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the dti

Annual Report
2017/18

the dti

Annual Report
2017/18

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Physical address: **the dti** Campus
77 Robert Sobukwe Street
Sunnyside
Pretoria
0002

Postal address: Private Bag X 84
Sunnyside
Pretoria
Gauteng
0002

Customer contact centre: 0861 843 384
Fax 0861 843 888
Email: info@thedti.gov.za
Website: www.thedti.gov.za

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Part A

General Information



1. Abbreviations and Acronyms

Term	Definition
AC	Audit Committee
AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
AGSA	Auditor-General of South Africa
AIS	Automotive Investment Scheme
AMDP	Accelerated Management Development Programme
APP	Annual Performance Plan
APSS	Agro-Processing Support Scheme
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BCF	Bilateral Consultative Forum
BIS	Black Industrialist Scheme
BIT	Bilateral Investment Treaty
BPO	Business Process Outsourcing
BPS	Business Process Services
BRICS	Brazil, Russia, India, China, South Africa
CCRD	Consumer and Corporate Regulation Division
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFTA	Continental Free-Trade Area
CGETI	Contact Group on Economic and Trade Issues
CGS	Council for Geoscience
CIP	Critical Infrastructure Programme
CIPC	Companies and Intellectual Property Commission, a public entity reporting to the dti
CMT	Committee of Ministers responsible for trade matters
CSIR	Council for Scientific and Industrial Research
CSPA	Comprehensive Strategic Partnership Agreement
CT	Companies Tribunal, a public entity reporting to the dti
CTCP	Clothing and Textiles Competitiveness Programme
DDG	Deputy Director-General
DG	Director-General
DMR	Department of Mineral Resources

Term	Definition
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EAC	East African Community
ECIC	Export Credit Insurance Corporation, a public entity reporting to the dti
EDC	Experience Delivery Company
EEIP	Equity Equivalent Investment Programme
EIP	Enterprise Investment Programme
EMIA	Export Marketing and Investment Assistance
EMDEs	Emerging Market and Developing Economies
EMDP	Executive Management Development Programme
EPA	Economic Partnership Agreement
EU	European Union
EVP	Employer Value Proposition
ExBo	Executive Board of the dti
ESEID	Economic Sectors, Employment and Infrastructure Development
FDI	Foreign Direct Investment
FER	Foreign Economic Representative
FRSC	Financial Reporting Standards Council
FTA	Free Trade Agreement
GCR	General Controls Review
GDP	Gross Domestic Product
GEPP	Global Exporter Passport Programme
GFCF	Gross Fixed Capital Formation
GLP	Good Laboratory Practice
HR	Human Resources
HDPs	Historically Disadvantaged Persons
IDAD	Incentive Development and Administration Division
IDD	Industrial Development Division
IDZ	Industrial Development Zone
IMF	International Monetary Fund
IORA	Indian Ocean Rim Association
IP	Intellectual Property
IPAP	Industrial Policy Action Plan

Term	Definition
ISA	Investment South Africa
IT	Information Technology
ITED	International Trade and Economic Development
JEC	Joint Economic Commission
KZN	KwaZulu-Natal
Logis	Logistical Information System
MCEP	Manufacturing Competitiveness Enhancement Programme
MoU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MPRDA	Mineral and Petroleum Resources Development Act
MTSF	Medium Term Strategic Framework
NAFTA	North American Free Trade Agreement
NCC	National Consumer Commission, a public entity reporting to the dti
NCR	National Credit Regulator, a public entity reporting to the dti
NCT	National Companies Tribunal, a public entity reporting to the dti
NDP	National Development Plan
NEDP	National Exporter Development Programme
NEF	National Empowerment Fund, a public entity reporting to the dti
NEPAD	New Partnership for Africa's Development
NGB	National Gambling Board, a public entity reporting to the dti
NIP	National Industrial Participation
NIPP	National Industrial Participation Programme
NLA	National Liquor Authority
NLC	National Lotteries Commission, a public entity reporting to the dti
NLDTF	National Lotteries Distribution Trust Fund
NMISA	National Metrology Institute of South Africa, a public entity reporting to the dti
NRCS	National Regulator for Compulsory Specifications, a public entity reporting to the dti
OCFO	Office of the Chief Financial Officer
OCSLA	Office of the Chief State Law Advisor
ODG	Office of the Director-General
OHS	Occupational Health and Safety
OPCW	Organisation for the Prohibition of Chemical Weapons
PFMA	Public Finance Management Act

