



**the dti**

Department:  
Trade and Industry  
**REPUBLIC OF SOUTH AFRICA**

# **Amended Annual Performance Plan 2018-2021**

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## 1. Abbreviations and Acronyms

TERM	DEFINITION
ADEP	Aquaculture Development and Enhancement Programme
AGOA	African Growth and Opportunity Act, 2000
AIS	Automotive Incentive Scheme
APP	Annual Performance Plan
APSS	Agro-Processing Support Scheme
AU	African Union
BEE	Black Economic Empowerment
B-BBEE	Broad-Based Black Economic Empowerment
BER	Bureau for Economic Research
BCI	Business Confidence Index
BI	Black Industrialist
BOP	Balance of Payments
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CCI	Consumer Confidence Index
CCRD	Consumer and Corporate Regulation Division
CEO	Chief Executive Officer
CFO	Chief Financial Office
C-FTA	Continental Free Trade Area
CGICTPF	Corporate Governance of ICT Policy Framework
CIO	Chief Information Officer
CIP	Critical Infrastructure Programme
CIPC	Companies and Intellectual Property Commission, a public entity reporting to <b>the dti</b>
CMDB	Configuration Management Database
COTII	Council of Trade and Industry Institutions
COMESA	Common Market for Eastern and Southern Africa
CRO	Chief Risk Officer
CSDP	Competitive Supplier Development Programme
CSIR	Council for Scientific and Industrial Research
CT	Companies Tribunal, a public entity reporting to <b>the dti</b>
CTFL	Clothing, textiles, leather and footwear
DG	Director-General
<b>dsbd</b>	Department of Small Business Development
<b>DPSA</b>	Department of Public Service and Administration
EAC	East African Community
ECIC	Export Credit Insurance Corporation SOC Ltd, a public entity reporting to <b>the dti</b>
ECSP	Economic Competitiveness Support Package
EMDE	Emerging Market and Developing Economies
EMIA	Export, Marketing and Investment Assistance
EPA	Economic Partnership Agreement

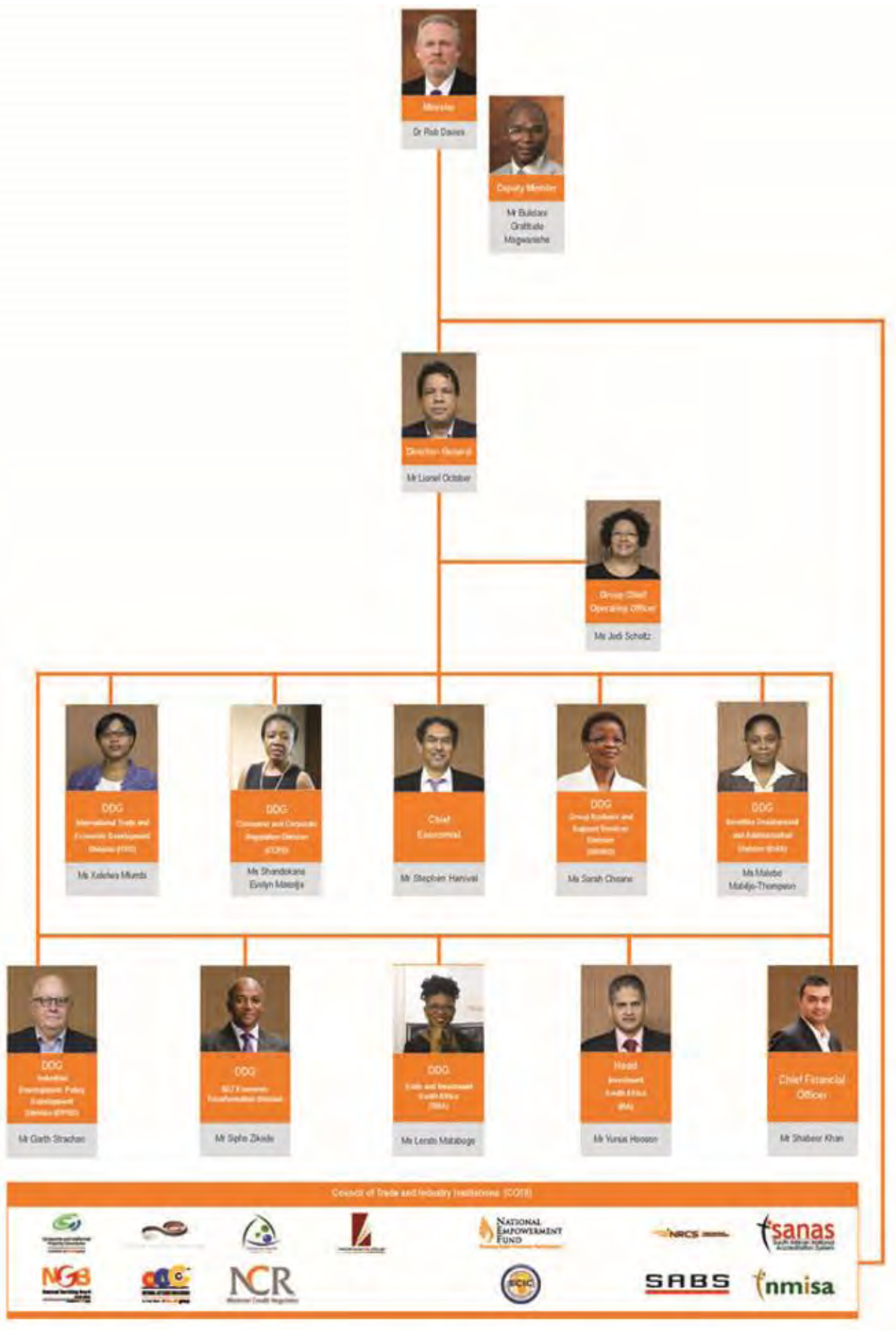
TERM	DEFINITION
ESEIDC	Economic Sectors, Employment and Infrastructure Development Cluster
EU	European Union
Exbo	Executive Board
Ex-TBVC	Transkei, Bophuthatswana, Venda & Ciskei
FDI	Foreign Direct Investment
FER	Foreign Economic Representative
FRSC	Financial Reporting Standards Council
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GEPP	Global Exporter Passport Programme
GFCF	Gross Fixed Capital Formation
GLP	Good Laboratory Practice
GVA	Gross Value Added
GSSSD	Group Systems Support Services Division
HR	Human Resource
ICT	Information and Communications Technology
IMF	International Monetary Fund
INES	Integrated National Export Strategy
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IPRs	Intellectual Property Rights
ISA	Investment South Africa
MTEF	Medium Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NAFTA	North American Free Trade Agreement
NCA	National Credit Act of 2005, as amended
NCC	National Consumer Commission, a public entity reporting to <b>the dti</b>
NCR	National Credit Regulator, a public entity reporting to <b>the dti</b>
NCT	National Consumer Tribunal, a public entity reporting to <b>the dti</b>
NDP	National Development Plan
NEAC	National Export Advisory Council
NEDP	National Exporter Development Programme
NEF	National Empowerment Fund, a public entity reporting to <b>the dti</b>
NEPAD	New Partnership for Africa's Development
NGB	National Gambling Board, a public entity reporting to <b>the dti</b>
NIPF	National Industrial Policy Framework
NIPP	National Industrial Participation Programme
NLA	National Liquor Authority
NLC	National Lotteries Commission, a public entity reporting to <b>the dti</b>
NMISA	National Metrology Institute of South Africa, a public entity reporting to <b>the dti</b>
NRCS	National Regulator for Compulsory Specifications, a public entity reporting to <b>the dti</b>

TERM	DEFINITION
NT	National Treasury
ODG	Office of the Director-General
OPEC	Organization of the Petroleum Exporting Countries
OSS	One Stop Shop
QLFS	Quarterly Labour Force Survey
PMI	Purchasing Manager's Index
PPP	Public-Private Partnership
PTA	Preferential Trade Agreement
RETS	Resources Equipment and Technology Services
RIA	Regulatory Impact Assessment
RMC	Risk Management Committee
RSA	Republic of South Africa
SABS	South African Bureau of Standards, SOC Ltd, a public entity reporting to <b>the dti</b>
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANAS	South African National Accreditation System, a public entity reporting to <b>the dti</b>
SARB	South African Reserve Bank
SASCA	South African Council for Space Affairs
SDI	Spatial Development Initiative
SDIP	Service Delivery Improvement Plan
SEIAS	Socio-Economic Impact Assessment System
SEZ	Special Economic Zone
SMMEs	Small, Medium and Micro-Sized Enterprises
SMS	Senior Management Services
SOCs	State Owned Companies
SOE	State Owned Enterprise
SPII	Support Programme for Industrial Innovation
SPIEF	St Petersburg International Economic Forum
SPP	Strategic Partnership Programme
SSA	Sub-Saharan Africa
SASS	Sector Specific Assistance Scheme
T-FTA	Tripartite Free Trade Agreement
<b>the dti</b>	The Department of Trade and Industry
<b>THRIP</b>	Technology and Human Resources for Industry Programme
TISA	Trade Investment South Africa
TPSF	Trade Policy Strategic Framework
UNCTAD	United Nations Conference on Trade & Development
US	United States
UK	United Kingdom
WEO	World Economic Outlook
WIR	World Investment Report

TERM	DEFINITION
WTO	World Trade Organisation



## 2. Organisational Structure



**3. Foreword by the Minister**



Minister of Trade and Industry, Dr Rob Davies

The Annual Performance Plan 2018-2021, which was prepared through consultation with management, is hereby submitted in accordance with the National Treasury Framework on Strategic and Annual Performance Plans.

A handwritten signature in black ink, appearing to read 'Rob Davies'.

**Dr Rob Davies, MP**  
**Minister of Trade and Industry**

4. **Overview by the Director-General**



Director-General, Lionel October

The Annual Performance Plan 2018-2021 which was prepared through consultation with management, is hereby submitted in accordance with the National Treasury Framework on Strategic and Annual Performance Plans.

A handwritten signature in black ink, appearing to read 'L. October', written in a cursive style.

**Mr Lionel October**  
**Director-General**

**5. Official sign-off**

It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Department of Trade and Industry under the guidance of Minister Dr Rob Davies (MP);

Was prepared in line with the current strategic plan of Department of Trade and Industry; and

Accurately reflects the performance targets which the Department Trade and Industry will endeavour to achieve given the resources made available in the budget for 2018 to 2021.

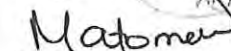
**Mr Shabeer Khan**  
**Chief Financial Officer**

Signature:



**Ms Nontombi Matomela**  
**Acting Group Chief Operating Officer**

Signature:



**Mr Lionel October**  
**Accounting Officer**

Signature:



**Approved by:**  
**Minister Dr Rob Davies, MP**  
**Executive Authority**

Signature:

## Part A: Strategic Overview

### 1. Vision

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

### 2. Mission

the dti'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; and
- Continually improve the skills and capabilities of **the dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

### 3. Values

the dti Values are:

- Operational excellence – service delivery standards, international best practice, Batho Pele Principles, continuous improvement and ethical conduct
- Intellectual excellence – continuous shared learning, innovation, relevant knowledge and skills improvement and knowledge management
- Quality relationships – improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork

### 4. Strategic Outcome-Oriented Goals

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

## 5. Strategic Objectives

- Grow the manufacturing sector to promote industrial development, job creation, investment and exports
- Improved conditions for consumers, artists and opening up of markets for new patents players
- Strengthened capacity to deliver on **the dti** mandate

### **Alignment to the National Development Plan and the Medium-term Strategic Framework**

The NDP is being implemented through 5-year implementation plans which have been consolidated into the 14 Outcomes of the MTSF 2014-19. The NDP has 3 broad levers to mobilise South Africans. **the dti** supports “Building stronger and more inclusive economy for faster employment and income growth,” as well as enhancing the development of the economic, political and social landscape. Where relevant and appropriate, **the dti** will contribute to the following national government priorities for 2018/19:

- Job creation,
- Infrastructure development,
- Land reform, small holder farm and agricultural development,
- Comprehensive social security, education and skills,
- Youth development, and
- Integrated plan to fight crime.

The work of **the dti** is primarily reflected in Outcome 4: Decent employment through inclusive economic growth and Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World.

The APP has been crafted so as to align with the MTSF and is designed to ensure that **the dti** meets its Outcome objectives by 2019. The APP activities listed herein consequently represent the cumulating progress towards achieving the MTSF objectives.

## 6. Updated Situational Analysis

### 6.1 Global Economic Context

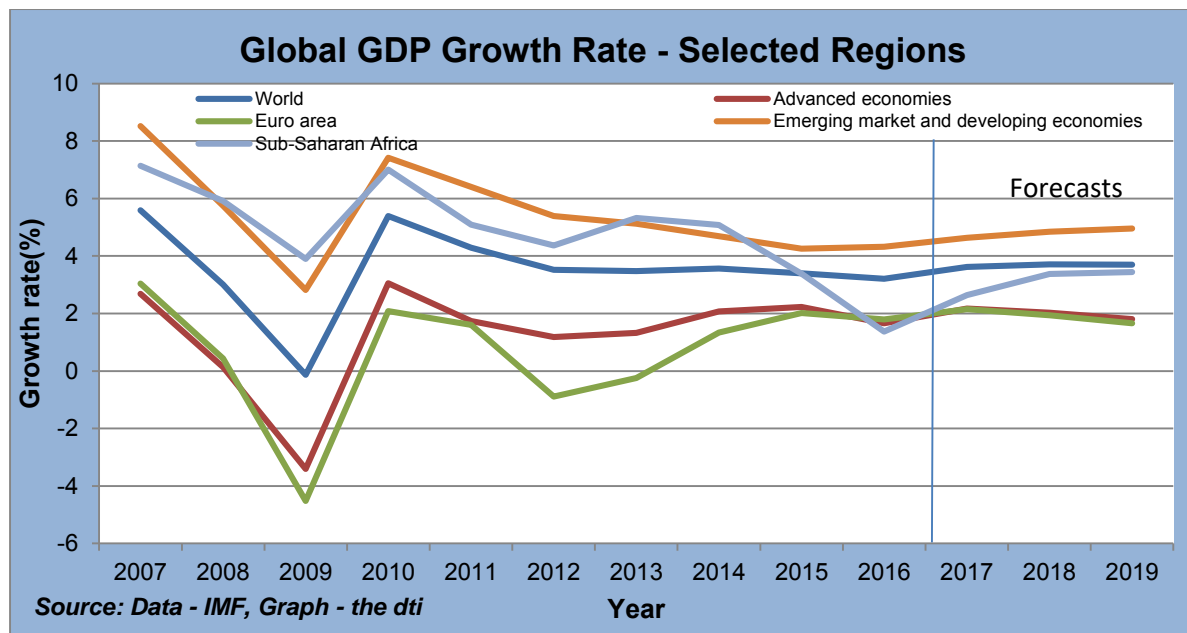
The global economic upswing underway since mid-2016 has continued to strengthen as global growth for 2017 is estimated to be 3.7 per cent. The growth momentum was driven by better GDP performance in both advanced economies and the emerging market and developing economy countries. As a result of these positive developments, the International Monetary Fund (IMF) in its World Economic Outlook released in January 2018 revised its projections for global economic growth upwards by 0.2 percentage points to reach 3.9 per cent in both 2018 and 2019.

Growth in Emerging Market and Developing Economies (EMDEs) is expected to remain resilient, reaching 4.9 per cent and 5.0 per cent in 2018 and 2019 respectively, compared with 4.4 per cent and 4.7 per cent reported in 2016 and 2017. Improved monetary policies have been supportive to the EMDEs growth, but the better fiscal buffers will still be needed to stimulate growth in future.

Growth in the Euro Area is projected to slow down to 2.2 per cent and 2.0 per cent in 2018 and 2019, compared with 2.4 per cent in 2017. Risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term. One notable threat to growth is a tightening of global monetary policies in response to economic acceleration.

Economic activity in Sub-Saharan Africa is projected to grow by 3.3 per cent in 2018 and 3.5 per cent in 2019. Subdued economic growth prospect is projected for South Africa with GDP growth expected to remain below 1 per cent in 2018 and 2019. This according to, the IMF's World Economic Outlook released in January 2018, is attributed to increased political uncertainty which weighs on confidence and investment in the economy. However, risks to the regional outlook are tilted towards the downside. This is attributed to drought, conflicts, political transition, low business confidence and worsening security conditions expected to weigh heavily on economic activity in the region. According to the World Bank's Global Prospects released in January 2018, these risks to the regional outlook underscore the need for policy actions to achieve inclusive growth.

South Africa should be alert to these global developments and to sustain high levels of economic growth in the long run, South Africa should continue to implement programmes that support key sectors of the economy and accelerate private sector investment. On the positive side, improving conditions in global markets and positive growth prospects for Sub-Saharan Africa provide export opportunities for business enterprises in South Africa. The downward risks on the other hand include the imminent appreciation of the US dollar and euro as a result of gradual tightening monetary policies which will have a weakening effect to the rand and increase the probability of high inflation.



### Factors Peculiar to South Africa Constrain GDP Growth in SA

Whilst the global economic growth seems to be recovering strongly from the global financial crisis, growing by more than 3 per cent in 2016 and projected to grow by 3.9 per cent in 2018, the South Africa's growth has lost momentum. It recorded a GDP growth rate of 0.3 per cent in 2016 diverging from the global growth of 3.2 per cent; Emerging Market and Developing Economies at 4.3 per cent. The EMDEs is projected to grow by 4.9 per cent in 2018; advanced economies at 1.7 per cent; and the Sub Saharan Africa which grew by 1.4 per cent. As depicted in the graph below, starting from 2013, the gap between the global GDP growth and the GDP growth in South Africa is become wider revealing that the GDP growth in South Africa is constrained by factors peculiar to South Africa. These factors include high administered prices; policy uncertainty; low business and consumer confidence; as well as declining investment amongst others.





