Industrial Development: Implementation of the Industrial Policy Action Plan

▶ Key Issues

▶ Beneficiation

- ▶ Economies of scale
- ▶ High administered prices e.g. electricity, rail and port costs, and electricity supply
- ▶ Cost of locally extracted minerals and metals to downstream industries
- ▶ Access to scrap metals for local steel mills
- ▶ Harmonisation of legislation that underpins beneficiation and effective implementation thereof, e.g. in mining and energy

▶ Public procurement

- ▶ Compliance with designations from bidding process through to delivery
- ▶ Verification of local content (SABS) and payment thereof
- ▶ Auditing of compliance with local public procurement (AG)
- ▶ Certainty around procurement and implementation of contracts

Industrial Development: Implementation of the Industrial Policy Action Plan

► Future Work

- Ongoing monitoring of compliance with local public procurement, in particular the verification of local content by SABS, the AG and procuring government department and entities.
- Overseeing that the next iterations of IPAP includes a co-ordinated mechanism to address high administered prices for strategic industries and that this is effectively implemented.

NB: Coordination with sister Portfolio Committees to ensure effective implementation of the reimagined Industrial Policy

Industrial Development: Challenges in the Sugar industry

▶ Activities

- ▶ Several meetings with the industry since October 2017
- ▶ Oversight visit to KwaZulu-Natal in January 2018

▶ Key Issues

- ▶ Tariffs
- ▶ Lack of transformation
- ▶ Impact of the Health Promotion Levy

Industrial Development: Challenges in the Sugar industry

► Future Work

- Monitoring the review of the Sugar Act (No. 9 of 1978) and its Regulations to ensure transformation.
- In conjunction with National Treasury and the Department of Health, consideration of the socio-economic impact of the Health Promotion Levy (HPL) on the sugar industry, as well as broadly on the agricultural products.
- Monitoring the implementation of the mitigation measures agreed to at National Economic Development and Labour Council (NEDLAC) with respect to the implementation of the HPL.

Industrial Development: Challenges in the Sugar industry

► Future Work

- Overseeing the implementation of transformation commitments made by the South African Sugar Association in relation to small, black sugarcane growers.
- Engaging with the DTI and industry for the purpose of ensuring diversification of the sugarcane value chain such as ethanol in order to take advantage of the existing European Union market under Southern African Development Community-European Union Economic Partnership Agreement.

Industrial Development: Technical Infrastructure Institutions

▶ National Regulator for Compulsory Specifications (NRCS)

▶ Issues

- ▶ Backlogs in processing Letters of Authority (LOAs)
- ▶ Progress on its ICT modernisation project
- ▶ Resolution of the audit finding related to the estimation of revenue from levies.

▶ Future Work

- ▶ Monitoring the review of the compulsory specifications for automotive, processed foods, and electrical goods by the NRCS.
- ▶ Overseeing the modernisation of the NRCS' ICT systems.
- ▶ Ongoing monitoring of the turnaround time for processing letters of authority within the NRCS, particularly in the Electro-Technical Business Unit.

Industrial Development: Technical Infrastructure Institutions

▶ South African Bureau of Standards (SABS)

▶ Issues

- ▶ Allegation that officials may have issued an irregular SABS certificate of approval in 2015 for non-compliant coal delivered from the Tegetta-owned Brakpan Mine to Eskom through the Portfolio Committee on Public Enterprises' Eskom Inquiry
- ▶ Engagement with the DTI, the former Chief Executive Officer of SABS and the former SABS Chairperson about allegations and the delay in the forensic audit to investigate the matter
- ▶ Board suspended and SABS placed under administration in July 2018
- ▶ Engagement with administrators in February 2019

Industrial Development: Technical Infrastructure Institutions

▶ Future work

▶ SABS:

- ▶ Monitoring the implementation of the SABS turnaround plan.
- ▶ Considering the report of the investigation of the coal testing allegations.

▶ General:

- ▶ Monitoring the recapitalisation of technical infrastructure institutions to ensure that their premises and equipment are suitable for the ever-changing measurement environment.
- ▶ Monitoring the relationship between SANAS, SABS and NRCS.

Trade, Investment & Exports:

Investment

▶ Activities

- ▶ Processing of the Protection and Promotion of Investment Bill - assented to as the Protection of Investment Act (No. of 201) - not yet promulgated
- ▶ Approved the Agreement Amending Annex 1 (Co-operation on Investment) of the Southern African Development Community Protocol on Finance and Investment (FIP) for ratification

▶ Future Work

- ▶ Monitoring the actual levels of investment in relation to the investment pipeline.
- ▶ Reviewing the effectiveness of Invest SA One-Stop Shops in assisting investors and the roll-out of these in all provinces.