Term	Definition
PPA	Public Partnership Agreement
PPP	Public-Private Partnership
PTA	Preferential Trade Agreement
PV	Photo-Voltaic
PwD	People with Disabilities
QLFS	Quarterly Labour Force Survey
REIPPP	Renewable Energy Independent Power Producer Procurement
RETS	Resources Equipment and Technology Services
RIA	Regulatory Impact Assessment
SA	South Africa
SABS	South African Bureau of Standards, a public entity reporting to the dti
SANAS	South African National Accreditation System, a public entity reporting to the dti
SADC	Southern African Development Community
SACU	Southern African Customs Union
SCCL	Specialist Committee on Company Law
SCOPA	Standing Committee on Public Accounts
SEIAS	Socio Economic Impact Assessment System
SEZ	Special Economic Zone
SEZ&ET	Special Economic Zones and Economic Transformation
SMS	Senior Management Services
SPP	Strategic Partnership Programme
TDCA	Trade, Development and Cooperation Agreement
TISA	Trade Investment South Africa
T-FTA	Tripartite Free Trade Area
UK	United Kingdom
US	United States of America
UWC	University of the Western Cape
WTO	World Trade Organisation

2. Foreword by the Minister

After several years of low growth, South Africa's economic prospects finally began to improve in 2017. This was in part due to a significant improvement in the global economy as growth momentum was maintained in Asia and Africa, and recovered in the United States and European Union.

However, the decisive factors were largely in the domestic policy environment. These included the emergence of a reinvigorated Government-citizen partnership to avert a full-blown water crisis in the Western Cape, and the orderly conclusion of the African National Congress' (ANC) elective congress in December 2017.

Both of these factors have contributed to an improvement in business confidence and importantly have also led to an improvement in business and consumer sentiment. This change in sentiment reflects a renewed common vision for South Africa. A vision where citizens across race, gender and class dimensions have roundly rejected corruption, where all citizens see economic opportunities which are open to them to pursue, and where the national 'mood' is one of renewed hope that South Africa can be an economic success story.

the dti has worked hard to play its part in improving business and consumer sentiment. We have steadfastly implemented the 9-Point Plan which prioritises interventions such as the Industrial Policy Action Plan (IPAP) to grow the industrial sector including through adding value to our mineral resources, and facilitating higher levels of private-sector investment.

Economic conditions have not always been conducive to our interventions, for example the worsening impact of the global steel glut necessitated additional support measures from **the dti** to avoid South Africa



losing its domestic steel-making capabilities. The loss of South Africa's steel sector would have been devastating in employment terms and would have also placed our long-term industrial capabilities and infrastructure build programme at risk. Our ability as Government to put together a Task Team to engage with stakeholders in both Business and Labour, and to thereby develop a meaningful support package has saved the steel sector from closure. Moreover, the approach that **the dti** and Government as a whole has taken, has been acknowledged by the Organisation for Economic Cooperation and Development (OECD) which noted that South Africa's approach to supporting its steel sector is 'exemplary'.

In addition to responding to economic headwinds when they arise, **the dti** provides

a comprehensive suite of incentives to local and foreign investors. In this financial year, the Department approved 849 applications which are projected to 'crowd in' private-sector investment to the value of approximately R35 billion. These investments represent a crucial vote of confidence in South Africa's economy and Government's economic policy. The projected investment of R35 billion also includes the projects approved as part of the Black Industrialists Scheme.

The Department introduced the Black Industrialists intervention in the face of strong resistance, including from within Government. Many commentators charged that the Scheme would become a site for corruption and that the main beneficiaries would be the 'politically connected'. I am proud that **the dti** chose to stand its ground and to trust that our systems of due diligence and strong management oversight would weed out all but the most meritorious projects. After complying with the Department's rigorous application processes, 50 Black Industrialists were approved for support in the financial year.

I have personally visited many of these firms and I have been immensely heartened by the

After complying with the Department's rigorous application processes, 50 Black Industrialists were approved for support in the financial year

hard work and commitment demonstrated by our Black Industrialists, many of whom have approached Government for assistance to grow their businesses even further, and certainly not in the expectation of a 'handout'. These entrepreneurs remind us that with appropriate – and often quite modest – Government

In 2017/18, the department approved

849

applications by local and foreign investors



R35bn

in private sector investment





200 000

people who depend on these parks

support to level the playing field, black business can and does thrive.