### Domestic Economic Context

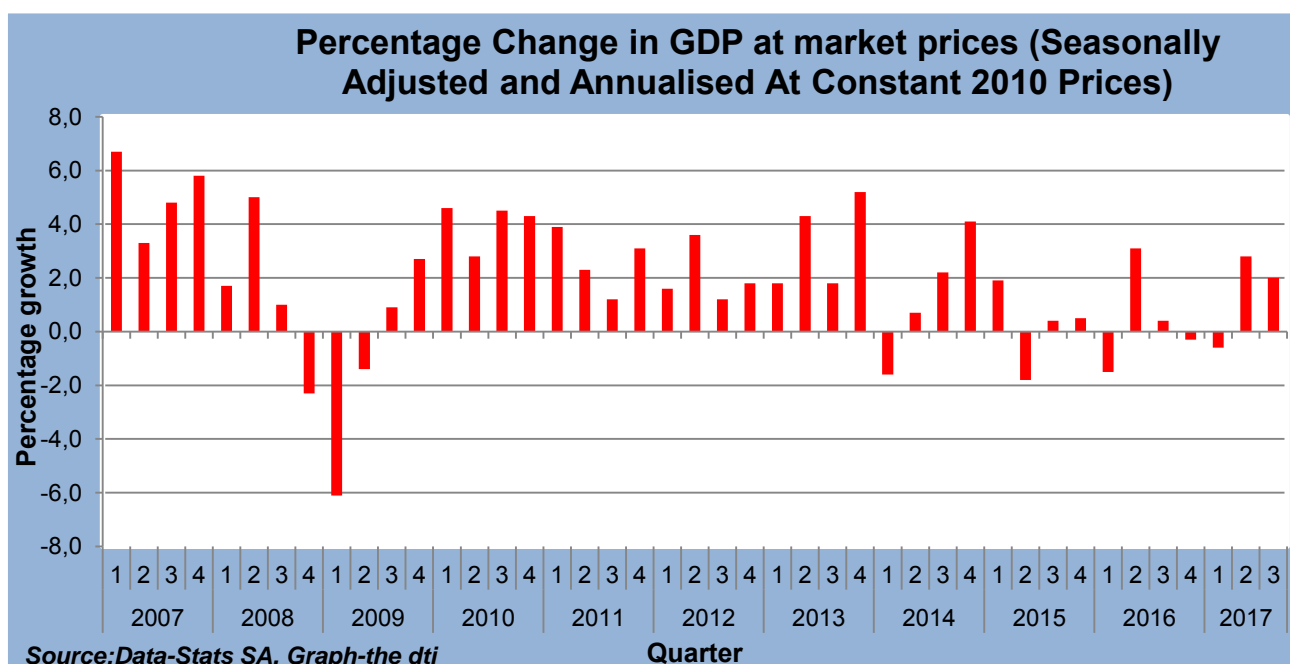
South Africa's GDP growth rate has been weak in recent years and the economy fell into recession in the first quarter of 2017. Economic conditions have since improved gradually in the second and third quarters of 2017 which grew by 2.8 per cent and 2 per cent respectively. However, the overall growth prospect remains generally weak. The agricultural sector emerged as the largest contributor to GDP growth after a long period of drought. The mining sector as a result of improved commodity prices also added to positive contribution to domestic growth output.

In the third quarter of 2017, South Africa GDP grew by 2 per cent compared to the upwardly revised expansion of 2.8 per cent in the second quarter of 2017. It is reassuring to note that this rebound in GDP growth in the third quarter of 2017 was supported by the productive sectors in the main. Agriculture, Forestry and Fishing industry increased by 44.2 per cent in the third quarter of 2017 mainly as a result of higher production of field crops and horticultural products.

Growth in the mining and quarrying industry on the other hand, increased by 6.6 per cent, driven by higher production of gold and platinum group metals. The manufacturing industry recorded a growth rate of 4.3 per cent with notable increases by the petroleum, chemical products, rubber and plastic products division; and the basic iron and steel amongst others. Consistent with the acceleration in output growth, the utilisation of production capacity in the manufacturing sector increased from 81.3 per cent in the second quarter of 2017 to 81.5 per cent in the third quarter of 2017 (SARB Quarterly Bulletin: December 2017).

It is encouraging to see the domestic economy grow; however, the downside risks to domestic growth outlook are not only substantial but have been rising and have the potential to disrupt growth momentum. Possible risks to domestic growth include poor state of fiscal space which has increased

the risk of multiple sovereign credit downgrades to sub-investment grade. The country lost its investment grade credit rating after Standard and Poor's downgraded both foreign and local currency to sub-investment status in November 2017. Fitch Ratings provided a reprieve for the domestic economy by holding the sovereign credit rating for both the long-term local and foreign-currency at stable outlook. Moodys decided to withhold their decision pending the outcome of the elective conference of the ruling party in December and the Budget Speech in February 2018. Other downward risks include factors such as low business confidence; delays in the finalisation of critical policies resulting in policy uncertainty; growing net external debt levels; SOEs bailouts or contingent liabilities; and drought in the Western Cape and parts of the Eastern Cape

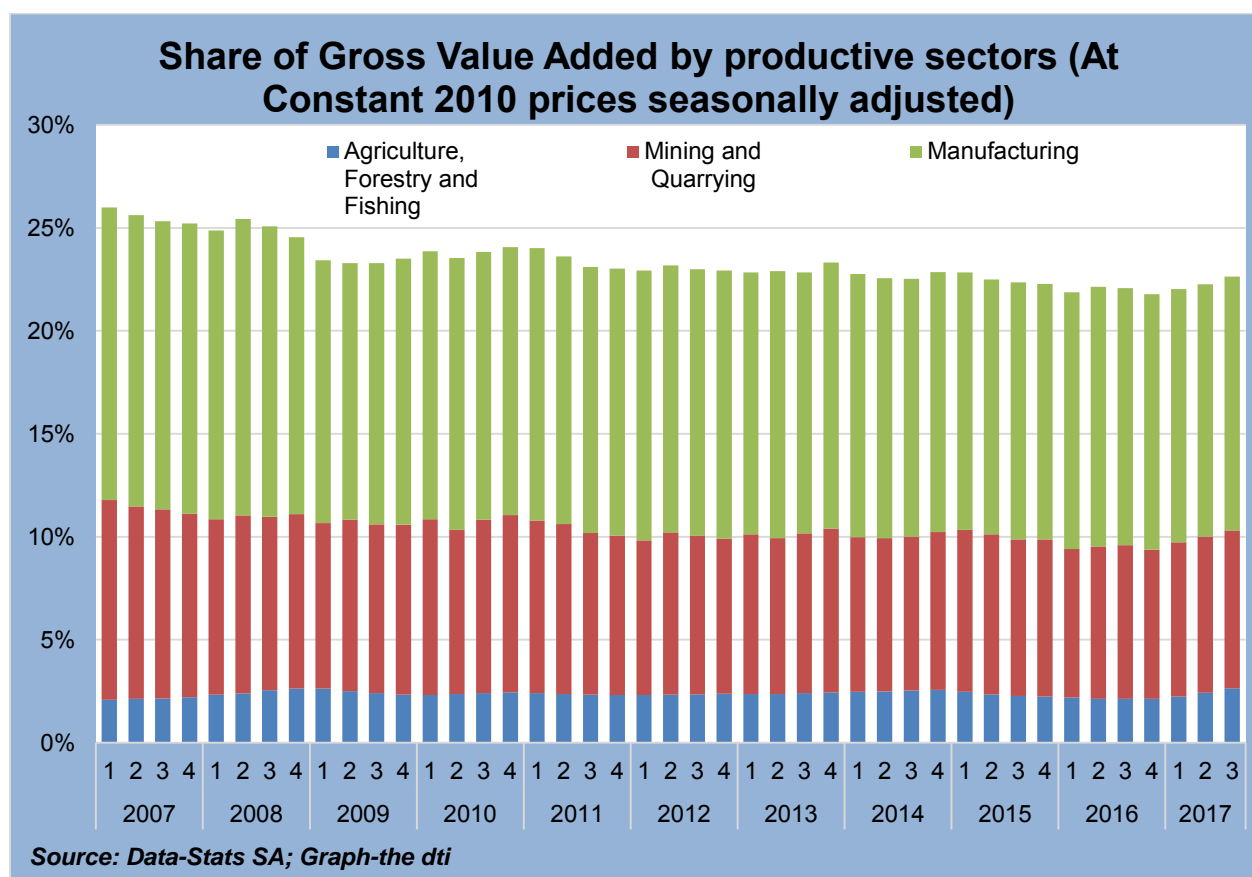


### Gross Value Added by the three Productive Sectors

An acceleration in the real output growth of the agricultural sector, underpinned by the 2017 bumper maize crop, drove the acceleration in the growth of the real gross value added (GVA) by the primary sector in the third quarter of 2017. In the third quarter of 2017, the sector contributed 0.9 percentage points to overall GDP after registering 0.7 percentage points to total output in the second quarter of 2017. The total contribution of agriculture to GVA increases from 2 per cent in the second quarter of 2017 to 3 per cent in the third quarter of 2017.

The mining sector has recorded stronger output growth, albeit off a very low base, with higher commodity prices providing some support. In the third quarter of 2017, the sector contributed 0.5 percentage points to the overall growth compared to 0.3 percentage points in the second quarter of 2017. The overall growth in the sector during the third quarter of 2017 was driven by the production of gold and platinum group metals. The mining sector contributed 8 per cent to GVA in the third quarter of 2017.

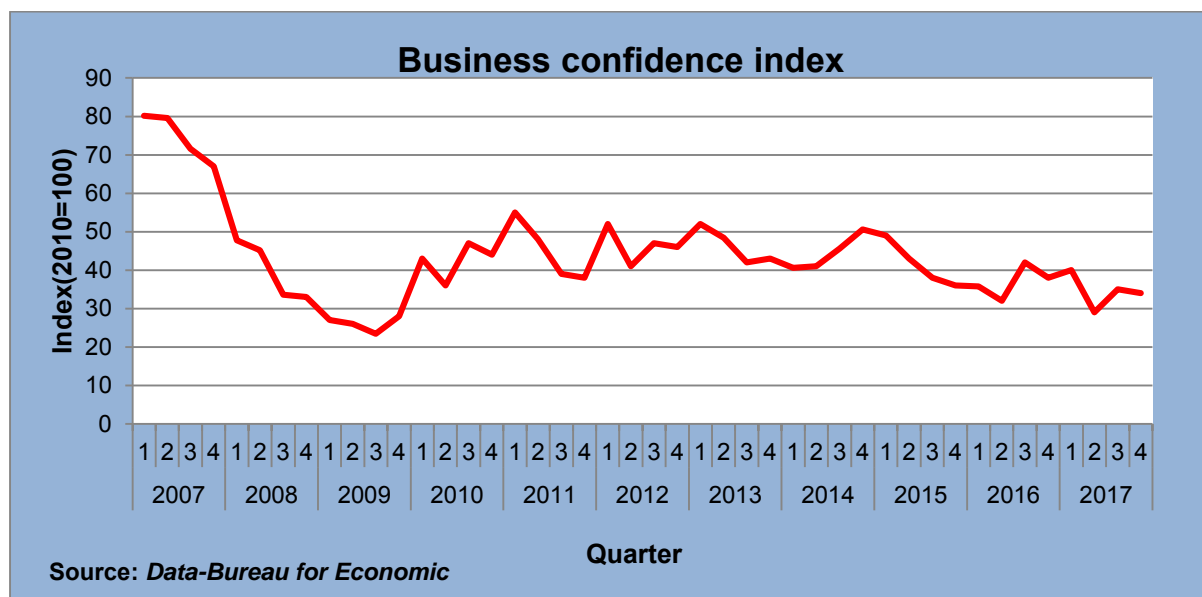
Manufacturing sector’s performance is recovering gradually as reflected by improving Purchasing Manger Index (PMI). The sector contributed 0.5 percentage points to overall GDP growth in the third quarter of 2017 compared to 0.2 percentage points to total output in the second quarter of 2017. According to the SARB Quarterly Bulletin, December 2017, notable increases were reported by the petroleum, chemical products, rubber and plastic products division; the basic iron and steel, non-ferrous metal products, metal products and machinery division; and the motor vehicles, parts and accessories and other transport equipment division. The manufacturing sector contributed 12 per cent to GVA overall in the third quarter of 2017.



### Business Confidence

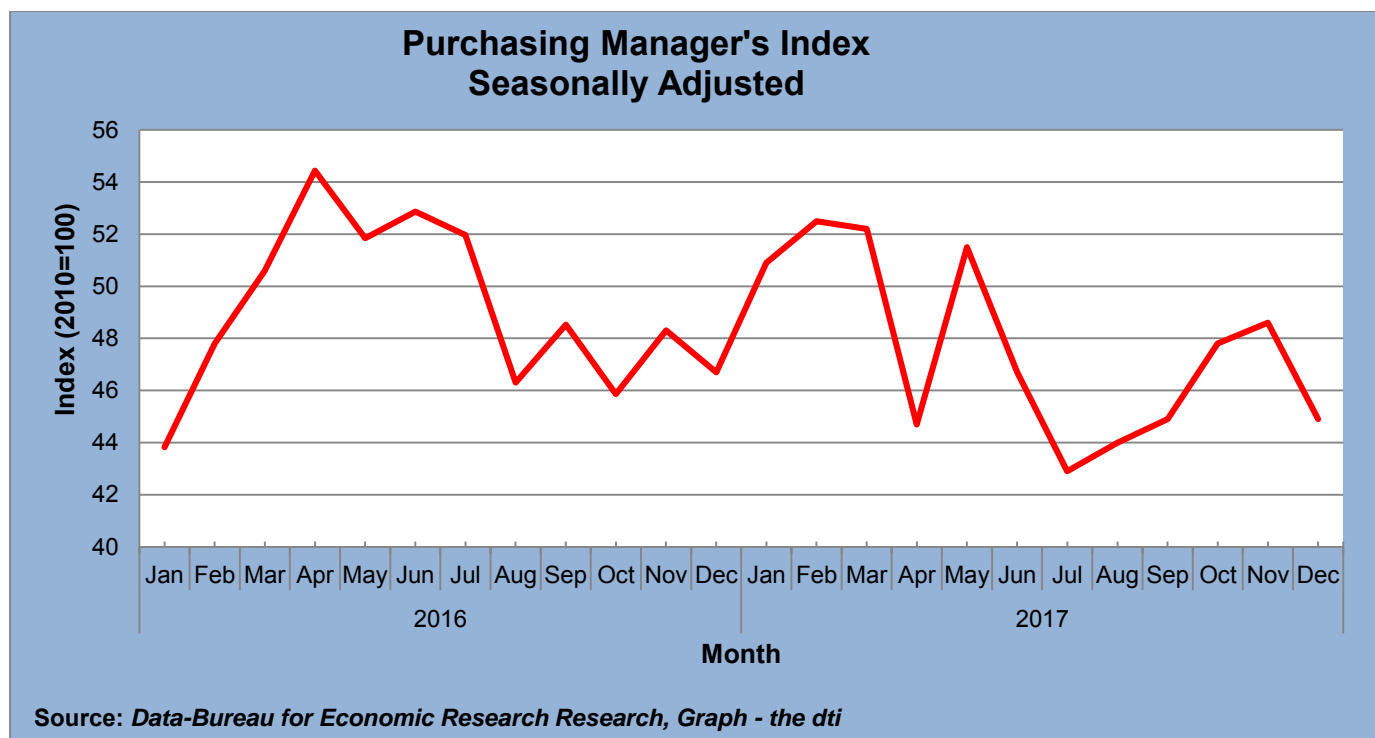
In 2017 the Business Confidence Index (BCI) plummeted to its lowest level in more than 30 years as political uncertainty, unemployment and dwindling trade weighed heavily on the index. In quarter two of 2017 the BCI was at its lowest level since the global financial crisis of 2009. Although the index recovered to 34 index points in third quarter of 2017, it still remained far below the neutral 50 points mark throughout 2017.

The sideways movement in confidence was mainly as a result of improvement in motor trade confidence, which was offset by deteriorations in the building industry from 44 in the third quarter to 34 in the fourth quarter of 2017. The retail trade confidence dropped by nine points to 29 in the fourth quarter of 2017 while the manufacturing sector’s confidence declined marginally from 27 index points in the third quarter of 2017 to 24 index point in the fourth quarter of 2017 (BER Business Confidence: December 2017).



### Purchasing Manager Index (PMI)

The performance of the PMI in 2017 reflects the weak economic conditions prevailing in the domestic economy. Since June 2017, the PMI fell into contractionary terrain indicating a continued deterioration in domestic operating business conditions. Although the index has shown a sign of recovery, it is still below the 50 point mark. This suggests that the domestic manufacturing sector is on the back foot compared to global performance at 54.5 points in December 2017 (BER Business Confidence: December 2017). On a yearly basis, the seasonally adjusted manufacturing PMI also edged down by 5.9 per cent (or -2.8 indices) to 44.9 index points in December 2017, compared with 47.7 index points in December 2016.



### Gross Fixed Capital Formation

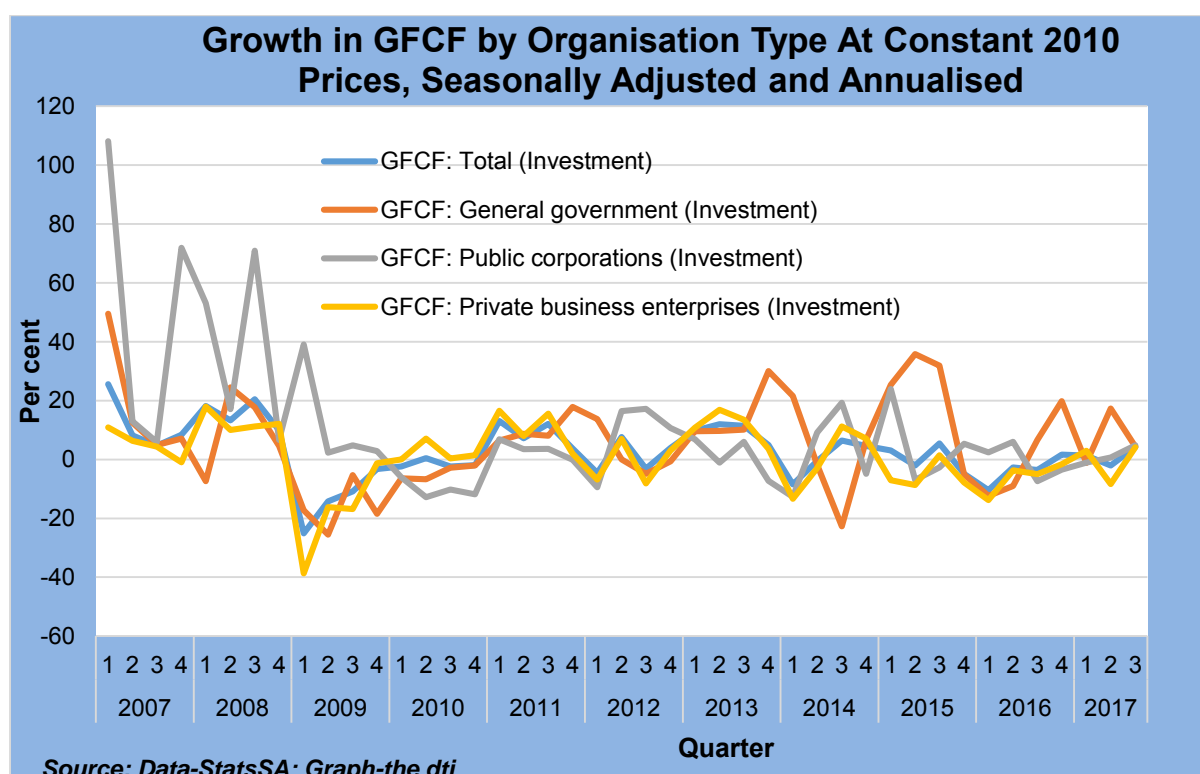
South Africa has seen a dramatic slowdown in the level of domestic fixed investment in particular by private business enterprises. The fixed capital formation by the private enterprises is the leading indicator of the level of confidence in the economy. Capital expansion by private enterprises appeared to be dwindling due to subdued domestic demand and weak business confidence. Although the overall capital expansion improved in the third quarter of 2017, the domestic downward risks still drag down the overall domestic investment in the economy.