Trade, Investment & Exports: Trade

▶ Activities

- ▶ Regular oversight over ongoing multilateral and regional trade negotiations with South Africa's trading partners, including the:
 - ▶ Doha Development Agenda (WTO)
 - ▶ Southern African Development Community (SADC) - European Union (EU) Economic Partnership Agreement (EPA) (concluded)
 - ▶ African Continental Free Trade Agreement (AfCFTA) (schedules still being negotiated)
 - ▶ Tripartite Free Trade Agreement (TFTA) between the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the SADC
 - ▶ United Kingdom and Northern Ireland to mitigate the impact of its decision to leave the European Union on South African exporters.
- ▶ Regular status reports on the implementation of existing trade agreements, as well as the United States' (US) African Growth and Opportunity Act (AGOA).
- ▶ Briefing on the Southern African Customs Union (SACU) Summit (2018)
 - ▶ 2002 SACU Agreement is undergoing a review
 - ▶ SACU should be transformed to implement a developmental integration approach to promote industrialisation and economic diversification of SACU economies.
 - ▶ Tariffs should be preserved as instruments for industrial development
 - ▶ The review of the revenue sharing formula
 - ▶ Efficient cross-border movement of goods especially for agricultural products across SACU.

Trade, Investment & Exports: Trade

▶ Activities

▶ Approved international agreements for ratification:

- ▶ Additional Protocol to the Trade, Development and Cooperation Agreement (TDCA) between the European Community and its member states of the one part, and the Republic of South Africa, of the other part, to take account of the Accession of the Republic of Croatia to the European Union (2015)
- ▶ Amendments to the SACU Agreement of 2002 to Institutionalise the SACU Summit (2015)
- ▶ Protocol Amending the Marrakesh Agreement establishing the World Trade Organisation (WTO), including Annex 1A on the Agreement on Trade Facilitation, and the establishment of the National Committee on Trade Facilitation (2016)
- ▶ Economic Partnership Agreement (EPA) between the SADC EPA states, of the one part, and the European Union and its member states, of the other part (2016)
- ▶ Protocol on the Accession to the Agreement establishing the Advisory Centre of the WTO (ACWL) (2017)
- ▶ Agreement Establishing a Tripartite Free Trade Area (TFTA) among the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community (2018)
- ▶ Agreement establishing the African Continental Free Trade Area (2018)

Trade, Investment & Exports: Trade

▶ Future Work

- ▶ Monitoring the impact of the withdrawal of the United Kingdom and Northern Ireland from the European Union (BREXIT) on South Africa's trading relationships with the United Kingdom and with the European Union.
- ▶ Monitoring the outcomes of the negotiations to finalise the Annexes and Appendices of the TFTA and the CFTA, as well as the future negotiations for Phase 2 of these agreements.
- ▶ Holding public hearings on the impact of implementation of existing trade agreements on industry.

Broadening Participation: Focus Areas

- ▶ The establishment and functioning of the B-BBEE Commission
 - ▶ Act establishes it under the DTI. However, Committee was of the view that this undermines its independence
 - ▶ Issues in terms of procuring office premises and employing the necessary additional staff required.
- ▶ The B-BBEE Policy and the new BEE Codes of Good Practice including an analysis from the DTI and the B-BBEE Commission of whether the Amended Financial Services Sector Code was aligned to the new BEE Codes of Good Practice (2017).
- ▶ The Black Industrialists Policy (BIP)

Broadening Participation: Future areas of work

- ▶ Considering whether the B-BBEE Commission should be listed and finding a solution to ensure its effective functioning.
- ▶ Monitoring the financial, human and capital resourcing of the B-BBEE Commission.
- ▶ Strengthening the B-BBEE Commission's regulatory powers to enable it to effectively enforce compliance with the B-BBEE legislation.
- ▶ Monitoring the recapitalisation of the NEF (schedule 3A entity)

Regulation: Credit regulation

▶ Activities

- ▶ Regulations on the National Credit Amendment Act (No. 19 of 2014):
 - ▶ Credit life insurance
 - ▶ Review of limitations on fees and interest rates
- ▶ Development of National Credit Amendment Bill (Committee Bill) (2016-2018) - assented to on 13 August 2019
 - ▶ Debt relief
 - ▶ Credit life insurance
 - ▶ Reckless lending
 - ▶ Enforcement measures

Regulation: Credit regulation

▶ Future Work

- ▶ Overseeing the implementation of the National Credit Amendment Act (No. of 2019), as well as monitoring the impact of the Bill on the credit market.
- ▶ Reviewing the implementation of the debt review system and the enforcement of the National Credit Act (No. 34 of 2005) in this regard.
- ▶ Monitoring the progress of the review of the National Credit Act to enable the effective enforcement of the Act and to improve access by consumers to redress.