In addition to the Black Industrialists Scheme, **the dti** has also provided catalytic support to South Africa's local industrial parks. These parks are generally located adjacent to a township but have in many cases been neglected and allowed to fall into varying states of disrepair. However, these parks often provide significant employment to people living in the adjacent townships and moreover provide an important means for Government to encourage entrepreneurship and business development.

Consequently, **the dti** has committed to revitalising these industrial parks, supported by local and provincial government. Thus far, seven industrial parks have received support for Phase 1 revitalisation in the form of security and basic infrastructure upgrades. Government

and **the dti** will need to do much more in this area if we are to successfully turn townships into sustainable hives of economic activity. According to the 11 industrial parks that were revitalised, employment stood at an estimated 85 000 individuals, affecting about 200 000 immediate relatives.

Government's Special Economic Zones (SEZ) programme is also tasked with leveraging private-sector investment in relatively under-developed areas. We do this by developing SEZs in partnership with other spheres of Government, where appropriate economic infrastructure and financial support is provided to encourage domestic and foreign investors to locate in these areas and create jobs. In this financial year, we designated the Maluti-a-Phofung SEZ, and issued the Operator's Permit for the Musina-Makhado SEZ in Limpopo. We are

confident that as the global economic recovery gathers pace, these SEZs will become attractive locations for investors.

Investment remains a key determinant of economic growth but the Department is aware of investor complaints regarding the time taken to receive relevant regulatory approvals, and the difficulties experienced by investors in navigating South Africa's many regulatory Departments and Agencies. It is for this reason, we have rolled out the Invest SA one-stop-shop where investors can access the information they require in one convenient location. It is our intention that these one-stop-shops should also be able to provide regulatory approvals and we continue to work towards this outcome. In this financial year, we launched further provincial one-stop-shops, in the Western Cape and Gauteng. Invest SA is also working closely with the World Bank to assess the ease of doing business in South Africa, so as to identify areas where we should improve our investor offering.

South Africa's trade and industrial policies have been carefully aligned. Our trade interests are guided by our industrial capabilities and the immense economic opportunity of the African continent. It is tempting to see Africa simply as another market for South Africa's exports. While this would have short-term economic benefits, South African exports could easily be subsequently displaced by larger exporters. This is why our vision for Africa is of the continent industrialising itself and increasingly trading within the continent. This is a defining distinction between what we wish for the continent and what other countries see as just another export destination.

Africa industrialising is the key to sustained economic growth and development. Consequently, the Tripartite Free Trade Area (T-FTA) and Continental Free Trade Area (C-FTA) are about much more than just trade. **the dti's** approach to these FTAs has been to embed industrialisation and development as the core principles for regional integration. We are convinced that this is the appropriate

Invest SA is working closely with the World Bank to assess the ease of doing business in South Africa, so as to identify areas where we should improve our investor offering

direction to take and we are pleased that many of our neighbouring countries support this approach and have thus begun to ratify the T-FTA agreement. The C-FTA was launched in March 2018, and will follow a similar negotiation process.

The work of **the dti** is a reflection of the diligence of the Deputy Minister, Director-General, and the many dedicated staff of **the dti** as well as the support and assistance of the Parliamentary Portfolio and Select Committees of Trade and Industry. I would like to convey my sincere gratitude to all of these parties.



Dr Rob Davies, MP

Minister of Trade and Industry

3. Statement by the Deputy Minister

3.1 Overview of the operations of the department

As we continue with our transition from a society characterised by inequality, unemployment and poverty, it is important that all citizens have an appreciation of our vision and strategies as contained in the National Development Plan (NDP).

This year marks 24 years of our democracy while the triple scourges continue to reign. Through the programmes adopted by government, we will move with speed towards achieving inclusive growth, decent employment built on the full potential of all citizens.

The dialogues involving **the dti** divisions and public entities including community stakeholders are meant to explore the potential that exists, particularly within previously disadvantaged members of society. The skewed patterns of ownership must be addressed in order to realize radical economic transformation. It is critical that the public sector, private sector and the civil community ensure that the success of the transformation agenda of the country rests with all.