In quarter three of 2017, growth in real gross fixed capital formation rebounded to 4.3 per cent following a contraction of 2.0 per cent in the second quarter. According to the SARB Quarterly Bulletin, December 2017, private business enterprises, public corporations and general government all recorded growth in real capital spending in excess of 4.0 per cent. As a percentage of GDP, gross fixed capital formation increased to 18.7 per cent in the third quarter of 2017. The overall GFCF as ratio of GDP is around 18 per cent of GDP in the first three quarters of 2017 which is far below the National Development Plan (NDP) target of 30 per cent by 2030. This negative variance between the actual GFCF to GDP ratio and the NDP target can be seen as a red flag signalling a need for collective action to increase investment.

Real gross fixed capital formation by private business enterprises increased by 4.1 per cent in the third quarter of 2017, clawing back part of the 8.4 per cent contraction in the preceding quarter. Capital outlays on machinery and equipment as well as transport equipment increased strongly in the third quarter of 2017, while capital expenditure on non-residential construction remained weak. Low levels of business confidence, subdued domestic demand, and the preference of firms to maintain and replace fixed capital goods rather than to expand capacity contributed to lacklustre fixed investment in the private sector.

Growth in real fixed capital spending by public corporations accelerated from a revised increase of 0.7 per cent in the second quarter of 2017 to 4.8 per cent in the third quarter. A considerable increase in capital outlays on transport equipment as well as machinery and equipment outweighed the lack of investment in other types of assets over the period.

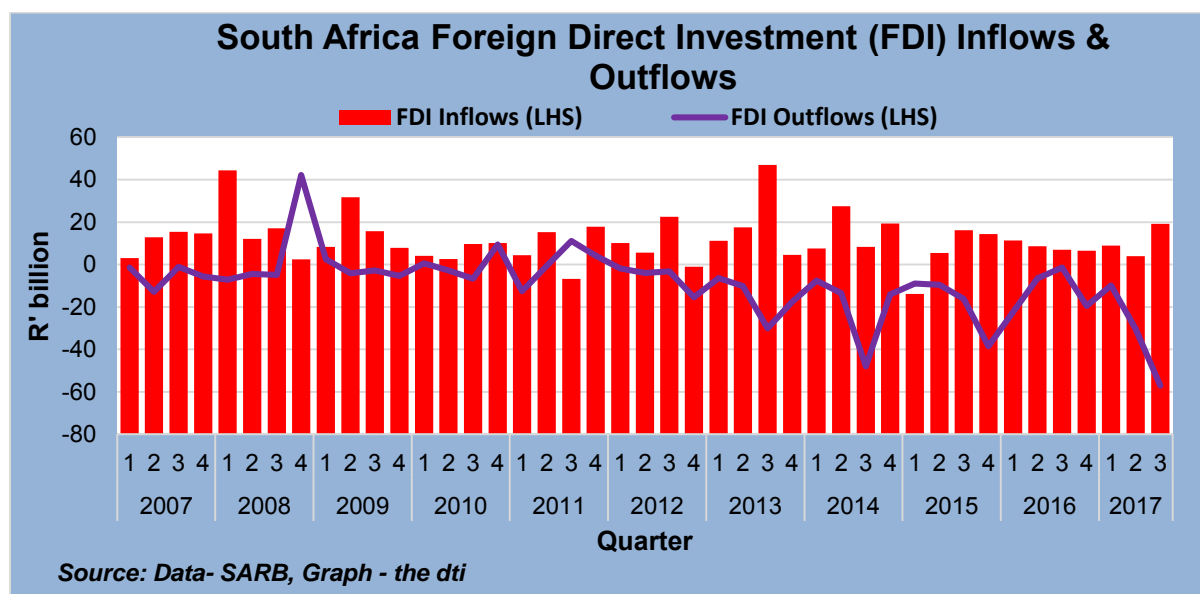
Growth in real investment spending by general government slowed to 4.4 per cent in the third quarter of 2017, though still supported by on-going road rehabilitation projects by provinces and local governments.



### Foreign Direct Investment (FDI) Inflows and Outflows

In 2017 the government officially launched the One Stop Shop to streamline investment in the economy. In addition, the government launched One Stop Shop centres in Western Cape and KZN, the launch in Gauteng is planned for the first half of 2018. The aim of these centres is to provide strategic guidance, reduce regulatory inefficiencies, and red tapes for all investors looking to invest in South Africa. Efforts to streamline investment activities are beginning to yield some results, in part due to the sterling work by Invest SA. [Invest SA](#) is working with the World Bank to improve the ease of doing business in the country and overall investment climate over the medium to long term.

Regarding the foreign direct investment inflows, South Africa recorded an inflow of R19.2 billion in the third quarter of 2017 following an inflow of R3.9 billion in the second quarter. The inflow during the third quarter could be attributed to proceeds from non-residents selling shares of a company in the domestic retail sector and share issuance by a domestic company in the telecommunications sector to its parent company abroad. Regarding the outflows, South African entities' direct investment abroad increased by R57.0 billion in the third quarter of 2017 following an outflow of R30.4 billion in the preceding quarter. In the third quarter, a domestic company acquired a significant stake in a telecommunications company abroad. In addition, a South African company in the retail sector acquired a company abroad and a domestic resources company extended debt financing to its subsidiary abroad.

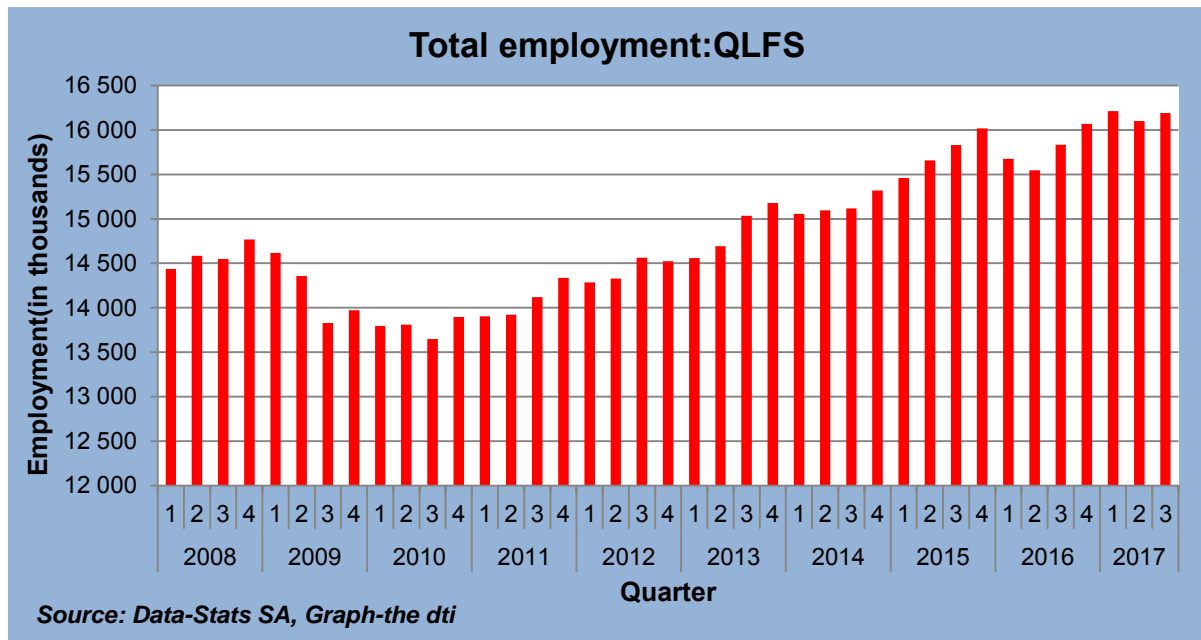


### Total Employment

South Africa's labour market has failed to gain any meaningful traction in the three quarters of 2017 with the unemployment rate remaining exceedingly high at 27.7% especially high amongst the youth. The lack of employment opportunities is the reflection of low levels of fixed investment spending by the private sector, as well as the sustained low business confidence in the economy. In the last three quarters of 2017, the labour absorption rate remained stagnant at 43.3 per cent, far below the increase in the working age population. As a result, the gap in reaching the 2030 National Development Plan target of 23-million employed people is now widening and it stood at 7.8-million at the end of the third quarter of 2017.

The total number of persons employed in South Africa from the second to the third quarter of 2017, increased by 92 000 raising the total number of employed persons to approximately 16.2 million as measured by Statistics South Africa's (Stats SA) Quarterly Labour Force Survey. Compared to the previous quarter, job losses were recorded in manufacturing (50 000), construction (30 000) and

agriculture (25 000). Meanwhile, gains were seen in finance (68 000), community and social services (56 000), transport (34 000), trade (21 000), mining (12 000) and utilities (5 000).



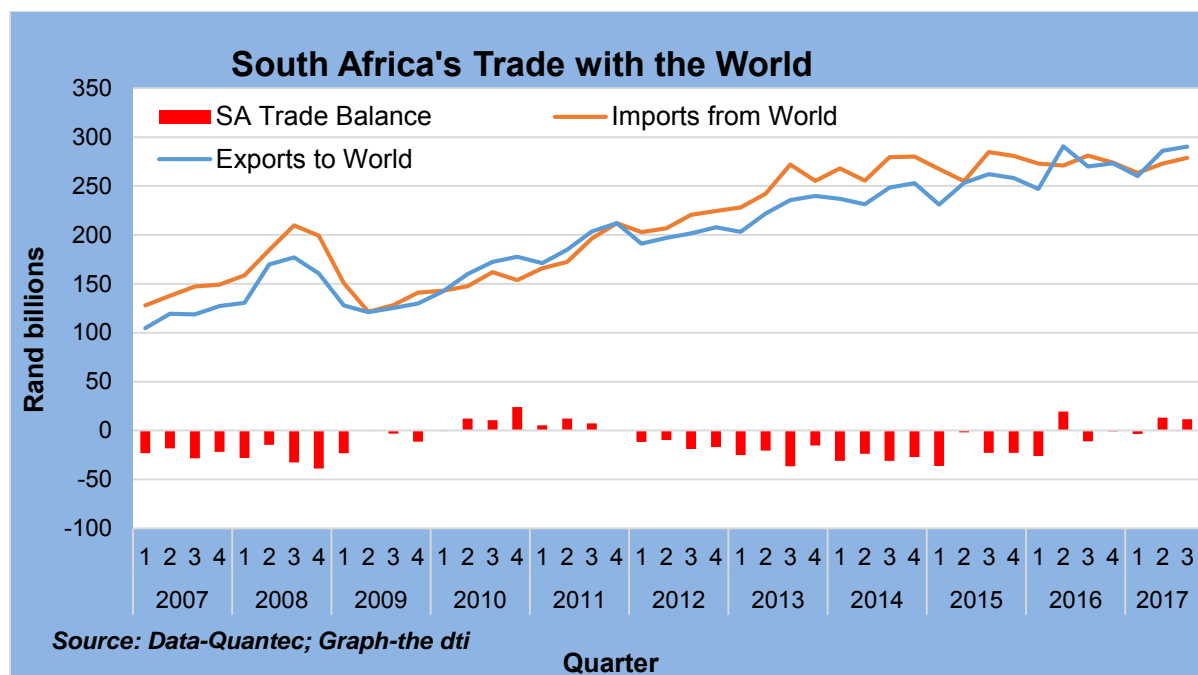
### South Africa's trade with the world

South Africa's total exports to the world increased from R286 billion in the second quarter of 2017 to R290 billion in the third quarter of 2017. The value of manufactured exports remained broadly unchanged in the third quarter of 2017 given that declines in vehicles and transport equipment; and chemical products were almost fully countered by higher exports of artificial resins and plastics as well as textiles and textile articles.

The value of agricultural exports increased in the third quarter of 2017 as a sharp rise in citrus fruit, in particular, was more than enough to counter declines by other agricultural products. The improved exports performance has resulted in South Africa's trade surplus to reach R71 billion in the third quarter of 2017 (SARB Quarterly Bulletin, December 2017).

On the other hand, South Africa's imports from the world increased by R5 billion to reach R278 billion in the third quarter of 2017 from R273 billion in the second quarter of 2017.



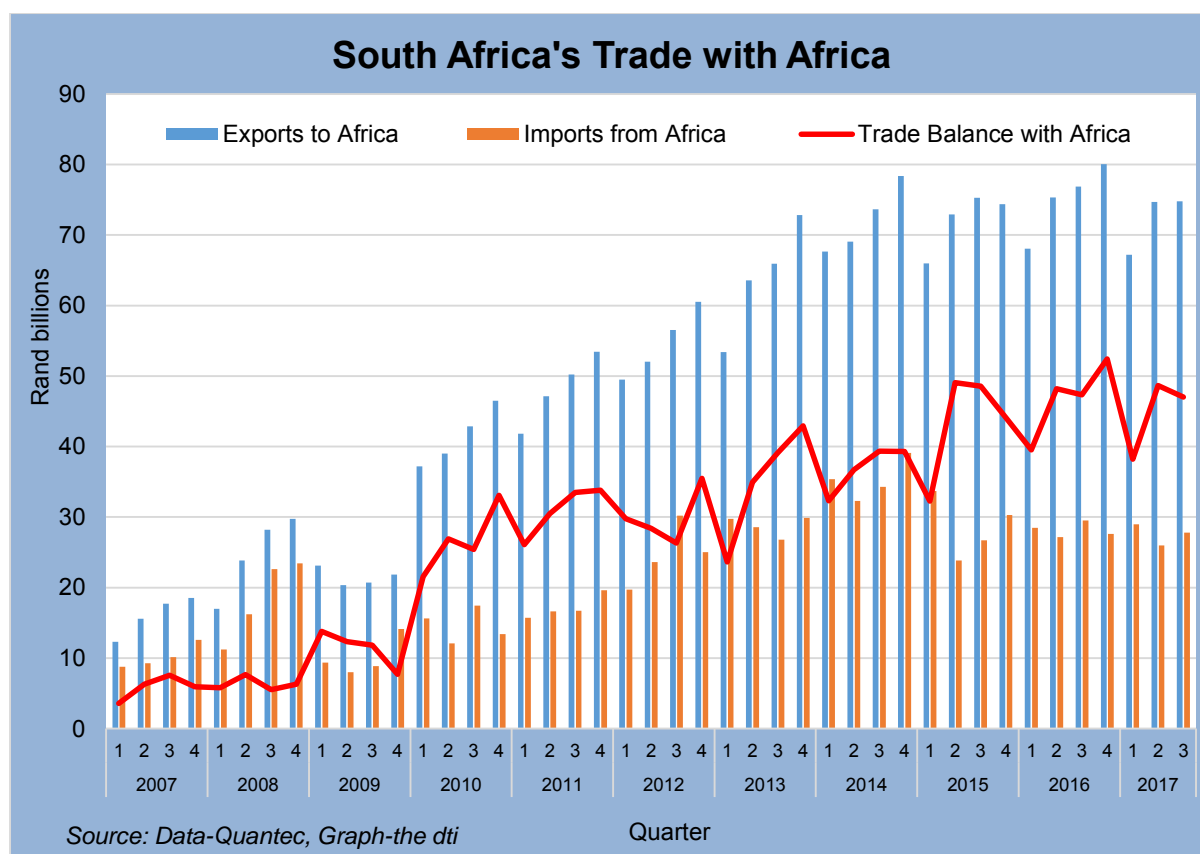


### South Africa's trade with Africa

South Africa is leveraging the existing regional trade and various bilateral agreements to expand and diversify its export basket in the continent. As a result, South Africa's trade balance with the rest of Africa in the three quarters of 2017 is positive. During the third quarter of 2017, South Africa's exports to the rest of Africa increased marginally to reach R74.8 billion, compared to R74.6 billion recorded in second quarter of 2017.

About 35 per cent of exports to Africa were mineral products and machinery and mechanical appliances. This resulted in trade balance with Africa reaching R47 billion in the third quarter of 2017. As a result of integration processes undertaken by most regions in Africa, the rest of Africa is the destination for approximately 30 per cent of South Africa's global exports. Most fundamentally, is the content of this trade as it is increasingly in value-added products thus supporting our objectives of industrialisation, job creation and economic transformation.

On the other hand, South Africa's imports from Africa reached R27.8 billion in the third quarter of 2017 from R26 billion in the second quarter of 2017. Amongst the regions in Africa, SADC, due to its geographic proximity and preferential trading arrangement is South Africa's largest trading partner.



### Conclusion

The changing economic environment, both global and domestic, has a major impact on government's ability to deliver on the aspirations of the National Development Plan and the Medium Term Strategic Framework (MTSF). The South African economy has not recovered from the global financial crisis of 2007/2008. The economic slowdown that followed was accompanied by lower levels of employment creation especially amongst the youth. Frail business and consumer confidence weighed down growth prospects despite the recovery in economic activities in the second quarter and third quarter of 2017.

Despite the difficult global and domestic economic climate, some of the government interventions articulated in the Nine Point Plan, MTSF and NDP are beginning to make meaningful impact but more work must be done to push back poverty, inequality and unemployment and improve the quality of life for all.