Regulation: Consumer Protection

▶ Issues covered

- ▶ Role of NCC and the NRCS in addressing the listeriosis crisis and the Ford Kuga fires
- ▶ Investigations on the expiration of data and the timeshare industry

▶ Future work

- ▶ Overseeing the impact of the NCC's recommendations emanating from its investigations on consumers.
- ▶ Requesting the DTI to review the Consumer Protection Act (No. 68 of 2008) to ensure that the NCC is able to proactively investigate consumer matters and to enforce compliance with the legislation.

Regulation: Gambling

▶ Activities/Issues

▶ Governance at the NGB:

- ▶ Suspension of the board of the NGB (2014/15).
- ▶ Results of the forensic report shared (March 2015)
- ▶ Board members contracts were terminated and administrators to appointed until the NGB could be converted to a regulator.
- ▶ This conversion formed part of the legislative proposals within the National Gambling Amendment Bill [B27-2018], still before the NCOP.

▶ Horse-racing:

- ▶ Lack of transformation in the industry remained a concern, including the recognition of grooms and their conditions of work.
- ▶ Lack of legislative clarity on the regulation of the industry still remained.

▶ Electronic bingo terminals (EBTs): Requested the Minister to issue a moratorium on the licensing of EBTs by provinces, while national legislation was being developed

▶ Legislation:

- ▶ Processed Remote Gambling Bill (2015/16) - Private Members' Bill - rejected
- ▶ Redrafted National Gambling Amendment Bill (2018/19) - Executive Bill - scope reduced to governance issues, such as:
 - ▶ The reconfiguration of the National Gambling Board to the National Gambling Regulator,
 - ▶ The governance challenges related to the National Gambling Policy Council
 - ▶ The expansion of the National Central Electronic Monitoring System to cover all gambling machines and not just limited payout machines

Regulation: Gambling

▶ Activities: Gambling

- ▶ In the 2014/15 financial year, the Committee was informed of the suspension of the board of the NGB. The Minister subsequently shared the results of the forensic report on the matter in March 2015, as well as the actions that would be taken to remedy the situation. This resulted in a decision to terminate the board and to appoint administrators until the NGB could be converted to a regulator. This conversion formed part of the legislative proposals within the National Gambling Amendment Bill [B27-2018]. The Committee subsequently redrafted the Bill and only included the reconfiguration of the National Gambling Board to the National Gambling Regulator and the related clauses, the governance challenges as it relates to the National Gambling Policy Council, and the related clauses, as well as the National Central Electronic Monitoring System and related matters.
- ▶ In terms of horse-racing, the lack of transformation in the industry remained a concern, including the recognition of grooms and their conditions of work. Furthermore, the lack of legislative clarity on the regulation of the industry still remained, as the amendment bill was introduced late and the Committee could not deal with the substantive matters due to time constraints.
- ▶ In terms of electronic bingo terminals (EBTs), the Committee had requested the Minister to issue a moratorium on the licensing of EBTs by provinces. In spite of this moratorium, the licensing continued in the absence of national legislation guiding this.
- ▶ Processed Remote Gambling Bill (2015/16) - Private Members' Bill - rejected
- ▶ Redrafted National Gambling Amendment Bill (2018/19) - Executive Bill - scope reduced to governance issues - being considered by the Select Committee

▶ Future work: gambling

- ▶ Monitoring the development of a holistic amendment of the National Gambling Act (No. 7 of 2004) that addresses regulation in the horseracing industry, and online gambling, among others.

Regulation: Lotteries

▶ **Activities:**

- ▶ Implementation of the Lotteries Amendment Act (No. 32 of 2013) including the:
 - ▶ Professionalisation of the distributing agencies
 - ▶ Introduction of proactive funding

▶ **Future work:**

- ▶ Monitoring mechanisms to ensure the non-proliferation of illegal lotteries, including the licensing of lotteries or the use of the National Lottery's results by provincial licensing authorities.
- ▶ Considering the findings of the investigation in terms of alleged maladministration of lottery funds through proactive funding by senior officials.
- ▶ Considering the revised process for adjudicating, approving and distributing proactive funding.
- ▶ Overseeing the mechanisms being implemented to protect the confidential data of lottery beneficiaries.