To ensure that there is comprehension of the necessary compliance with the BEE legislation, the BEE Commission has had 80 outreach sessions covering all provinces. The reports on instances of fronting by certain companies highlights the attacks on the transformation programme. Change will not come about without implementing far-reaching interventions. That is the reason non-compliance, particularly fronting, must be eliminated.

The Industrial Parks Revitalisation Programme remains critical to employment



creation and increasing the economic activity of communities where they are located.

The investment that has been committed through this programme has seen companies investing in the Industrial Parks; ensuring that locals are employed. The Industrial Parks currently employ about 85 000 people with an additional 365 jobs created on a short-term basis. In the new financial year, R216 million has been allocated for the renovation of five Industrial Parks. Together with the agencies entrusted with the management of the parks, it is important that strategies are devised to retain those within, while encouraging other companies into the Industrial Parks to reduce

and eventually eliminate the vacancy rate.

The NDP further directs us to proceed towards a “better integration of the country’s rural areas, which can be achieved through a successful land reform programme, infrastructure development, job creation and poverty alleviation”.

The Rural and Township Industrial Economic Programme aims to foster collaboration between the public and private sectors in developing support mechanisms for the rural and township economy. Infrastructure development in rural areas is at the heart of the transformation of the South African economy with minimised migration to the urban areas.

The rural and township economies have been identified as vehicles for achieving the nationwide objectives of transforming and growing the economy, as well as addressing youth unemployment.

The role of the National Lotteries Commission in ensuring economic activity in rural areas through their secondary mandate should be commended. The amount of R120 million set aside to support agricultural

3 609

NUMBER OF OPPORTUNITIES IN AREAS SUCH AS AGRICULTURE, FISHING AND MANUFACTURING PROVIDED THROUGH R639 MILLION IN NEF APPROVALS

100

NUMBER OF BLACK INDUSTRIALISTS TARGETED FOR SUPPORT THROUGH THE BLACK INDUSTRIALISTS SCHEME. THIS TARGET HAS ALREADY BEEN SURPASSED

15 000

NUMBER OF NEW DIRECT JOBS PROJECTED TO BE CREATED THROUGH THE BLACK INDUSTRIALISTS SCHEME

projects in rural areas should encourage us to do more.

The NEF approvals in the previous financial year amounted to R639 million, which supported 3 609 opportunities in areas such as agriculture, forestry, fishing, manufacturing and other sectors.

We reported that we have been able to exceed the target of supporting 100 Black Industrialists through the Black Industrialist Scheme. The

speed with which the programme is pursued will determine the success of radical economic transformation. In terms of job creation, the programme is projected to create 15 000 new direct jobs.



Mr Bulelani Gratitude Magwanishe, MP

4. Report of the Accounting Officer

4.1 Overview of the operations of the department

As the custodian of the country's industrial policy, **the dti** is tasked with facilitating industrialisation and economic development that results in the promotion of trade, inclusive growth and the creation of employment. The department continued to play a leading role in the formation of trade and investment policy in South Africa, with the aim of promoting and facilitating sustainable growth and economic development. This is achieved through efforts to build an equitable multilateral trading system that facilitates development, strengthens trade and investment links with key economies, and fosters African development through regional and continental integration.

The department's work is aligned with the strategic objectives outlined in the National Development Plan (NDP), the annual Medium Term Budget Policy Statement and the 2014-2019 Medium Term Strategic Framework (MTSF). During the period under review, the department's priorities were to provide support to the manufacturing sector, promote international trade, and promote investment and B-BBEE.