Therefore, **the dti** as the lead department on the implementation of 3 of the 9 elements of the 9-point plan, namely, the implementation of the higher impact IPAP; Advancing Minerals Beneficiation; and Crowding-in Private sector investment, will continue to work with other sector departments and the private sector to implement the Nine Point Plan. The focus will mainly be on ensuring that the productive sectors of the economy, particularly the manufacturing sector, increase their contribution to GDP and employment creation. This will be done by ensuring that South Africa's export basket is largely dominated by beneficiated products.

To secure transformation, change the structure of the economy, mitigate critical short-term constraints, and develop inclusive growth dynamic we need to:

Limit import leakages – not just in Government’s procurement processes – but also in private-sector, SA consumers. Consider a stronger set of interventions to support self-employment and entrepreneurship e.g. provision of a subsidised, locally-manufactured toolkit for auto repairs, plumbing, construction and basic infrastructure maintenance.

Improving and expanding economic infrastructure (industrial parks, ICT Hubs, waste/recycling sites) in Townships which will have direct impact on employment and livelihoods within Townships;

Expand Black Industrialist programme to include identifying people with potential to initiate new industries in the un-served sectors and set aside funds to finance their initiatives;

Ensure already designated SEZ’s are fully operational and fast- track investment into SEZs to maximise potential for job creation and using the SEZ framework, develop specialised centres to the benefit of SMMEs; and we need to implement the outcomes of the cabinet makgotla.

## 6.2 Performance delivery environment

the dti works to support a diversified and growing manufacturing sector, in so doing the programs seek to raise the competitiveness, grow exports, retain and grow jobs and build the economic linkages between the manufacturing sector and other production and services sectors of the economy.

The work of the dti is framed by the Industrial Policy Action Plan (IPAP) which is produced and published for the Economic Sectors, Employment and Infrastructure Development Cluster (ESEIDC). Work in support of the manufacturing sector supports the broader work falling under Outcome 4 of the national government. The IPAP is framed by the National Industrial Policy Framework (NIPF) and it is aligned to the broad vision and long term goals set out in the National Development Plan (NDP). The IPAP is to the Medium Term Expenditure Framework (MTEF) and the Medium Term Strategic Framework (MTSF) of government.

The department will seek to achieve a higher impact industrial policy. This effort will seek to build on the policy platforms and achievements of the recent period in sectors such as Automotives and clothing, textiles, leather and footwear (CTFL) and business process services (BPS). The department will seek to build on the significant advances with respect to the implementation of procurement localisation to raise aggregate domestic demand and support the domestic manufacturing sector through instruments such as Designations for local procurement, the Competitive Supplier Development Programme (CSDP) and the National Industrial Participation Programme (NIPP).

The Department contributes towards transformation of the economy in particular, the industrial development agenda through the development and promotion of the Special Economic Zones. This programme is implemented through Special Economic Zones Act, 2014 (Act no 14 of 2014). The main goal of the Special Economic Zones Programme is to amongst others establish new industrial hubs as well as attract both foreign and domestic direct investments in the designated zones and regions; and thereby contribute. The SEZs has also been utilised as a tool to build strategic and targeted industrial capabilities to promote industrial development, investment, competitiveness and employment creation.

Investments in the Special Economic Zones infrastructure, in turn, should result in increased value added exports from the different regions, as well as the creation of the much needed decent jobs. At least one new Special Economic Zone will be designated in the 2018-19 financial year.

The Department is expanding economic opportunities focused on under-developed and marginalised regions through the revitalisation of the Industrial Parks and Clusters programmes. The Industrial Parks Programme has adopted a cluster based approach with an emphasis on promoting industrialization in the lagging regions including townships and rural towns. The programme has taken a phased approach in revitalizing state-owned industrial parks beginning with the upgrade of security features and other critical infrastructure needs. It is one of the key drivers for the promotion of increased investment in

otherwise neglected areas thus scaling up industrial activities and realizing inclusive growth and job creation in the marginalized regions.

The implementation of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) (B-BBEE Act) including the trumping clause is one of the key priorities of the department in promoting empowerment and equity in the economy. The department is also working on strengthening measures for Broad-Based Black Economic Empowerment, especially in confronting fronting. The relevant B-BBEE regulations will be put in place in the short term to address amongst others these fronting and trumping concerns.

The department has developed the Black Industrialist Policy as a key part of B-BBEE implementation and Government's broad industrialization initiatives to expand the industrial base and inject new entrepreneurial dynamism into the economy. Industrialisation calls for bolder policy interventions on the part of the state to expand the industrial base of the country and grow the economy, as highlighted in the latest iteration of the Industrial Policy Action Plan (IPAP). It is for this reason that the Black Industrialists Programme will focus initially on financial and market access support to approved black industrialists in collaboration with the State Owned Companies (SOCs), Government Departments and private sector.

According to the legislative mandate that establishes an ad hoc regulatory body, the South African Council for Space Affairs (SASCA) for all space activities in the country was appointed by the Minister. This body is supported by the dti officials to perform their functions. As a result of developments in the country and internationally, the Department is repealing these primary space affairs act 84 of 1993 in collaboration with the council to take in consideration of developments mentioned above. Guided by the Space Policy of 2009 the Department will work on developing and implementing the Space Industrial Framework to unpack key developmental opportunities and critical interventions.

The Department is responsible for the development and implementation of trade, investment and intellectual property rights policy. The trade policy is informed by the Trade Policy Strategic Framework (TPSF) and the investment policy is informed by the Protection of Investment Act, 2015 (Act No. 22 of 2015) that was signed by the President on 15 December 2015. The draft Intellectual property rights policy has been approved by Cabinet in August 2017 for public comment.

South Africa's economic development strategy aims to accelerate growth along a path that promotes structural transformation of the economy, generates sustainable and decent jobs in order to reduce poverty and extreme inequalities that characterise our society and economy. In broad terms, this requires on-going effort to shape the terms and conditions of South Africa's integration into the global economy in a manner that supports South Africa's national economic developmental objectives. The Department seeks to contribute to creating the conditions that would enhance South Africa's export of higher value added products, promote inward investment, outward investment to Africa, and preserve policy space to implement our development objectives.

**the dti** recognises the importance of promoting trade, inward investment and encouraging exports in order to leverage global growth for the development of our economy, focusing on regional integration and enhancing our trade and investment relations in the rest of Africa, our main/traditional trading partners and dynamic fast growing emerging markets.

In summary, South Africa's domestic economic policy imperatives require, in terms of trade, investment and industrial development: (i) Increased exports, including in non-traditional products; (ii) Increased direct investment, especially into the productive sectors of the economy; (iii) Managing global economic integration in such a way that policy space is maintained to pursue domestic imperatives; (iv) Approach trade with other African countries, as well as regional economic integration within Africa, from a developmental perspective, prioritising African industrialization and diversification; with a view to identify complementarities and opportunities to move up the value chain and so benefit from and contribute to development in Africa; (v) Enhance trade with dynamic/fast-growing countries of the South in a way that would ensure space for South African industry in their value chains; and (vi) Develop markets that would enable South African industry to move into advanced/higher-technology products.

The work programme in the rest of Africa continues to promote the implementation of the development integration agenda through multilateral engagements in the Southern African Development Community (SADC), Southern Africa Customs Union (SACU), the African Union (AU) and the New Economic Development Programme for African Development (NEPAD), and is underpinned by a strong bilateral country agenda. The key objective is to broaden integration by among others the negotiation of the Tripartite Free Trade Area and the Continental Free Trade Area.

**the dti** will continue increasing South Africa's exporter base and promoting trade, by developing a sustainable long term competitive market positioning and international profile for the country. This will be done through the continued implementation of the Integrated National Export Strategy (INES). The INES focuses on four pillars which include; - the enabling environment and global competitiveness, increasing the demand for South African goods and services through market diversification, broadening the exporter base through the National Exporter Development Programme (NEDP) and strengthening strategic export promotion mechanisms through enhancing South Africa's value-proposition. Further to this, the INES has been anchored on the mandate of promoting exports of value added goods and services, within the IPAP priority sectors.

As part of the INES, **the dti** continues to develop a pool of export ready companies under the National Exporter Development Programme (NEDP), which includes the Global Exporter Passport Programme (GEPP). The GEPP is aimed at developing the capacity of South African exporters through training and workshops aimed at improving their export readiness. **the dti** will continue in its efforts building an export culture through export awareness and outreach programmes, as well as mobilising established enterprises to become exporters. Special focus will be given to companies located within Special Economic Zones and Industrial Parks for capacity building utilizing the GEPP.

the dti aims to improve its engagements with export stakeholders that include exporting companies in targeted sectors, export councils, provincial and local stakeholders as well as other government and non-government players in the export value chain. These engagements will be done to ensure that the dti develops exporter centric export activity plans to ensure support is provided to large exporters as well as companies that have been supported through the NEDP and GEPP.

The following section summarises the challenges facing South Africa's economic outlook and growth and the response thereto:

- Challenging economic and operating environment over the last few years has not been conducive for fixed investment spending by the private sector.
- Subdued demand, both locally and abroad, have resulted in spare production capacity in many industries, thus not justifying investment in additional productive capacity.
- Supply-side constraints, especially cost pressures and infrastructure-related challenges, have also affected the investment decisions of private business enterprises
- Business confidence declined by 11 points to 29 index point in Q2 2017. This could be an indication that the current business cycle downswing is becoming even more pronounced.
- Consumer confidence remains low – indication of depressed household consumption.
- Risk of further downgrading due to low growth, policy uncertainties and the fact that the economy is recession.

Hence, the following priorities for the remainder of the administrative term will aim to address these challenges:

- Rollout of the Agro-processing Support Scheme to raise investment and encourage off take agreements with smallholder farmers.
- Roll-out and expansion of the Black Industrialists programme to all sectors of the economy including Agriculture, Construction, Infrastructure.
- Strengthened focus on localisation to prevent import leakages with major focus on compliance and enforcement of current provisions, including provisions to include in SOE's CEO's performance contracts and Shareholder Compacts.
- Scale-up implementation of SEZs, Township IT Hubs and Local Industrial Park Revitalisation programmes.
- Support Department of Tourism initiative to deepen localisation in hotel sector (incl. furniture, building materials, crockery, beds and mattresses).
- Strengthen public and private-sector investment especially by SOCs.

The Department has made strides in the development of legislation in the areas of Copyright, Performers Protection, Gambling and Liquor. During the period under review the target is to finalise the

Companies Amendment Bill. A substantial amount of work has been undertaken despite challenges such as capacity constraints.

The moratorium on posts and budget allocation is hampering the capacity roll-out of the InvestSA division. Budget allocation for Programme 8 needs to be suitable to market, communicate and roll-out the One Stop Shop (OSS) and InvestSA brand domestically and internationally.



### 6.3 Organisational environment

Since the beginning of the 2016/17 financial year to date, **the dti** was confronted with a number of challenges as a direct result of the cuts made to the compensation budget. The vacancy rate as at 31 March 2017 was 13%, but includes a number of unfunded posts. Vacancy rate as on 30 September 2017 is on 5.1%. With unfunded posts included, the vacancy rate is 13.1% as at 30 September 2017. Of the 67 vacant posts, only 4 have been approved as priority posts to be filled as all others were placed on hold following the moratorium. The actual vacancy rate is therefore 0.3%.

A total of 114 employees were recruited during this period, which included 74 interns and 21 contract appointments. The moratorium on the filling of posts remained in place, with the exception of posts in priority areas.

The above constraints have brought about new challenges and risks for the organisation, including capacity constraints in areas with high staff turnover, employment relations challenges relating to additional work and reduced staff morale due to limited opportunities to name a few.

In order to address these challenges, the focus will be on optimising **the dti's** organisational structure to ensure efficient service delivery with minimal resources.

The cumulative turnover rate of 6.8% remained a target for the duration of this APP. The turnover rate remains stable over the 2017/18 financial year at 2.96%. The recorded annualised turnover rate was at 3% as at 31 March 2017 comparing favourably with labour trends. The converse of the turnover rate is the retention rate which is at 97.04% as at 30 September 2017. Skills transfer plans will continue to be developed and implemented across the Department. To ensure that the Human Resource Plan is implemented effectively, various initiatives to guarantee the availability of sufficient human resource capacity will be embarked upon. These include the redeployment of existing resources to Presidential and Ministerial priority areas such as the Black Industrialists, Trade Invest Africa and Invest SA.

Various interventions such as the Internship Development Programme will continue. The internship programme remains **the dti's** youth development flagship initiative. During the 2017/18 intake **the dti** recruited and placed 74 interns to provide opportunities for practical experience in the workplace and enhance their productivity potential. The 2017/18 intern intake has seen approximately 16 160 applications being received, indicating a keen interest in **the dti** as an employer of choice.

The bursary and scholarship programmes are other key interventions that aim to enhance the management and operational capabilities in **the dti**. Due to financial constraints, assistance in terms of bursaries for the 2017/18 financial period will be limited to serving officials of **the dti** to complete their part-time studies. The Department has 212 bursary holders as at 30 September 2017.

The design and development of training and development programmes intends to improve technical skills. These programmes include amongst others the various international donor funded opportunities being offered and the Economic Diplomacy Programme.

In order to support the functional capabilities of staff, functional skills development interventions are critical in areas such as the implementation of the Industrial Policy Action Plan. These are cross cutting and applicable to more than one programme in the Department and aim to develop staff on programmes such as international trade, investment, special economic zones and sectors such as clothing, leather and footwear as well as jewellery and pharmaceuticals. Cooperative agreements exist between South Africa and various international organisations and countries to build these capabilities with staff as well as in businesses.

**the dti** will continue with the implementation of the Management Development Programmes, which include the Accelerated Development Programme, the Advanced Management Development Programme, the Emerging Management Development Programme, Executive Development Programme, as well as the Project Khaedu Programme. The latter forms part of the Department of Public Service and Administration's Directive on Compulsory Capacity Development and mandatory training days.

A representative workforce remains a priority on the transformation agenda of the Department. Targets such as women in senior management and the employment of people with disabilities are the focal areas. Improvements continue to be made with respect to the appointment of women in senior management positions and their representation stood at 50% as at 31 March 2017, a record achievement for the department. This achievement occurred regardless of the key challenge of limited vacancies which was anticipated as a hindrance to progress towards greater representivity, especially in terms of national targets of 50% women in SMS as at 30 September 2017.

The department will continue to give priority to vacancies in priority areas should they become available. Targeted recruitment in terms of these focus groups may pose an opportunity to improve achieving the department's equity objectives. Various initiatives are in progress to develop the pipeline of middle managers towards their readiness for senior positions that may become available, i.e. women development and mentorship programmes.

The department continues to do well with regard to promoting the appointment of People with Disabilities. Their representation was 3.31% as on 30 September 2017. A focal area is to have a fair distribution across all salary levels.

**the dti** supports a healthy working relationship with recognised organised labour in the department with a view to promote good relations with employees. In terms of grievances, the department noted an increase in the number of grievances that were handled. The department handled 47 grievances in the 2017/18 financial year, of which 22 were new cases and 25 brought forward from the previous period.

The majority of cases revolve around Job Evaluations as well as various other matters. Also emerging is an increase in grievance matters relating to additional work. This is a direct consequence of the hold on the filling of positions due to the reduction of the compensation budget.

#### 6.4 Legislative and Other Mandates

the dti's work is governed by a broad legislative framework, as outlined below:

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 in and 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 (broad-based black economic empowerment) 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 (CIPC) and National Consumer Tribunal (NCT); and provide for matters connected therewith.
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 to 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 (NCC); 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

Act	Purpose
	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.
Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Establish the Export Credit Insurance Corporation 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.
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 Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	Provide for the application in South Africa of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers.
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	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

Act	Purpose
(Act No. 18 of 2006)	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.
National Credit Act, 2005 (Act No. 34 of 2005)	Establish the National Credit Regulator (NCR) and CT, 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 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

Act	Purpose
	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.
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 objects 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.

Act	Purpose
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 trademarks; and provide for the registration of trademarks, the certification of trademarks and collective trademarks, 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.

- The Protection of Investment Act No. 22 of 2015 was enacted but has not yet commenced pending promulgation of the mandatory regulations to be made in terms thereof;
- The Special Economic Zones Act No 16 of 2014 was enacted and put into operation on 9 February 2016;
- The Minister issued 6 Notices in terms of the SEZ Act making provision for the establishment of 6 Special Economic Zones;
- The regulations providing for the establishment of the Commission in terms of the B-BBEE Act were promulgated in May 2016.

## 7. Future Policy Developments

Cabinet approved the Intellectual Property (IP) Consultative Framework (Framework) in July 2016. Using the Framework, the resulting consultations and submissions received as the basis, the department intends to conclude the formulation of the Draft IP policy by 2017 that will ensure a coordinated and balanced approach to IP that provides effective protection of IP rights and responds to South Africa's unique innovation and development dynamics.

The first phase of the Draft IP Policy was submitted to Cabinet in March 2017. Cabinet requested that certain changes be made. These have been effected and the revised documents have been re-submitted.



The IP Policy will be developed through a phased approach with two key substantive thematic areas to be covered in the first phase on the basis of existing research, analysis and expertise. Further work will be undertaken thereafter to put in place the comprehensive IP Policy by pursuing the in-built agenda over the next 3-5 years. This process will substantively cover other aspects of IP not comprehensively in the first phase.

As well as legislative amendments and changes to the regulations, implementation of the IP Policy will entail the development of substantive guidelines.

In the next financial year, **the dti** will prioritise the finalisation of the six bills namely copyright, performers protection, gambling, liquor, credit and companies that are currently being developed. Once the Bills have been finalised the focus will be on the development of regulations for the six bills. The focus of education and awareness is on the Liquor, National Gambling, Lotteries Amendment, National Credit, Consumer Protection, Copyright, Performers Protection and Companies Acts. Education and awareness will continue for a period of three years. In addition, studies will be conducted in future with the aim of establishing the levels of awareness, identification of shortcomings and challenges on the legislation. The recommendations of those studies will be incorporated in future legislation.

The five-year term of the Integrated National Export Strategy (INES) comes to a conclusion in 2021. **the dti** will initiate a process to review the overall export strategy for the country with the objective to further increase the levels of export by both large, small and medium enterprises. Through this review, **the dti** hopes to ensure alignment of the export strategy and its various tools and pillars to the broader objectives as directed by the Industrial Policy Action Plan (IPAP) amongst other **the dti** policies.