Regulation: Intellectual Property

▶ Activities

- ▶ Processed Copyright Amendment Bill - awaiting assent
- ▶ Processed Performers' Protection Amendment Bill - awaiting assent
- ▶ Approved the following international agreements for accession:
 - ▶ The Beijing Treaty on Audiovisual Performances, 2012 ('The Beijing Treaty') (2018)
 - ▶ Accession to the World Intellectual Property Organisation (WIPO) Copyright Treaty, 1996 ('The WCT') (2018)
 - ▶ Accession to the WIPO Performances And Phonograms Treaty, 1996 ('The WPPT') (2018)

Regulation: Intellectual Property

▶ Future work

- ▶ Monitoring the implementation and impact of the legislative changes in the amended Copyright (No. 98 of 1978) and Performers' Protection Acts (No. 11 of 1967).
- ▶ Monitoring the alignment of the Intellectual Property Laws Amendment Act (No. 28 of 2013) with the Protection, Promotion, Development and Management of the Indigenous Knowledge Act (No. 6 of 2019) and the future implementation thereof.
- ▶ Monitoring that the DTI reviews other pieces of Intellectual Property (IP) legislation to ensure alignment with the National IP Policy.
- ▶ Awaiting the tabling of the Marrakesh Treaty

Budgetary Oversight: Methodology

- ▶ Governed by the *Money Bill Procedures and Related Matters Amendment Act*
- ▶ Budgetary oversight includes oversight over :
 - ▶ Strategic Plan (SP) and/or Annual Performance Plan (APP)
 - ▶ Quarterly financial and non-financial performance
 - ▶ Annual Reports
- ▶ Committee approach
 - ▶ DTI
 - ▶ Selection of entities due to time constraints mainly based on known issues
 - ▶ Table reports on Budget Votes and the Budgetary Review and Recommendation process

Budgetary Oversight: Activities

Dept/Entity	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
DTI	AR	SP/APP, 1 st & 3 rd Q, AR	SP/APP, 1 st -4 th Q, AR	SP/APP, 1 st & 3 rd Q, AR	SP/APP, 1 st -3 rd Q, AR	SP/APP, 1 st -3 rd Q
Broad-Based Black Economic Empowerment (B-BBEE) Commission					SP/APP	SP/APP, 3 rd Q
Companies and Intellectual Property Commission (CIPC)	AR	1 st & 3 rd Q, AR	SP/APP, 1 st & 2 nd Q, AR	1 st Q	2 nd Q	
Companies Tribunal (CT)		AR	SP/APP, 1 st Q	SP/APP		
Export Credit Insurance Corporation of South Africa (ECIC)		4 th Q			SP/APP, AR	3 rd Q
National Consumer Commission (NCC)		1 st & 4 th Q, AR	1 st Q, AR	1 st Q, AR	1 st & 2 nd Q, audit findings	
National Consumer Tribunal (NCT)				SP/APP		

Budgetary Oversight: Activities

Dept/Entity	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
National Credit Regulator (NCR)		1st, 3 rd & 4 th Q, AR	SP/APP, 1 st & 3 rd Q	SP/APP, AR	1 st Q	
National Empowerment Fund (NEF)			2 nd & 3 rd Q, AR	1 st & 2 nd Q	SP/APP, 2 nd Q	
National Gambling Board (NGB)	AR	1st, 3 rd & 4 th Q	2 nd & 3 rd Q	SP/APP		
National Lotteries Commission (NLC)		3 rd & 4 th Q			2 nd Q	2 nd & 3 rd Q
National Metrology Institute of South Africa (NMISA)		4 th Q	SP/APP, 3 rd Q		SP/APP	SP/APP
National Regulator for Compulsory Specifications (NRCS)	AR	1st Q, AR	SP/APP, 1 st , 2 nd & 4 th Q, AR	1 st & 3 rd Q, AR	1 st & 2 nd Q, AR	1 st Q
South African Bureau of Standards (SABS)		4 th Q	AR	1 st Q, AR	1 st Q	
South African National Accreditation System (SANAS)					40	SP/APP

Legislation: Issues

- ▶ Reviewing the implementation of new legislation and its impact of the broader South African society.
- ▶ Ensuring that new legislation is aligned with international trade agreements.
- ▶ Awareness campaign, especially in relation to new legislation such as the National Credit Amendment Act, the Copyright Amendment Bill, and the Performers' Protection Amendment Bill.
- ▶ Monitoring new entities being established or the implementation of new functions.
- ▶ Reviewing all legislation falling within the mandate of the DTI to ensure that all outdated pieces of legislation are amended or repealed to ensure that apartheid principles are removed and that the Constitution and new systems, including changing environments, are taken into account.
- ▶ Requesting the DTI to provide annual status reports on whether legislation had been implemented, and if not, to provide the reasons for its delay and the plans and measures to correct this.