4.2 Overview of the financial results of the department

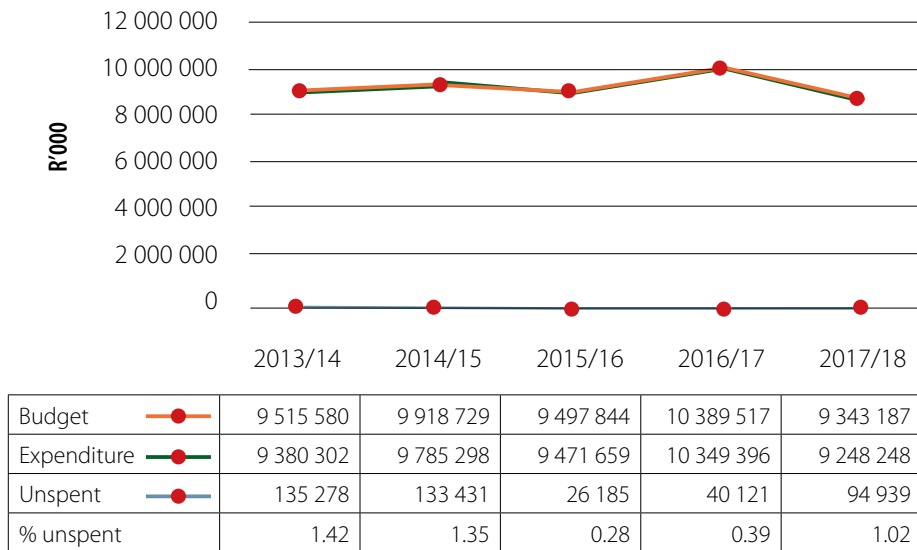
4.2.1 Departmental receipts

During 2017/18, the department collected R106.6 million as compared to R98 million in 2016/17. The source of revenue received by the department was mainly in respect of non-performance by certain companies participating in the NIPP programme and alternative dispute resolutions issued by the B-BBEE Commission. Other revenue was from fees paid for liquor licence applications; repayment of debts as well as Public-Private Partnership (PPP) recoveries.

Departmental receipts	2017/18			2016/17		
	Estimate	Actual amount collected	(Over)/ Under collection	Estimate	Actual amount collected	(Over)/ Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	5 200	4 239	961	4 000	4 862	(862)
Liquor licences	5 200	4 239	961	4 000	4 862	(862)
Sale of goods and services other than capital assets	617	652	(35)	621	624	(3)
Transfers received	-	-	-	244	-	244
Fines, penalties and forfeits	220	40 008	(39 788)	400	365	35
Interest, dividends and rent on land	550	1 390	(840)	3 570	2 708	862
Sale of capital assets	300	487	(187)	300	-	300
Financial transactions in assets and liabilities	62 113	59 870	2 243	73 020	89 533	(16 513)
Total	69 000	106 646	(37 646)	82 155	98 092	(15 937)

4.2.2 Programme expenditure

The graph below reflects that there has been consistency in the department's spending pattern against its budgetary allocation over the past five years. Underspensing has been below 2% of the allocated budget for each financial year. The department was allocated R9.3 billion for 2017/18, of which 98.98% was spent over the period.

Figure 1: Comparison on spending (2013/14 – 2017/18)

This spending pattern should be considered in the context of the Departmental cost drivers, comprising:

- R6.7 billion (72.4% of the total budget) transferred to beneficiaries across the various incentive scheme programmes;
- R1 billion (10%) for other transfer payments to departmental agencies, foreign governments and international organisations, and others; and
- R1.6 billion (17.2%) for operational expenditure.

The table below reflects the department's expenditure on programme level:

Programme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	809 902	772 696	37 206	721 505	699 139	22 366
International Trade and Economic Development	121 135	121 121	14	116 070	116 024	46
Special Economic Zones and Economic Transformation	108 937	95 699	13 238	112 492	97 589	14 903
Industrial Development	1 842 932	1 838 839	4 093	1 722 289	1 722 245	44
Consumer and Corporate Regulation	298 782	298 706	76	295 763	295 381	382
Incentive Development and Administration	5 636 659	5 600 528	36 131	6 896 306	6 895 186	1 120
Trade Export South Africa	456 696	456 154	542	455 836	454 588	1 248
Investment South Africa	68 144	64 505	3 639	69 256	69 244	12
Total	9 343 187	9 248 248	94 939	10 389 517	10 349 396	40 121

The table below reflects the department's expenditure categories:

Description	2017/18		2016/17	
	R'000	%	R'000	%
Payments to incentives	6 699 133	72.4	7 765 239	75
Incentives: Capital	1 624 554	17.6	1 618 984	15.6
Other incentives	5 074 579	54.9	6 146 254	59.4
Payments to departmental agencies	727 576	7.9	856 034	8.3
Other transfer payments	204 734	2.2	196 835	1.9
Compensation of employees	946 790	10.2	915 498	8.8
Goods and services	643 727	6.9	589 987	5.7
Payments for capital assets	25 146	0.3	16 103	0.2
Payment for financial assets	1 142	0.01	9 700	0.1
Total expenditure	9 248 248	100	10 349 396	100

Programme 1: Administration

The expenditure in this programme increased from R699 million in 2016/17 to R772.7 million in 2017/18, an increase of 10.5%, which is mainly attributable to the annual increase on the PPP unitary payments.