The SEZ Act has been implemented since 2013. There are many lessons learnt from experiences of the SEZ Operators, provinces and **the dti**. The review of the SEZ Act is intended to enhance the performance of the designated zones and the SEZ Programme as a whole, especially regarding investment attraction, job creation and regional development.

**the dti** is finalising the South African Outer Space Bill, which will repeal the Space Affairs Act of 1993 as amended in 1995. The new Legislation will usher a new legal regime taking into consideration the pertinent domestic and international space developments. This legislation will also take into account space benefits for the socio economic development whilst strategic enough to open room for future space exploration

**the dti** will, upon approval of the above mentioned legislation, work on reviewing the National Outer Space Policy of 2008 as it had a 10 year life span that will end in 2018. This review will take tune from the new modern Legislation to provide broad, contemporary and appropriate guidance to all

South African stakeholders, (public and private), whilst strengthening the monitoring and compliance to international and domestic legislation.

InvestSA will champion a reform memo with the World Bank and inter-governmentally work to improve the ease of business rankings to improve our investment climate.

## **8. Recent Court Rulings**

### **Maxime Hotel Pty Ltd vs The Minister of Trade and Industry and others**

The Applicant launched an application in the Pretoria High Court seeking an order declaring regulation 3(2) of the Regulations on Limited Payout Machines published under GN R1425 in GG 6977 of 21 December 2000 ultra vires the powers and duties of the National Gambling Board as outlined by the National Gambling Act, 2004. **the dti** successfully defended the matter. The Applicant however appealed the judgement to the full bench of the High Court. On 02 June 2017, The Appeal Court dismissed the Applicant's appeal with costs.

## 9. Financial Plan (Expenditure Estimates)

Summary by programme and economic classification	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	<b>Audited outcome</b>	<b>Audited outcome</b>	<b>Audited outcome</b>	<b>Appropriation</b>	<b>Medium-term estimates</b>		
Rand thousand							
<b>Programme</b>							
1. Administration	699,945	727,561	699,139	731,820	786,683	804,248	854,705
2. International Trade and Economic Development	124,108	113,560	116,024	119,818	126,874	131,276	140,117
3. Special Economic Zones and Economic Transformation	235,120	92,524	97,589	119,410	120,146	122,341	130,498
4. Industrial Development	1,775,154	1,953,616	1,722,245	1,819,277	1,775,839	1,869,228	1,974,152
5. Consumer and Corporate Regulation	281,122	287,420	295,381	298,629	320,861	329,167	348,379
6. Incentive Development and Administration	5,176,717	5,795,785	6,895,186	5,746,519	6,416,027	5,348,760	5,645,702
7. Trade and Investment South Africa	329,638	501,193	454,588	388,463	385,466	457,296	486,480
8. Investment South Africa	37,959		69,244	50,859	51,961	53,686	57,320
<b>Total</b>	<b>8,659,763</b>	<b>9,471,659</b>	<b>10,349,396</b>	<b>9,274,795</b>	<b>9,965,857</b>	<b>9,116,002</b>	<b>9,637,354</b>
<b>Economic classification</b>							
Current payments	1,442,611	1,485,652	1,505,485	1,511,692	1,560,522	1,659,796	1,771,056
Compensation of employees	815,309	874,175	915,498	902,415	927,845	998,578	1,073,471
Goods and services	627,302	611,477	589,987	609,277	632,680	661,215	697,585
Transfers and subsidies	7,192,503	7,936,488	8,818,108	7,735,099	8,377,472	7,420,415	7,828,538
Payments for capital assets	19,933	37,433	16,103	28,004	27,863	35,791	37,760
Payments for financial assets	4,716	12,086	9,700	-	-	-	-
<b>Total</b>	<b>8,659,763</b>	<b>9,471,659</b>	<b>10,349,396</b>	<b>9,274,795</b>	<b>9,965,857</b>	<b>9,116,002</b>	<b>9,637,354</b>

**Part B: Programme and Sub-Programme**

**10. Strategic objectives**

the dti has three key strategic objectives to achieve the goals of the department. Programmes 2, 3, 4, 6, 7 and 8 contribute in various ways to deepen industrialisation through increased growth in the manufacturing sector and are measured by the strategic objective “grow the manufacturing sector to promote industrial development, job creation, investment and exports”. Programmes 1 and 5 have specific strategic objectives “strengthened capacity to deliver on the dti mandate” and “improved conditions for consumers, artists and opening up of markets for new patents players”.

Strategic Objective	Objective Statement
1. Grow the Manufacturing sector to promote industrial development, job creation, investment and exports.	Develop policies, strategies and programmes focussed on manufacturing and other value-adding sectors to enable competitiveness, job creation and sustained growth.
2. Improved conditions for consumers, artists and opening up of markets for new Patents players	To provide for harmonisation of IP laws, access to medicine and education, distribution of royalties and redress for artists
3. Strengthened capacity to deliver on the dti mandate	Effective implementation and review of the Human Resource Plans to ensure that the department has requisite skill and capacity to fulfil its legislative mandate with a vacancy rate of 5%.

## 11. Programmes and sub-programmes

the dti comprises eight programmes, which are set out below:

### 11.1 Programme 1: Administration

- a) **Purpose:** Provide strategic leadership, management and support services to the department, and conduct research on industrial development, growth and equity.
  
- b) **Description of Sub-programmes:**
  - (i) **The Ministry** provides leadership and policy direction to **the dti**;
  - (ii) **The Office of the Director-General (ODG)** provides overall management of **the dti**'s resources;
  - (iii) **Corporate Services** provides customer-centric and integrated resource solutions in human resource management, information and communication technology, legal services and facilities management;
  - (iv) **Office Accommodation** is an allocation for accommodation services to **the dti** regional offices and ensures continued maintenance service;
  - (v) **Financial Management** provides support to **the dti**, 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 Stakeholder Engagement** facilitates greater awareness of the department's role and increases the uptake of its products and services through improvement of the customer touch points and ensuring strong customer relationship management; and creates consumer awareness and educational campaigns to ensure a meaningful understanding of the department's offerings; and
  - (vii) **Media and Public Relations** ensure that the department's image is visible by improving media relations management and public relations activities.

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Strategic objective Strengthened capacity to deliver on the dti mandate	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Percentage (%) vacancy rate	5%	8%	7%	4.4%	13.1%	5%	5%	5%	An efficient, effective and development-oriented public service

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
3.1 Percentage (%) of staff turnover (unexpected)	5.2%	7%	0.7%	1.5%	6.8%	6.8%	6.8%	
3.2. Percentage (%) of people with disability employed	2.8%	3%	3.3%	3.35%	3.6%	3.7%	3.7%	
3.3 Percentage (%) of women employed in senior management positions	47%	49%	50%	51%	50%	50%	50%	
3.4 Percentage (%) of eligible creditors payments processed within legal timeframes	All eligible creditors payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors payments made within 30 days (99.1% of 5 460 payments were processed within 15 days and remainder within 30 days.)	*All 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	
Estimated performance is based on preliminary Quarter Three Report and will be independently verified *Indicator changed from qualitative to quantitative measure.								

**Quarterly Milestones for 2018/19**

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
3.1 Percentage (%) of staff turnover (unexpected)	Quarterly	6.8%	1.7%	1.7% (3.4% year to date)	1.7% (5.1% year to date)	1.7% (6.8% annualised)
3.2. Percentage (%) of people with disability employed	Quarterly	3.6%	3.42%	3.5%	3.55%	3.6%
3.3 Percentage (%) of Women employed in senior management positions	Quarterly	50%	49%	50%	49%	50%
3.4 Percentage (%) of eligible creditors payments processed within legal timeframes	Quarterly	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	100% eligible creditors' payments made within 30 days

**Reconciling performance targets with the Budget and MTEF**

ADMINISTRATION							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Rand thousand							
Ministry	27 644	32 109	26 170	32 553	34 417	40 774	38 868
Office of the Director General	96 334	93 585	95 955	119 781	118 956	128 284	134 092
Corporate Services	444 841	478 647	443 702	505 421	433 239	460 256	484 588
Office Accommodation	-	2 433	2 589	2 494	2 227	2 352	2 481
Financial Management	57 524	51 422	60 571	69 508	75 581	73 226	78 030
Media and Public Relations	6 906	10 153	9 065	10 429	18 974	19 659	21 114
Marketing Communication and Stakeholder Relations	66 696	59 212	61 087	74 385	77 249	76 887	80 864
<b>Total</b>	<b>699 945</b>	<b>727 561</b>	<b>699 139</b>	<b>814 571</b>	<b>760 643</b>	<b>801 438</b>	<b>840 037</b>

<u>Economic classification</u>							
	-	-	-				
<b>Current payments</b>	<b>674 531</b>	<b>697 450</b>	<b>687 246</b>	<b>796 819</b>	<b>743 184</b>	<b>784 855</b>	<b>822 580</b>
Compensation of employees	257 408	264 726	269 929	289 592	297 197	316 361	328 843
Salaries and wages	229 073	233 798	237 878	250 196	256 781	272 335	281 515
Social contributions	28 335	30 928	32 051	39 396	40 416	44 026	47 328
Goods and services	417 123	432 724	417 317	507 227	445 987	468 494	493 737
Administrative fees	2 724	2 705	1 187	5 371	3 617	4 141	3 346
Advertising	27 341	20 857	14 346	19 989	25 318	27 450	28 089
ADMINISTRATION							



Sub programmes	Expenditure outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Rand thousand							
Minor assets	1 469	945	562	438	262	323	331
Audit costs: External	8 857	8 778	9 105	8 384	10 869	11 585	12 219
Bursaries: Employees	995	1 592	2 980	3 327	4 080	4 338	4 578
Catering: Departmental activities	746	1 134	1 123	1 683	2 571	2 712	2 857
Communication (G&S)	5 811	7 606	6 847	7 522	8 584	8 983	9 234
Computer services	16 255	24 711	15 450	45 983	24 677	25 001	26 713
Consultants: Business and advisory services	11 567	9 792	9 050	29 912	33 075	30 505	31 908
Legal services (G&S)	15 182	15 792	14 059	4 940	8 598	9 170	9 597
Contractors	11 918	11 606	6 550	8 570	9 878	10 485	11 169
Agency and support/outsourced services	712	1 059	1 663	-	7	-	-
Entertainment	150	12	15	94	257	271	280
Fleet services (including government motor transport)	36	33	39	286	801	850	902
Consumable supplies	547	712	286	1 147	2 296	2 422	2 609
Consumables: Stationery, printing and office supplies	5 125	12 982	10 122	8 007	10 155	7 295	8 199
Operating leases	258 049	255 990	275 285	291 184	224 630	241 555	257 308
Rental and hiring	7	98	1 752	4 751	-	-	-
Property payments	5 989	9 480	6 937	8 307	9 756	10 303	10 870
Travel and subsistence	17 666	20 783	16 893	29 622	34 343	35 622	37 166
Training and development	7 011	6 605	2 924	7 627	11 453	12 703	12 661
Operating payments	12 378	9 683	6 343	12 109	12 769	13 599	14 168
Venues and facilities	6 588	9 769	13 799	7 974	7 991	9 181	9 533
<b>Transfers and subsidies</b>	<b>6 876</b>	<b>2 572</b>	<b>2 643</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>
Departmental agencies and accounts	1 711	-	-	-	-	-	-
Departmental agencies (non-business entities)	1 711	-	-	-	-	-	-
Public corporations and private enterprises	1 983	-	-	-	-	-	-
<b>ADMINISTRATION</b>							

Sub programmes	Expenditure outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
<b>Rand thousand</b>							
Public corporations	1 983	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-
Other transfers to public corporations	1 983	-	-	-	-	-	-
Households	3 182	2 572	2 643	96	-	-	-
Social benefits	418	811	1 713	61	-	-	-
Other transfers to households	2 764	1 761	930	35	-	-	-
<b>Payments for capital assets</b>	<b>14 962</b>	<b>27 539</b>	<b>9 250</b>	<b>17 656</b>	<b>17 459</b>	<b>16 583</b>	<b>17 457</b>
Machinery and equipment	14 645	25 721	4 893	15 068	14 959	13 943	14 672
Transport equipment	966	1 866	1 250	-	-	-	-
Other machinery and equipment	13 679	23 855	3 643	15 068	14 959	13 943	14 672
Software and other intangible assets	317	1 818	4 357	2 588	2 500	2 640	2 785
<b>Payments for financial assets</b>	<b>3 576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>699 945</b>	<b>727 561</b>	<b>699 139</b>	<b>814 571</b>	<b>760 643</b>	<b>801 438</b>	<b>840 037</b>

**11.2 Programme 2: International Trade and Economic Development**

- 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 co-operation in line with the New Partnership for Africa's Development (NEPAD).
  
- 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.

Strategic Objective	5-year target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	9 status reports prepared  Trade negotiations concluded: EPA with the EU, SACU India PTA, SADC-EAC-COMESA FTA (T-FTA)	1.1 Number of status reports on regional economic integration	Status report prepared outlining areas concluded in the T-FTA negotiations aimed at enhancing preferential market access as well as forming the basis for the decision to launch the T-FTA with a built-in agenda on outstanding issues RSA/SACU Tariff offer for the EAC approved and exchanged	Status reports prepared on progress towards conclusion of trade negotiations	SADC-EU EPA Progress report prepared. Agreement concluded and comes into effect on 10 October 2016  SACU-India PTA Progress report prepared.  T-FTA Progress report prepared	1 status report produced on progress towards conclusion of trade negotiations (CFTA)	6 status reports produced on progress for T-FTA and CFTA negotiation	6 status reports produced on progress for T-FTA and CFTA negotiation	6 status reports produced on progress for T-FTA and CFTA negotiation	Create a better South Africa and a better world
	7 status reports prepared  Africa regional development programme implemented	1.2 Number of reports on Implementation of SADC-EU Economic Partnership Agreement (EPA)	-	-	SACU There was no progress on agreed work programme.  SADC FTA Progress report on implementation of the SADC Trade Protocol developed	Status report on implementation of SADC-EU EPA	2 reports on implementation of SADC-EU EPA	2 reports on implementation of SADC-EU EPA	2 reports on implementation of SADC-EU EPA	
	13 status reports prepared  Bilateral engagements with Rest of World	1.3 Number of status reports on engagements in Global fora (BRICS, G20, AGOA, UK Brexit)	-	-	Status report submitted on BRICS and G20 engagements	1 Status report produced on G20, AGOA, BRICS and UK Brexit	16 status reports produced on engagements in Global Fora	16 status reports produced on engagements in Global Fora	16 status reports produced on engagements in Global Fora	

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Strategic Objective	5-year target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	
	Estimated performance is based on preliminary Quarter Three Report and will be independently verified									

**Quarterly Milestones for 2018/19**

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
1.1 Number of status reports on regional economic integration	Biannually	2 status reports produced on progress for T-FTA	Nil	1 status report produced on progress on TFTA negotiations	Nil	1 status report produced on progress on TFTA negotiations
	Quarterly	4 status reports produced on progress on CFTA negotiations	1 status report produced on progress on CFTA negotiations	1 status report produced on progress on CFTA negotiations	1 status report produced on progress on CFTA negotiations	1 status report produced on progress on CFTA negotiations
1.2 Number of reports on Implementation of SADC-EU Economic Partnership Agreement (EPA)	Biannually	2 reports on implementation of SADC-EU EPA	Nil	1 Status report on the implementation of the EPA	Nil	1 Status report on the implementation of the EPA
1.3 Number of status reports on engagements in Global fora (BRICS, G20, AGOA, UK Brexit)	Quarterly	16 status reports produced on engagements in Global Fora	4 status reports produced on engagements in Global Fora	4 status reports produced on engagements in Global Fora	4 status reports produced on engagements in Global Fora	4 status reports produced on engagements in Global Fora

**Reconciling performance targets with the Budget and MTEF**

INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
International Trade Development	89 947	98 575	98 934	102 224	106 292	111 896	116 154
African Multilateral Economic Development	34 161	14 985	17 090	17 594	18 644	21 981	21 838
<b>Total</b>	<b>124 108</b>	<b>113 560</b>	<b>116 024</b>	<b>119 818</b>	<b>124 936</b>	<b>133 877</b>	<b>137 992</b>

<u>Economic classification</u>	-	-	-				
<b>Current payments</b>	<b>81 674</b>	<b>86 084</b>	<b>92 371</b>	<b>93 949</b>	<b>97 462</b>	<b>104 866</b>	<b>107 261</b>
Compensation of employees	67 310	68 905	74 158	76 863	79 638	85 327	86 642
Salaries and wages	59 647	60 983	65 647	67 693	70 782	74 436	76 398
Social contributions	7 663	7 922	8 511	9 170	8 856	10 891	10 244
Goods and services	14 364	17 179	18 213	17 086	17 824	19 539	20 619
Administrative fees	-	10	-	487	105	160	149
Advertising	-	-	-	18	37	46	-
Minor assets	9	13	18	-	42	34	35
Catering: Departmental activities	47	61	38	60	105	109	115

INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
Rand thousand	2014/15	2015/16	2016/170	2017/18	2018/19	2019/20	2020/21
Communication (G&S)	748	655	446	310	583	616	828
Computer services	16	-	-	78	-	-	-
Consultants: Business and advisory services	435	215	288	604	245	259	273
Legal services (G&S)	355	171	284	-	1 764	1 864	1 967
Contractors	-	22	21	414	205	217	228
Agency and support/outsourced services	347	-	142	-	294	311	328
Entertainment	-	1	37	-	-	-	-
Fleet services (including government motor transport)	4	1	5	-	-	-	-
Consumable supplies	40	37	-	10	20	31	22
Consumables: Stationery, printing and office supplies	126	133	-	-	-	-	438
Operating leases	118	171	213	422	61	66	70
Rental and hiring	127	101	130	214	156	165	174
Property payments	4	32	1	3	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-
Travel and subsistence	11 448	14 298	12 597	13 412	12 144	13 081	13 931
Training and development	-	-	-	-	-	-	-



INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2017/18	2018/19	2019/20
Rand thousand							
Operating payments	368	307	2 320	515	285	281	191
Venues and facilities	172	951	1 673	539	1 778	2 299	1 870
<b>Transfers and subsidies</b>	<b>41 720</b>	<b>26 843</b>	<b>22 970</b>	<b>25 247</b>	<b>26 696</b>	<b>28 190</b>	<b>29 741</b>
Departmental agencies and accounts	-	1 077	1 131	1 188	1 257	1 327	1 400
Departmental agencies (non-business entities)	-	1 077	1 131	1 188	1 257	1 327	1 400
Foreign governments and international organisations	17 172	21 545	17 675	19 672	20 813	21 978	23 187
Public corporations and private enterprises	24 491	3 955	4 164	4 373	4 626	4 885	5 154
Public corporations	24 491	3 955	4 164	4 373	4 626	4 885	5 154
Other transfers to public corporations	24 491	3 955	4 164	4 373	4 626	4 885	5 154
Households	57	266	-	14	-	-	-
Social benefits	57	262	-	14	-	-	-
Other transfers to households	-	4	-	-	-	-	-
<b>Payments for capital assets</b>	<b>714</b>	<b>633</b>	<b>683</b>	<b>622</b>	<b>778</b>	<b>821</b>	<b>990</b>
Machinery and equipment	714	633	683	622	778	821	990
Transport equipment	-	-	-	-	-	-	-
Other machinery and equipment	714	633	683	622	778	821	990

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Total	124 108	113 560	116 024	119 818	124 936	133 877	137 992
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**11.3 Programme 3: Special Economic Zones 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 development programmes.
- (ii) **Equity and Empowerment** promotes B-BBEE and the real growth of the economy through the Black Industrialists Programme.
- (iii) **Spatial Industrial Economic Development** (Special Economic Zones) promotes a more spatially balanced regional economy through the development of policies, strategies and programmes; and special economic zones, clusters and incubators amongst other things.

Strategic Objective	5-year target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Enabled increased investment through Special Economic Zones	1.4 Number of SEZs submitted to Minister for designation	1	1	1	0	1	1	1	Decent employment through inclusive growth
	8 implementation reports on the Industrial Parks submitted to the Minister to enable increased investment	1.5 Number of implementation reports on the Industrial Parks submitted to Minister	-	0	4 Reports submitted to Minister and to Parliament,  i. Report for revitalisation of Seshego industrial park  ii. 2 reports were requested by Select Committee and Portfolio Committee iii. Bi-Annual consolidated report on the Revitalisation Programme	One (1) bi-annual report submitted to the Minister on the Revitalisation of Industrial Parks	2	2	2	
	8 reports on the Implementation of the B-BBEE Amendment Act and Code of Good Practice for B-BBEE	1.6 Number of reports on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister	Draft Business Case developed.  Position for the B-BBEE Commissioner advertised.	Reported to Minister on the implementation of B-BBEE Amendment Act Regulations and Trumping Clause with following reports: Briefing Memo on progress on	Nil	One (1) bi-annual report on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister and signed off on 26 September	2	2 reports on the implementation of the B-BBEE Amendment Act and Regulations (Biannual and Annual)	2 Report to be produced on the implementation of the B-BBEE Amendment Act and Regulations.	

Strategic Objective	5-year target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports				B-BBEE implementation; advocacy and stakeholder report; status report on technical task team on the broad-based ownership schemes; submission on alignment of implementation of sector charters; weekly feedback meetings to BEE Commission and establishment task team						
	Black Industrialists (BI) development programmes implemented	1.7 Number of interventions to support BIs in the IPAP Sectors (non-financial)	-	-	29 BIs supported with Access to Markets	26 BIs supported in IPAP sectors (12 financial and 14 non-financial)	70 interventions to support BIs in the IPAP sectors (Non-financial).	100 interventions to support BIs in the IPAP sectors (Non-financial).	110 interventions to support BIs in the IPAP sectors (Non-financial).	
Estimated performance is based on preliminary Quarter Three Report and will be independently verified										

**Quarterly Milestones for 2018/19**

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
1.4 Number of SEZs submitted to Minister for designation	Annual	1	Nil	Nil	Nil	1 SEZs submitted to Minister for designation
1.5 Number of implementation reports on the Industrial Parks submitted to Minister	Bi-Annual	2	Nil	1	Nil	1
1.6 Number of reports on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister	Bi-Annual	2	Nil	1	Nil	1
1.7 Number of interventions to support BIs in the IPAP Sectors (non-financial)	Quarterly	70 interventions to support BIs in the IPAP sectors (Non-financial).	19 interventions to support BIs in the IPAP sectors	18 interventions to support BIs in the IPAP sectors	15 interventions to support BIs in the IPAP sectors	18 interventions to support BIs in the IPAP sectors

**Reconciling performance targets with the Budget and MTEF**

SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Rand thousand							
Enterprise Competitiveness	189 106	23 327	24 942	31 198	29 042	29 727	31 658
Equity and Empowerment	20 578	30 888	32 166	42 597	84 462	96 343	98 146
Spatial Industrial Economic Development (Special Economic Zones)	25 436	38 309	40 481	44 615	51 908	48 774	52 257
	-	-	-	-	-	-	-
<b>Total</b>	<b>235 120</b>	<b>92 524</b>	<b>97 589</b>	<b>118 410</b>	<b>165 412</b>	<b>174 844</b>	<b>182 061</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>51 608</b>	<b>65 544</b>	<b>74 495</b>	<b>105 020</b>	<b>92 851</b>	<b>99 490</b>	<b>102 562</b>
Compensation of employees	44 363	54 845	60 349	71 025	77 857	82 480	84 618
Salaries and wages	39 556	49 202	53 998	59 332	65 306	65 747	67 435
Social contributions	4 807	5 643	6 351	11 693	12 551	16 733	17 183
Goods and services	7 245	10 699	14 146	33 995	14 994	17 010	17 944
Administrative fees	15	11	-	290	38	40	41
Advertising	-	187	359	144	143	151	158
Minor assets	-	4	43	271	7	7	7
Catering: Departmental activities	71	168	250	417	417	441	466
Communication (G&S)	526	452	258	290	473	500	528
Computer services	-	2	-	8 661	-	-	-
Consultants: Business and advisory services	1 265	3 193	4 223	8 167	5 845	7 370	7 775
Legal services (G&S)	112	-	557	519	159	168	177

SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION							
Sub programmes	Expenditure outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2018/19	2019/20	2020/21
Rand thousand							
Contractors	-	3	318	-	-	-	-
Entertainment	-	-	1	10	10	10	10
Fleet services (including government motor transport)	5	25	18	48	63	67	71
Consumable supplies	54	40	37	128	3	3	3
Consumables: Stationery, printing and office supplies	232	524	238	1 034	496	450	475
Operating leases	85	65	106	2 174	245	258	272
Rental and hiring	-	-	4	-	-	-	-
Travel and subsistence	3 085	5 431	6 753	8 616	6 317	6 745	7 117
Training and development	-	-	238	464	19	20	21
Operating payments	34	442	197	1 657	338	357	377
Venues and facilities	1 761	152	546	1 105	421	423	446
<b>Transfers and subsidies</b>	<b>183 221</b>	<b>11 303</b>	<b>11 683</b>	<b>12 292</b>	<b>72 070</b>	<b>74 890</b>	<b>79 009</b>
Departmental agencies and accounts	176 542	8 594	8 523	8 949	68 731	71 448	75 377
Departmental agencies (non-business entities)	176 542	8 594	8 523	8 949	68 731	71 448	75 377
Public corporations and private enterprises	1 501	1 572	1 655	1 738	1 839	1 942	2 049
Public corporations	1 501	1 572	1 655	1 738	1 839	1 942	2 049
Other transfers to public corporations	1 501	1 572	1 655	1 738	1 839	1 942	2 049
Non-profit institutions	5 000	1 000	1 000	1 500	1 500	1 500	1 583
Households	178	137	505	105	-	-	-
Social benefits	138	137	305	5	-	-	-
Other transfers to households	40	-	200	100	-	-	-
<b>Payments for capital assets</b>	<b>291</b>	<b>3 740</b>	<b>1 726</b>	<b>1 098</b>	<b>491</b>	<b>464</b>	<b>490</b>
Machinery and equipment	291	3 740	1 051	1 098	491	464	490
Other machinery and equipment	291	3 740	1 051	1 098	491	464	490
Software and other intangible assets	-	-	675	-	-	-	-

SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION



the dti amended Annual Performance Plan 2018-2021

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Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170	2017/18	2018/19	2019/20	2020/21
Rand thousand							
Payments for financial assets	-	11 937	9 685	-	-	-	-
<b>Total</b>	235 120	92 524	97 589	118 410	165 412	174 844	182 061

#### 11.4 Programme 4: Industrial Development

- a) **Purpose:** Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to address issues of transformation and inequality; create decent jobs and increase value addition and competitiveness in 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-adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.
  - (ii) **Customised Sector Programmes** develops and implements high-impact sector strategies focused on manufacturing and other value adding sectors to create decent jobs, and increases value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.

Strategic objective	5-year Target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	5 Annual rolling IPAP, aimed at facilitating a process of structural change involving upgrading and diversification to achieve sustained growth and job creation	1.8 New iteration of IPAP submitted to Minister for tabling in Cabinet annually	IPAP 2015/16 endorsed by the Economic Cluster and awaiting Cabinet approval	Annual rolling IPAP 2016/17 finalised and submitted to Minister for approval and tabling in Cabinet	IPAP 2017/18 submitted to Minister for tabling in Cabinet by March 2017	Launched the Annual Rolling IPAP 2017/18	Annual Rolling IPAP 2019/20 submitted to Minister for tabling in Cabinet by March 2019	Annual Rolling IPAP 2020/21 submitted to Minister for tabling in Cabinet by March 2020	Annual Rolling IPAP 2021/22 submitted to Minister for tabling in Cabinet by March 2021	Decent employment through inclusive growth
	20 implementation reports on IPAP prepared for the Minister's Review Meetings	1.9 Number of implementation reports on IPAP prepared for the Minister's Review Meetings per year	Annual Report for 2013/14 was tabled in Parliament in September 2014	3 implementation reports on IPAP tabled at Minister's Review Meetings on 17 July, 17 September and 1 December 2015.	3 implementation reports on IPAP tabled at Minister's review meetings on 22 August 2016, 10 October 2016 and 5 December 2016	1IPAP Q2 report prepared for Minister. Note: Ministers Review meeting did not take place in Q3. IPAP 2016/17 Annual Report prepared for the Portfolio Committee.	4 Implementation reports on IPAP prepared for the Minister's Review Meetings per year	4 Implementation reports on IPAP prepared for the Minister's Review Meetings per year	4 Implementation reports on IPAP prepared for the Minister's Review Meetings per year	
	12 designation requests prepared for Minister	1.10 Number of designation requests prepared for Minister per year	1) 6 sector/ product templates were submitted to NT for designation and awaiting publication Transformers, Power line hardware and structures, Building and construction materials, Two-way radios, Mining and construction vehicles,	2 designation requests submitted to Minister for approval, i.e. solar photovoltaic system components and rail-signalling system and components	4 designation requests submitted to Minister: Fire engine/truck, and steel products and components for construction; water meters and wheelie bins	One (1) designation request prepared for Minister i.e. 1) Rail Permanent Way sector	2 designation requests prepared for Minister per year	2 designation requests prepared for Minister per year	2 designation requests prepared for Minister per year	

Strategic objective	5-year Target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
			Steel conveyance pipes  Note: The Instruction Note for Power Pylons is being amended to include Power line hardware and structures 2) Published Instruction Notes <ul style="list-style-type: none"> <li>Working Vessels (boats) in August 2014, a R1.4 billion tender for the procurement of tug boats by Transnet was awarded to Southern African Shipyards.</li> </ul> Residential Electricity Meters 3) Amended Instruction Notes that were published: Rail rolling stock, Solar water heaters							Decent employment through inclusive growth
Estimated performance is based on preliminary Quarter Three Report and will be independently verified										

**Quarterly Milestones for 2018/19**

Performance Indicator/ Measure	Reporting Period	Annual Targets 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4 <sup>th</sup>
1.8 New iteration of IPAP submitted to Minister for tabling in Cabinet annually	Annual	Annual Rolling IPAP 2019/20 submitted to Minister for tabling in Cabinet by March 2019	Launch the Annual Rolling IPAP 2018/19	Nil	Nil	Annual Rolling IPAP 2019/20 submitted to Minister for tabling in Cabinet by March 2019
1.9 Number of implementation reports on IPAP prepared for the Minister's Review Meetings per year	Quarterly	4 Implementation reports on IPAP prepared for the Minister's Review Meetings per year	1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter
1.10 Number of designation requests prepared for Minister per year	Bi-annual	2 designation requests prepared for Minister per year	Nil	1 designation request prepared for Minister per quarter	Nil	1 designation request prepared for Minister per quarter

**Reconciling performance targets with the Budget and MTEF**

INDUSTRIAL DEVELOPMENT							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2017/18	2018/19	2019/20
Rand thousand							
Industrial Competitiveness	718 647	753 107	759 275	879 403	911 768	914 121	947 579
Customised Sector Programmes	1 056 507	1 200 509	962 970	939 874	710 800	761 064	819 050
<b>Total</b>	<b>1 775 154</b>	<b>1 953 616</b>	<b>1 722 245</b>	<b>1 819 277</b>	<b>1 622 568</b>	<b>1 675 185</b>	<b>1 766 629</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>103 915</b>	<b>118 126</b>	<b>112 027</b>	<b>120 281</b>	<b>133 840</b>	<b>144 063</b>	<b>151 312</b>
Compensation of employees	88 926	99 602	101 878	106 509	116 790	124 549	130 708
Salaries and wages	79 717	88 910	90 763	90 673	100 037	101 420	110 692
Social contributions	9 209	10 692	11 115	15 836	16 753	23 129	20 016
Goods and services	14 989	18 524	10 149	13 772	17 050	19 514	20 604
Administrative fees	6	-	-	421	112	34	36
Advertising	-	-	-	4	-	-	-
Minor assets	15	8	7	2	77	74	78
Catering: Departmental activities	224	123	91	345	245	269	150
Communication (G&S)	500	567	396	728	839	893	942
Computer services	-	-	-	-	104	110	116
Consultants: Business and advisory services	3 534	7 083	1 009	-	1 720	3 000	3 296
Infrastructure and planning services	281	-	-	-	-	-	-
Legal services (G&S)	632	-	125	-	13	14	16
Contractors	32	23	-	-	58	61	64
Entertainment	1	-	1	6	35	33	35

INDUSTRIAL DEVELOPMENT							
Sub programmes	Expenditure outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2018/19	2019/20	2020/21
Rand thousand							
Fleet services (including government motor transport)	3	5	3	8	16	17	18
Consumable supplies	70	99	6	48	53	156	165
Consumables: Stationery, printing and office supplies	302	464	96	-	209	711	444
Operating leases	146	316	313	193	68	366	386
Property payments	3	1	-	-	-	-	-
Travel and subsistence	7 153	7 671	6 230	9 847	11 304	12 108	12 827
Operating payments	1 802	1 741	1 618	558	1 676	1 098	1 427
Venues and facilities	285	423	254	1 612	521	570	604
<b>Transfers and subsidies</b>	<b>1 670 555</b>	<b>1 834 994</b>	<b>1 609 662</b>	<b>1 698 177</b>	<b>1 487 860</b>	<b>1 530 187</b>	<b>1 614 350</b>
Departmental agencies and accounts	348 010	368 652	372 819	411 861	395 920	418 091	441 086
Departmental agencies (non-business entities)	348 010	368 652	372 819	411 861	395 920	418 091	441 086
Foreign governments and international organisations	5 071	6 405	7 600	8 411	9 061	9 569	10 095
Public corporations and private enterprises	1 188 355	1 311 607	1 066 967	1 109 583	885 449	940 926	1 005 021
Public corporations	1 188 355	1 311 607	1 066 967	1 109 583	885 449	940 926	1 005 021
Other transfers to public corporations	1 188 355	1 311 607	1 066 967	1 109 583	885 449	940 926	1 005 021
Non-profit institutions	129 018	147 850	162 107	168 314	197 430	161 601	158 148
Households	101	480	169	8	-	-	-
Social benefits	93	380	169	8	-	-	-
Other transfers to households	8	100	-	-	-	-	-
<b>Payments for capital assets</b>	<b>684</b>	<b>349</b>	<b>556</b>	<b>819</b>	<b>868</b>	<b>935</b>	<b>967</b>
Machinery and equipment	684	349	556	819	868	935	967
Other machinery and equipment	684	349	556	819	868	935	967
<b>Payments for financial assets</b>	<b>-</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 775 154</b>	<b>1 953 616</b>	<b>1 722 245</b>	<b>1 819 277</b>	<b>1 622 568</b>	<b>1 675 185</b>	<b>1 766 629</b>

**11.5 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.

(ii) **Enforcement and Compliance** conducts trends analyses, impact assessments and market surveys, and monitors the effectiveness of regulation.

(iii) **Regulatory Services** executes oversight of and transfers funds to the following regulatory agencies: the National Consumer Tribunal, the National Credit Regulator, the National Gambling Board, the National Consumer Commission, the Companies and Intellectual Property Commission and the Companies Tribunal. The department exercises oversight of, but does not transfer funds to: the National Lotteries Commission, which regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve the public interest; and the Takeover Regulation Panel and the Financial Reporting Standards Council, which are responsible for regulating applicable transactions and issuing standards.



Strategic objective	5-year Target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
Improved conditions for consumers, artists and opening up of markets for new patents players	7 SEIAS reports developed for approval	2.1 Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval	One RIA report on IP developed for Minister's approval  Two RIA reports on liquor and gambling policies developed for approval	RIA report on Companies Amendment Bill not developed  7 IP Bills (Trade Marks Act, Designs Act, Merchandise Act, Unauthorised Use of Emblems Act, Counterfeit Goods Acts, and Patents Act) not developed.  One RIA report (post) on National Credit Act exemptions developed for Minister's approval	1st draft SEIAS Report which is preliminary work (research and consultations) on the amendments to the Companies Amendment Act were done while waiting for the Bill to be revised.  Copyright/ Performers Protection achieved in the 1st quarter due to the Cabinet programme.	Revised SEIAS report for Liquor Amendment Bill developed	1 SEIAS report on the Companies Amendment Bill developed for Ministers approval	2 SEIAS reports on (Consumer protection and Lotteries Amendment Bills) developed for Minister's approval	3 SEIAS reports on Companies, Consumer Protection and Lotteries Amendment Bills developed for Minister's approval	Decent employment through inclusive growth
	8 progress reports and 3 draft Bills developed for approval	2.2 Number of progress reports developed for Minister's approval	Four Bills on Licensing of Businesses, Liquor Amendment, Gambling Amendment and Copyright Amendment developed, but not approved by Minister  Companies Amendment Bill not developed	Draft Bill on Companies Amendment Act still under development.  7 IP Bills not developed.	Revised the Memorandum on the Objects of the Copyright and Performers Protection Bill Commenced with the drafting of the Companies Amendment Bill	Draft National Credit Bill deliberated in Parliament and published in Government Gazette for wider public consultation. Liquor Amendment Bill revised. No progress on Performers Protection. Panel experts to advise PC and comment on issues on Copyright Amen	4 progress reports on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	4 progress reports on the development of the Companies, Consumer Protection and Lotteries Amendment Bills developed for Ministers approval	3 Draft Bills on Companies, Consumer Protection and Lotteries Amendment Bills developed for Ministers approval	
	88 education and awareness workshops on policies and legislation conducted and report 14	2.3 Number of education and awareness workshops on policies and legislation conducted and report	-	-	New indicator	9	24 education and awareness workshops on policies and legislation conducted and report produced	24 education and awareness workshops on policies and legislation conducted and report produced	24 education and awareness workshops on policies and legislation conducted	

Strategic objective	5-year Target	Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	
Improved conditions for consumers, artists and opening up of markets for new patents players	reports produced for approval	produced for Ministers approval					for Ministers approval	for Ministers approval	and report produced for Ministers approval	
Estimated performance is based on preliminary Quarter Three Report and will be independently verified										

### Quarterly Milestones for 2018/19

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
2.1 Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval	Quarterly	1SEIAS report on the Companies Amendment Bill developed for Ministers approval	First draft SEIAS report on the Companies Amendment Act developed for Ministers approval	Second draft SEIAS report on the Companies Amendment Act developed for Ministers approval	Nil	Final draft SEIAS report on the Companies Amendment Act developed for Ministers approval
2.2 Number of progress reports developed for Minister's approval	Quarterly	4 progress reports on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval
2.3 Number of education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Quarterly	24 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval

**Reconciling performance targets with the Budget and MTEF**

CONSUMER AND CORPORATE REGULATION							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170	2017/18	2018/19	2019/20	2020/21
Rand thousand							
Policy and Legislative Development	17 639	14 741	17 168	20 092	18 009	21 202	19 340
Enforcement and Compliance	31 441	39 319	40 273	36 821	44 380	46 597	50 198
Regulatory Services	232 042	233 360	237 940	241 716	252 199	264 774	280 429
<b>Total</b>	<b>281 122</b>	<b>287 420</b>	<b>295 381</b>	<b>298 629</b>	<b>314 588</b>	<b>332 573</b>	<b>349 967</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>70 300</b>	<b>68 236</b>	<b>73 058</b>	<b>71 557</b>	<b>78 387</b>	<b>83 155</b>	<b>86 839</b>
Compensation of employees	57 227	54 479	59 582	57 558	59 398	63 096	65 668
Salaries and wages	52 005	48 324	52 839	50 916	50 320	50 474	52 197
Social contributions	5 222	6 155	6 743	6 642	9 078	12 622	13 471
Goods and services	13 073	13 757	13 476	13 999	18 989	20 059	21 171
Administrative fees	4	25	3	315	355	356	357
Advertising	2 003	1 981	692	614	1 746	1 844	1 945
Minor assets	4	-	-	9	-	-	-
Catering: Departmental activities	297	140	303	853	616	636	684
Communication (G&S)	374	281	192	115	267	293	317
Computer services	-	54	-	-	69	73	77
Consultants: Business and advisory services	1 840	1 462	1 269	907	3 834	4 115	4 425
Legal services (G&S)	2 119	865	3 655	2 484	1 961	1 981	2 002
Contractors	19	6	-	-	-	-	-
Entertainment	42	35	-	2	-	-	-
Fleet services (including government motor transport)	72	363	244	140	130	134	139
Consumable supplies	20	33	13	2	-	-	-

CONSUMER AND CORPORATE REGULATION							
Sub programmes	Expenditure outcome	Adjusted appropriation			Medium-term expenditure estimates		
Rand thousand	2014/15	2015/16	2016/170	2017/18	2018/19	2019/20	2020/21
Consumables: Stationery, printing and office supplies	216	234	14	-	11	18	19
Operating leases	318	149	156	177	131	142	154
Transport provided: Departmental activity	-	-	1	-	-	-	-
Travel and subsistence	4 085	6 226	6 122	7 133	8 360	8 861	9 343
Training and development	136	416	-	381	102	104	106
Operating payments	613	663	369	774	754	795	839
Venues and facilities	911	824	443	87	653	707	764
<b>Transfers and subsidies</b>	<b>210 532</b>	<b>219 105</b>	<b>222 196</b>	<b>226 780</b>	<b>236 051</b>	<b>249 268</b>	<b>262 978</b>
Departmental agencies and accounts	205 495	213 556	217 561	221 578	230 578	243 489	256 881
Departmental agencies (non-business entities)	205 495	213 556	217 561	221 578	230 578	243 489	256 881
Foreign governments and international organisations	4 355	5 287	4 568	5 173	5 473	5 779	6 097
Households	682	262	67	29	-	-	-
Social benefits	682	135	67	29	-	-	-
Other transfers to households	-	127	-	-	-	-	-
<b>Payments for capital assets</b>	<b>290</b>	<b>78</b>	<b>127</b>	<b>292</b>	<b>150</b>	<b>150</b>	<b>150</b>
Machinery and equipment	112	78	127	292	150	150	150
Other machinery and equipment	112	78	127	292	150	150	150
Software and other intangible assets	178	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>281 122</b>	<b>287 420</b>	<b>295 381</b>	<b>298 629</b>	<b>314 588</b>	<b>332 573</b>	<b>349 967</b>

## 11.6 Programme 6: Incentive Development and Administration

- 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 Incentives** provide incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
  - (ii) **Manufacturing Incentives** provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the following programmes and schemes: the manufacturing competitive enhancement programme, the capital projects feasibility programme, automotive investment scheme, the export marketing and investment assistance scheme, the sector specific assistance scheme and the section 12I tax incentive scheme.
  - (iii) **Services Investment Incentives** provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the Business Process Services 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; the SEZs and Critical Infrastructure Programme, which are aimed at enhancing infrastructure and industrial development, and increasing investment, and export of value-added commodities.
  - (v) **Product and Systems Development** reviews, monitors and develops incentive programmes to support the IPAP, 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.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Value of projected investment leveraged	R20.4 bn	R48.8 bn	R15.42 bn	R18.5 bn	R15 bn projected Investment leveraged	* R25 bn projected Investment leveraged	R20 bn projected Investment leveraged	Decent employment through inclusive growth
	Projected number of new jobs supported from projects/enterprises approved	12 568	18 541	4 675	6 700	10 000	12500	*12 500	
	Projected number of jobs retained from approved enterprises and projects	33 551	52 466	16 105	10 975	20 000	25 000	25 000	
	Number of enterprises/projects approved for financial support across all incentives		-	-	248	850	900	1000	
<p>* The 12I programme has been proposed for a 5-year extension without additional funding*</p> <p>Estimated performance is based on preliminary Quarter Three Report and will be independently verified</p>									

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
1.11 Value (Rand) of projected investments to be leveraged from projects/enterprises approved	-R20.4 bn	R48.8 bn	R15.42 bn	R18.5 bn	R15bn	*R25 bn	R20bn	Decent employment through inclusive growth
1.12 Projected number of new jobs supported from projects/enterprises approved	-12 568	18 541	4 675	6 700	*10 000	*12 500	**12 500	
1.13 Projected number of jobs retained from approved enterprises	-33 551	52 466	16 105	10 975	*20 000	*25 000	*25 000	
1.14 Number of enterprises/projects approved for financial support across all incentives	-	-	-	248	850	900	1000	
* The 12I programme has been proposed for a 5-year extension without additional funding*								
* Awaiting confirmation on the extension of Economic Competitiveness Support Package(ECSP) for 2019/20 and 2020/21								
Estimated performance is based on preliminary Quarter Three Report and will be independently verified								

### Quarterly Milestones for 2018/19

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
1.11 Value (Rand) of projected investments to be leveraged from projects/enterprises approved	Quarterly	R15bn	R2bn	R4bn	R6bn	R3bn
1.12 Projected number of new jobs supported from projects/enterprises approved	Quarterly	10 000	2 000	4 000	3 000	1 000
1.13 Number of jobs retained from approved enterprises	Quarterly	20 000	4 000	6 000	8 000	2 000
1.14 Number of enterprises/projects approved for financial support across all incentives	Quarterly	850	150	200	300	200

**Reconciling performance targets with the Budget and MTEF**

NCENTIVE DEVELOPMENT AND ADMINISTRATION							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170	2017/18	2018/19	2019/20	2020/21
Rand thousand							
Broadening Participation Incentives	2 369	26 648	25 536	69 059	72 296	76 434	80 735
Manufacturing Incentives	3 612 338	3 983 465	4 361 494	3 540 542	3 584 387	3 928 074	4 212 765
Services Investment Incentives	728 118	803 171	814 209	808 560	748 542	743 173	762 648
Infrastructure Investment Support	801 392	949 722	1 660 170	1 215 000	1 564 183	1 691 511	1 784 743
Product and Systems Development	14 985	14 873	15 400	19 387	17 763	21 840	23 461
Strategic Partnership and Customer Care	17 515	17 906	18 377	21 871	21 845	23 530	25 313
Competitiveness and Export	-	-	-	-	-	-	-
<b>Total</b>	<b>5 176 717</b>	<b>5 795 785</b>	<b>6 895 186</b>	<b>5 674 419</b>	<b>6 009 016</b>	<b>6 484 562</b>	<b>6 889 665</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>206 875</b>	<b>151 232</b>	<b>141 602</b>	<b>180 911</b>	<b>181 301</b>	<b>184 921</b>	<b>193 187</b>
Compensation of employees	125 806	126 464	126 834	149 143	145 360	152 939	159 147
Salaries and wages	112 268	112 289	111 844	126 325	121 038	126 472	131 813
Social contributions	13 538	14 175	14 990	22 818	24 322	26 467	27 334
Goods and services	81 069	24 768	14 768	31 768	35 941	31 982	34 040
Administrative fees	25	26	12	491	141	149	157
Minor assets	8	3	7	10	25	26	27
Catering: Departmental activities	258	98	100	154	353	373	394
Communication (G&S)	571	573	276	155	684	722	764
Consultants: Business and advisory services	62 191	5 108	2 763	18 340	17 746	12 404	13 086
Legal services (G&S)	4 071	3 918	1 395	685	3 771	3 982	4 201
<b>NCENTIVE DEVELOPMENT AND ADMINISTRATION</b>							



Sub programmes	Expenditure outcome	Adjusted appropriation			Medium-term expenditure estimates		
		2014/15	2015/16	2016/170	2017/18	2018/19	2019/20
Rand thousand							
Contractors	34	2 880	-	-	63	67	71
Agency and support/outourced services	-	-	-	-	50	53	56
Entertainment	1	-	-	-	34	36	38
Fleet services (including government motor transport)	81	141	96	80	159	167	175
Consumable supplies	97	36	6	9	89	94	99
Consumables: Stationery, printing and office supplies	1 121	726	41	16	72	76	80
Operating leases	765	792	898	1 481	917	969	1 023
Property payments	220	252	346	666	109	115	121
Travel and subsistence	11 337	9 695	8 828	9 354	10 304	11 245	12 161
Operating payments	180	109	-	48	533	563	594
Venues and facilities	109	411	-	279	891	941	993
<b>Transfers and subsidies</b>	<b>4 969 072</b>	<b>5 641 276</b>	<b>6 753 112</b>	<b>5 493 508</b>	<b>5 820 384</b>	<b>6 285 564</b>	<b>6 681 627</b>
Departmental agencies and accounts	-	-	256 000	84 000	-	-	-
Departmental agencies (non-business entities)	-	-	256 000	84 000	-	-	-
Public corporations and private enterprises	4 968 476	5 640 590	6 496 887	5 408 708	5 819 538	6 284 671	6 680 685
Public corporations	608 243	735 600	1 785 797	1 065 421	1 391 000	1 557 280	1 642 930
Other transfers to public corporations	608 243	735 600	1 785 797	1 065 421	1 391 000	1 557 280	1 642 930
Private enterprises	4 360 233	4 904 990	4 711 090	4 343 287	4 428 538	4 727 391	5 037 755
Subsidies on products and production (pe)	3 949 444	4 526 712	4 441 734	3 997 350	4 013 097	4 292 589	4 579 039
Other transfers to private enterprises	410 789	378 278	269 356	345 937	415 441	434 802	458 716
Households	596	686	225	800	846	893	942
Social benefits	596	686	225	800	846	893	942
<b>Payments for capital assets</b>	<b>770</b>	<b>3 277</b>	<b>472</b>	<b>-</b>	<b>7 331</b>	<b>14 077</b>	<b>14 851</b>
Machinery and equipment	770	679	472	-	2 222	2 346	2 475
Other machinery and equipment	770	679	472	-	2 222	2 346	2 475

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Software and other intangible assets	-	2 598	-	-	5 109	11 731	12 376
<b>Total</b>	<b>5 176 717</b>	<b>5 795 785</b>	<b>6 895 186</b>	<b>5 674 419</b>	<b>6 009 016</b>	<b>6 484 562</b>	<b>6 889 665</b>

**11.7 Programme 7: Trade Investment South Africa**

- a) **Purpose:** Support export development and promote exports through targeted strategies and effectively manage a network of foreign offices.
- b) **Description of Sub-Programmes**
- (i) **African Bilateral Economic Relations** facilitates deeper and broader bilateral African trade and investment relations with African economies, and supports the deepening of regional integration.
  - (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 South Africa Executive Management Unit** promotes trade, and administers and provides corporate services to the department's foreign office network of foreign economic representatives to enable South African businesses to access global markets.
  - (iv) **Export Development and Support** manages the national exporter development programme, which is designed to contribute to positioning South Africa as a reliable trade partner, and, improve and expand the country's exporter base.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Increased export sales of value-added products and services	Export sales facilitated – R2,78 billion	Export sales facilitated – R4,135 billion	Export sales facilitated R4,167 billion	Export sales facilitated R 1.587 billion	Export sales facilitated – R4 billion	Export sales facilitated – R4.25 billion	Export sales facilitated – R4.5 billion	Create a better South Africa and a better world
	Number of companies financially benefitted from EMIA funding	-	-	-	157	823	864	907	
Estimated performance is based on preliminary Quarter Three Report and will be independently verified									

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
1.15 Value of export sales generated	Export sales facilitated – R2,78 billion	Export sales facilitated – R4,135 billion	Export sales facilitated R4,167 billion	R 1.587 billion	R4 billion	R4.25 billion	R4.5 billion	Create a better South Africa and a better world
1.16 Number of companies assisted under EMIA in supporting value added exports	-	-	-	157	823	864	907	
Estimated performance is based on preliminary Quarter Three Report and will be independently verified								

### Quarterly Milestones for 2018/19

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
1.15 Value of export sales generated	Quarterly	R4 billion	R750 million	R1,2 billion	R950 million	R1,1 billion
1.16 Number of companies assisted under EMIA in supporting value added exports	Quarterly	823	205	205	206	207

**Reconciling performance targets with the Budget and MTEF**

TRADE AND INVESTMENT SOUTH AFRICA							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2017/18	2018/19	2019/20
Rand thousand							
African Bilateral Economic Relations	18 686	18 466	20 073	22 453	23 055	24 715	26 559
Export Promotion and Marketing	39 142	41 480	40 820	41 487	42 527	45 679	48 919
Trade and Investment South Africa ( TISA) Executive Management Unit	264 118	386 010	377 713	343 557	325 970	341 561	341 562
Export Development and Support	7 692	16 955	15 982	17 707	20 050	21 468	22 962
	-	-	-	-	-	-	-
<b>Total</b>	<b>329 638</b>	<b>462 911</b>	<b>454 588</b>	<b>425 204</b>	<b>411 602</b>	<b>433 423</b>	<b>440 002</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>216 028</b>	<b>260 865</b>	<b>279 875</b>	<b>245 063</b>	<b>223 060</b>	<b>234 321</b>	<b>229 952</b>
Compensation of employees	147 717	177 801	195 296	163 212	174 231	182 725	175 517
Salaries and wages	132 918	159 838	178 637	140 393	135 866	153 584	144 190
Social contributions	14 799	17 963	16 659	22 819	38 365	29 141	31 327
Goods and services	68 311	83 064	84 579	81 851	48 829	51 596	54 435
Administrative fees	533	533	573	388	466	466	492
Advertising	142	347	273	108	108	108	114
Minor assets	351	120	164	47	47	47	50
Bursaries: Employees	-	-	-	19	-	-	-
Catering: Departmental activities	142	77	155	458	661	661	698
Communication (G&S)	1 882	2 494	2 165	1 106	1 126	1 126	1 188
Computer services	836	1 034	956	554	576	576	608
Consultants: Business and advisory services	1 202	1 493	1 359	1 249	1 449	2 199	2 321
Legal services (G&S)	3	291	49	27	27	27	28

TRADE AND INVESTMENT SOUTH AFRICA							
Sub programmes	Expenditure outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2018/19	2019/20	2020/21
Rand thousand							
Contractors	2 452	2 374	2 023	885	935	935	987
Agency and support/outsourced services	547	520	25	-	-	-	-
Entertainment	1 325	1 274	1 031	843	843	843	889
Fleet services (including government motor transport)	348	305	356	22	22	22	23
Consumable supplies	547	505	515	306	306	306	322
Consumables: Stationery, printing and office supplies	945	1 088	594	1 070	1 028	1 027	1 083
Operating leases	19 499	23 577	28 704	26 684	7 698	6 888	7 267
Rental and hiring	-	-	162	18	21	28	29
Property payments	1 766	2 506	2 281	310	310	310	327
Transport provided: Departmental activity	-	-	-	5	5	-	-
Travel and subsistence	23 759	23 992	22 894	23 290	14 990	15 309	16 151
Training and development	37	1 134	759	760	1 000	-	-
Operating payments	7 697	14 769	14 730	16 915	9 592	11 710	12 354
Venues and facilities	4 298	4 631	4 811	6 787	7 619	9 008	9 504
<b>Transfers and subsidies</b>	<b>110 519</b>	<b>200 251</b>	<b>171 700</b>	<b>177 838</b>	<b>186 327</b>	<b>196 762</b>	<b>207 582</b>
Foreign governments and international organisations	-	-	-	-	3 079	3 251	3 429
Public corporations and private enterprises	110 370	199 969	171 566	177 644	183 248	193 511	204 153
Public corporations	110 370	199 969	171 566	177 644	183 248	193 511	204 153
Other transfers to public corporations	110 370	199 969	171 566	177 644	183 248	193 511	204 153
Households	149	282	134	194	-	-	-
Social benefits	149	282	134	194	-	-	-
<b>Payments for capital assets</b>	<b>1 951</b>	<b>1 794</b>	<b>2 998</b>	<b>2 303</b>	<b>2 215</b>	<b>2 340</b>	<b>2 468</b>
Machinery and equipment	1 951	1 794	2 998	2 303	2 215	2 340	2 468
Transport equipment	720	389	1 004	500	529	559	590
Other machinery and equipment	1 231	1 405	1 994	1 803	1 686	1 781	1 878

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Payments for financial assets	1 140	1	15	-	-	-	-
<b>Total</b>	<b>329 638</b>	<b>462 911</b>	<b>454 588</b>	<b>425 204</b>	<b>411 602</b>	<b>433 423</b>	<b>440 002</b>

## 11.8 Programme 8: Investment South Africa

- a) **Purpose:** Support foreign direct investment flows and domestic investment by providing a One Stop Shop for investment promotion, investor facilitation and aftercare support for investors.

### 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 to the investment and interdepartmental clearing house. This sub-programme also provides a specialist advisory service and fast tracks, unblocks and reduces red tape for investors through a One Stop Shop service.
- (iii) **Investment Support & Aftercare** provides specialist advisory services through research, information marketing, after care and policy advocacy to facilitate new investment, and retain and expand existing investment.



Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Investment facilitation in targeted sectors  (total amount in pipeline is projected at R331.412 bn)	Investment projects facilitated in pipeline  R2,779 bn	Investment projects facilitated in pipeline  R92.812 bn	Investment projects facilitated in pipeline  R38.6 bn	R8.3 bn	Investment projects facilitated in pipeline  R50 bn	Investment projects facilitated in pipeline  R50 bn	Investment projects facilitated in pipeline  R55 bn	Create a better South Africa and a better world
Estimated performance is based on preliminary Quarter Three Report and will be independently verified									

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
1.17 Value (Rand) of investment projects facilitated in pipeline	R2.779bn	R92.812bn	R38.6bn	R8.3 bn	R50 bn	R50 bn	R55 bn	Create a better South Africa and a better world
Estimated performance is based on preliminary Quarter Three Report and will be independently verified								

### Quarterly Milestones for 2018/19

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2018/19	Quarterly Milestones			
			1st	2nd	3rd	4th
1.17 Value (Rand) of investment projects facilitated in pipeline	Quarterly	R50bn	R12.5bn	R14bn	R10bn	R13.5bn

**Reconciling performance targets with the Budget and MTEF**

INVESTMENT SOUTH AFRICA							
Sub programmes	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/170		2017/18	2018/19	2019/20
Rand thousand							
Investment Promotion	30 697	31 919	45 244	42 558	44 903	48 036	51 525
Investment and Inter-Departmental Clearing House	7 120	6 066	24 000	26 150	4 472	4 598	4 931
Investment Support and After Care	142	297	-	4 151	4 471	4 593	4 926
<b>Total</b>	<b>37 959</b>	<b>38 282</b>	<b>69 244</b>	<b>72 859</b>	<b>53 846</b>	<b>57 227</b>	<b>61 382</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>37 680</b>	<b>38 115</b>	<b>44 811</b>	<b>50 042</b>	<b>53 416</b>	<b>56 773</b>	<b>60 903</b>
Compensation of employees	26 552	27 353	27 472	33 817	37 047	39 292	42 328
Salaries and wages	23 554	24 274	24 218	24 092	26 610	28 061	29 480
Social contributions	2 998	3 079	3 254	9 725	10 437	11 231	12 848
Goods and services	11 128	10 762	17 339	16 225	16 369	17 481	18 575
Administrative fees	318	8	214	96	86	91	98
Advertising	158	380	323	402	2	2	2
Minor assets	3	-	-	-	-	-	-
Catering: Departmental activities	30	82	25	79	106	112	120
Communication (G&S)	163	171	80	132	193	203	213
Consultants: Business and advisory services	620	6	1 206	371	393	415	438
Legal services (G&S)	-	33	-	-	-	-	-
Contractors	13	-	-	4 014	6 703	7 078	7 467
Entertainment	51	1	1	71	107	112	117
Fleet services (including government motor transport)	-	-	5	20	19	20	21
Consumable supplies	5	-	17	16	17	18	19

INVESTMENT SOUTH AFRICA							
Sub programmes	Expenditure outcome	Adjusted appropriation			Medium-term expenditure estimates		
		2014/15	2015/16	2016/170	2017/18	2018/19	2019/20
Rand thousand							
Consumables: Stationery, printing and office supplies	79	129	-	119	127	134	141
Operating leases	97	131	173	83	20	22	24
Rental and hiring	-	-	-	-	12	13	14
Property payments	1	12	5 172	500	-	-	-
Travel and subsistence	5 768	7 888	8 511	6 870	6 141	6 681	7 179
Operating payments	901	509	125	684	724	765	807
Venues and facilities	2 921	1 412	1 487	2 768	1 719	1 815	1 915
<b>Transfers and subsidies</b>	<b>8</b>	<b>144</b>	<b>24 142</b>	<b>22 150</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations and private enterprises	-	-	24 000	22 000	-	-	-
Public corporations	-	-	24 000	22 000	-	-	-
Other transfers to public corporations	-	-	24 000	22 000	-	-	-
Households	8	144	142	150	-	-	-
Social benefits	8	144	42	50	-	-	-
Other transfers to households	-	-	100	100	-	-	-
<b>Payments for capital assets</b>	<b>271</b>	<b>23</b>	<b>291</b>	<b>667</b>	<b>430</b>	<b>454</b>	<b>479</b>
Machinery and equipment	271	23	291	667	430	454	479
Transport equipment	-	-	-	-	-	-	-
Other machinery and equipment	271	23	291	667	430	454	479
<b>Total</b>	<b>37 959</b>	<b>38 282</b>	<b>69 244</b>	<b>72 859</b>	<b>53 846</b>	<b>57 227</b>	<b>61 382</b>

## **Part C: Links to Other Plans**

### **12. Asset Management Plan**

As part of the PPP agreement, the concessionaire will, for the duration of the contract period, own and maintain assets such as land, buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items. Departmental assets are managed in accordance with the policies issued by NT, and an asset register is maintained on the logistical information system. The department complied with the minimum requirements of the asset management reforms, as issued by NT. An accession register separate to the logistical information system is used to record and monitor all library material

### **13. Information Technology Plan**

The department has developed a five-year Information and Communications Technology (ICT) strategic plan, which will be revised annually to ensure alignment with the department's strategy. The focus for the implementation in the medium term period is described below:

#### **14.1 ICT Objectives**

The departmental ICT plan is informed by the following objectives:

- To provide agile ICT solutions that address business priorities
- Provide ICT enabled capabilities for improved information management
- To direct oCIO and business on ICT compliance requirements

#### **14.2 Information Management**

In line with the departmental values, the ICT plan for the medium term will provide the following benefits:

**a) Quality Relationships:**

- Enhanced Accessibility of systems and improved service quality
- Enhanced communication and collaboration within the department and external clients

**b) Intellectual Excellence:**

- Skilled and competent employees
- Improved information management

**c) Operational Excellence:**

- Modernisation of **the dti** ICT services
- Improved ICT service delivery
- Optimisation of Business Processes
- Enhanced control environment

#### **14.3 Key ICT Projects / Solutions**

To realise the aforementioned benefits, the department will roll-out the following key projects:

##### **a) ICT Agile Solutions for Business Enablement**

- Enhancement of Customer Relationship Management System
- Consolidation of Helpdesk for GSSSD functions
- Commence research on a Business Intelligence solution
- Implementation of incentive solutions

##### **b) Improved Information Management**

- Enterprise Application Architecture Integration
- Implementation of Information Governance

##### **c) Information Security, ICT Service Continuity and Governance**

- Implement checkpoint security
- Migrated from Novell to Microsoft platform
- Improved COBIT maturity levels

##### **d) Secure and Efficient ICT Infrastructure**

- Network upgrade and maintenance

## 14. Risk Management

the dti continues its commitment to the management of risks and maintaining effective, efficient and transparent systems of financial, risk management and internal controls. Best practice standards and methodology, are tailored and applied to address every risk that the dti may be exposed to, ensuring that risks are managed and/or mitigated to an acceptable level. the dti will continue to ensure that risk is not only seen as a threat but also as an opportunity to enhance its commitment to continuous improvement. The department also ensures that efficient and effective controls are in place, followed by continuous monitoring, reviewing and evaluation of mechanisms aimed at mitigating the identified strategic and operational risks.

Strategic risks that would impede the achievement of the dti's strategic objectives and imperatives are contained in the strategic risk register, which is maintained and actioned by ExBo. Strategic risks impacting on the dti include, but are not limited to:

- Inability to change the economic narrative in the public and private sectors to support industrialisation
- Possible fraud and corruption risk due to the nature of the department's operations
- Insufficient preparation for the 4<sup>th</sup> Industrial Revolution
- Reputational risk due to inadequate communications to the public, of the Department's achievements and success stories; and
- Inability to penetrate foreign markets.

These risks are being adequately managed through, but not limited to, the following mitigating actions:

- early warning system-economic intelligence reporting;
- the prioritisation of the African continent as major source of demand (more foreign representatives, more trade missions going to Africa);
- energy efficiency programmes (clean audits) and research studies for alternate energy sources as well as participation in the electricity war room;
- skills development programmes for the country; and
- establishment of an interdepartmental task team to maximise opportunities presented by the 4<sup>th</sup> Industrial Revolution.

A strategic risk register is maintained and actioned by ExBo. Risks therein are those that would impede the achievement of the dti's strategic objectives and imperatives. Divisions within the department compile risk registers aligned to divisional operational plans. Divisions update the risk registers every quarter, with emerging risks and risks from the changing economic and internal environments and the Office of the Chief Risk Officer reviews the status of action plans quarterly. The updated risk registers together with the progress of action plans are discussed at the quarterly

Risk Management Committee (RMC). The RMC is chaired by an external member of **the dti's** Audit Committee. The members of the RMC are the COOs of all Divisions of **the dti**, CFO, CRO, CIO, Legal, HR and Internal Audit.

There is also a strong focus on ethics and fraud awareness. **the dti** is committed to zero-tolerance for fraud and corruption. The fraud prevention policy, strategy and plan, assists in driving different initiatives to ensure that employees of **the dti** are encouraged to report any suspicious activities. Fraud Risks were identified to proactively prevent fraud from occurring. These risks are actively being managed by the Department. All incidents of fraud are promptly investigated and timeously addressed.


### 15. Service Delivery Improvement Plan (SDIP)

The approved 2015-18 SDIP is currently in place and the dti will report on the implementation thereof. The SDIP is being reviewed in line with the DPSA requirements.

### 16. Public Entities Reporting to the Minister

Each entity has been established in terms of specific legislation. As such, no evaluation of entities is planned and only the current entities under the administration of the dti have been captured in the table. In addition, the department's legislative programme including any changes to entities will be determined through the consultation process to amend legislation.




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

Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
<p>Companies and Intellectual Property Commission (CIPC)</p>  <p>Companies and Intellectual Property Commission a member of the dti group</p>	Companies Act, 2008 (Act No. 71 of 2008), as amended	Self-funded	<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 the:</p> <ul style="list-style-type: none"> <li>• Registration of companies, cooperatives and intellectual property (IP) rights (trademarks, 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 IP law;</li> <li>• Promotion of compliance with relevant legislation;</li> <li>• Efficient and effective enforcement of relevant</li> </ul>

Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
			legislation; <ul style="list-style-type: none"> <li>Monitoring compliance with and contraventions of financial reporting standards, and making recommendations thereto to Financial Reporting Standards Council (FRSC);</li> <li>Licensing of business rescue practitioners; and</li> <li>Report, research and advise the Minister on matters of national policy relating to company and IP law.</li> </ul>
Export Credit Insurance Corporation (ECIC) 	Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Transfer payment	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 South Africa 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 transaction, and provides for matters connected therewith.
National Consumer Commission (NCC) 	Consumer Protection Act, 2008 (Act No.68 of 2008)	Transfer payment	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.
National Consumer Tribunal (NCT) 	National Credit Act, 2005 (Act No. 34 of 2005), as amended	Transfer payment	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 (NCR), the NCC, 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.
Companies Tribunal (CT)	Companies Act, 2008 (Act No. 71 of 2008), as amended	Transfer payment	The CT adjudicates in relation to any application that may be made to it in terms of the Act, and makes any order provided for in the 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



Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
 <p>Companies Tribunal a member of the dti group</p>			terms of the Act, or any law mentioned in Schedule 4.
<p>National Credit Regulator (NCR)</p>  <p>National Credit Regulator</p>	National Credit Act, 2005 (Act No. 34 of 2005), as amended	Transfer payment	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 bureaus and debt-counselling services.
<p>National Empowerment Fund (NEF)</p>  <p>NATIONAL EMPOWERMENT FUND Growing Black Economic Participation</p>	National Empowerment Fund Act, 1995 (Act No. 105 of 1995)	Transfer payments	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>National Gambling Board (NGB)</p>  <p>National Gambling Board South Africa a member of the dti group</p>	National Gambling Act, 2004 (Act No. 7 of 2004)	Transfer payment	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>National Lotteries Commission (NLC)</p>  <p>NATIONAL LOTTERIES COMMISSION a member of the dti group</p>	National Lotteries Act, 1997 (Act No. 57 of 1997)	Self-funded	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 the lottery sales to worthy causes.
<p>National Metrology Institute of South Africa (NMISA)</p>  <p>nmisa National Metrology Institute of South Africa "Your Measure of Excellence"</p>	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Transfer payment	NMISA is responsible for realising, maintaining and disseminating the International System of Units. 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>National Regulator for Compulsory Specifications (NRCS)</p>	National Regulator for Compulsory	Transfer payment	The NRCS is responsible for the administration and maintenance of compulsory specifications, and the implementation of regulatory and compliance systems

Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
	Specifications Act, 2008 (Act No. 5 of 2008)		for compulsory specifications.
South African Bureau of Standards (SABS) 	Standards Act, 2008 (Act No. 8 of 2008)	Transfer payment	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.
South African National Accreditation System (SANAS) 	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Transfer payment	The aim of SANAS is to accredit or monitor, for GLP-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 the competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP-compliant facilities.

### 17. Public-Private Partnership (PPP)

the dti has a PPP agreement for office accommodation in operation for a period of 25 years. The agreement commenced in August 2003, and provides for the designing, financing, building, operating/maintaining and transferring of the dti campus. This fully serviced office accommodation is provided to the dti and two other government departments, as well as some public entities located on the campus. As part of the Public-Private Partnership (PPP) the concessionaire will, for the duration of the contract period, own and maintain assets such as the equipment, buildings, improvements on the land and the majority of the furniture. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items such as may be in the regional offices.

the dti is planning to attain additional office space by acquiring Block G within the dti Campus which is privately owned. the dti intends to incorporate Block G into the PPP agreement and consultation with National Treasury is underway. Due to the fact that this process is highly negotiated the timeframes and terms of the deal cannot be pegged down however it is anticipated the entire transaction will be completed in the 2018/19 financial year.

Name of PPP	Purpose	Outputs	Current value of agreement (R thousand)	Date when agreement expires
the dti campus PPP	Fully serviced office accommodation for the dti	Design, finance, build, operate and transfer of the dti campus	870 000 (NPV at financial close)	August 2028

## **Annexure A: Changes to the Strategic Plan**

### **APP 2016-2019**

1. The department has proposed an amendment to the budget programme structure through the MTEF 2017 process for Programme 7 which was Trade Export South Africa, now referred to as Trade Investment South Africa (TISA). The purpose of the programmes and the sub-programmes are covered under paragraph 12 supra.
2. Further changes to paragraph 8.4 Description of the Strategic Planning Process, which reflects **the dti** contribution to the National Development Plan supporting the following outcomes amongst others: Outcome 4: Decent employment through inclusive growth, Outcome 11: Create a better South Africa and a better world and Outcome 12: An efficient, effective and development-oriented public service.
3. **the dsbd** will support Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.
4. In order to ensure that the department contributes towards the achievement of certain outputs that support the Medium Term Strategic Framework (MTSF) 2015-2019, the changes made in the reviewed MTSF will be incorporated pending finalisation.

### **APP 2017-2020**

1. The department has proposed an amendment to the budget programme structure through the MTEF 2017 process for Programme 7 which was Trade Export South Africa, now referred to as Trade Investment South Africa (TISA). The purpose of the programmes and the sub-programmes are covered under paragraph 12 supra.
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3. **the dsbd** will support Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.
4. The Africa Export Council will now be referred to as Trade Invest Africa.
5. In order to ensure that the department contributes towards the achievement of certain outputs that support the Medium Term Strategic Framework (MTSF) 2015-2019, the changes made in the reviewed MTSF will be incorporated pending finalisation.
6. **the dti** will support the following MTSF interventions as detailed in the relevant outcome documents.

the dti's Strategic Outcomes-Orientated Goals	MTSF Interventions	Linkages to government outcomes
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	<ul style="list-style-type: none"> <li>• All IPAP interventions implemented</li> <li>• Develop MBAP and incorporate into IPAP                             <ul style="list-style-type: none"> <li>• Increase use of local metals in South African manufacturing</li> <li>• Increase localisation target to 75%</li> </ul> </li> </ul>	Outcome 4: Decent employment through inclusive growth
Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives	<ul style="list-style-type: none"> <li>• FDI investment pipeline R50 billion</li> <li>• Economic diplomacy and pavilions</li> <li>• Seven investments and five trade promotion projects</li> <li>• Tripartite-Free Trade Agreement (T-FTA)</li> <li>• South Africa's position on T-FTA and Continental -FTA</li> </ul>	Outcome 11: Create a better South Africa and a better world

**APP 2018-2021**

The department has proposed an amendment to the strategic plan in relation to five (5) year targets for Programme 3: Special Economic Zones and Economic Transformation (SEZ & ET), Programme 4: Industrial Development (IDD) and Programme 5: Consumer and Corporate Regulation (CCRD).