Programme 2: International Trade and Economic Development Division

During the period under review, the programme's expenditure increased from R116 million in 2016/17 to R121.1 million in 2017/18, an increase of 4.4%, which is mainly attributed to the cost of living adjustment.

Programme 3: Special Economic Zones and Economic Transformation Division

During the period under review, the programme's expenditure decreased by 2.3%, from R98 million in 2016/17 to R95.7 million in the 2017/18, which is mainly attributed to the Broad-Based Black Economic Empowerment (B-BBEE) Commission set-up related processes that are yet to be finalised.

Programme 4: Industry Development Division

The expenditure in this programme increased from R1.7 billion in 2016/17 to R1.8 billion in 2017/18, an increase of 5.8%, which is mainly attributed to the cost of living adjustment.

Programme 5: Consumer and Corporate Regulation Division

The programme's expenditure increased from R295.7 million in 2016/17 to R298.7 million in 2017/18, an increase of 1.2%, which is mainly attributed to the cost of living adjustment.

Programme 6: Incentive Development and Administration Division

During the period under review, expenditure in this programme decreased from R6.9 billion in 2016/17 to R5.6 billion in 2017/18. The decrease of 18.8% is mainly attributed to funds that could not be disbursed as compliance documentation outlined in the guidelines was outstanding as well as incentive claims, which are payable once all performance criteria agreed at application are met and verified.

Programme 7: Trade Export South Africa

During the period under review, expenditure in this programme increased from R454.6 million in 2016/17 to R456.1 million in 2017/18, an increase of 0.3%, which is mainly attributed to an increase in the cost of living adjustment.

Programme 8: Investment South Africa

During the period under review, expenditure in this programme decreased from R69.2 million in 2016/17 to R64.5 million in 2017/18. This decrease of 6.8 %, is mainly attributed to the Provincial One-Stop Shop set-up processes that are yet to be finalised.

4.2.3 Virements/rollovers

Virements from the following programme	Virements to the following programme	R'000	Reasons	Approved by
Programme 1: Administration		(4 669)	Savings were as a result of delays in finalising the procurement of ICT related goods and services through SITA	NT and Accounting Officer
	Programme 2: ITED	1 317	Funds identified under programmes 1 and 6 to augment priority areas	NT and Accounting Officer
Programme 3: SEZ&ET		(9 473)	Savings as a result of B-BBEE Commission set-up related processes that are yet to be finalised	NT and Accounting Officer
	Programme 4: IDD	23 655	Savings identified from various programmes for local content verification	NT and Accounting Officer
	Programme 5: CCRD	153	Savings identified under Programme 6: IDAD to cover leave gratuity for retired employees	NT and Accounting Officer
Programme 6: IDAD		(37 760)	Savings were as a result of stringent cost containment measures implemented by the department in line with National Treasury Instruction No 2 of 2016/17	NT and Accounting Officer
	Programme 7: TISA	31 492	Savings identified from various programmes to cover expected vouchers from foreign mission offices	NT and Accounting Officer
Programme 8: ISA		(4 715)	Savings identified due to the set-up related processes for the provincial One-Stop Shops that are yet to be finalised	NT and Accounting Officer

4.2.4 Unauthorised expenditure

The department did not incur any unauthorised expenditure in the 2017/18 financial year.

4.2.5 Fruitless and wasteful expenditure

The department did not incur any fruitless and wasteful expenditure in the 2017/18 financial year.

4.2.6 Future plans of the department

The department's future plans have been captured in the Strategic Plan 2015-2020 and the Annual Performance Plan 2017-2020, and are aligned with government priorities and outcomes over the 2014-2019 electoral period.

4.2.7 Public-private partnerships

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.

A process is under way to extend the scope of the PPP from the current six main office-block configurations to include the future expansion building in accordance with the original design. The building, located adjacent to the campus, Block G, is pre-enabled with the same aesthetic as the main campus and shares the campus infrastructure. A request for approval to extend the Public-Private Partnership Agreement ("PPP Agreement") will be finalised once the requirements as per Treasury Regulations, have been met.

The procurement of Block G for incorporation into **the dti** campus has progressed much better than in 2016/17. The Landlord granted in principle support of the land lease extension. Financial close may well be possible during 2018 bringing in a new phase of the PPP project of having fully integrated all 7 blocks of the main campus, being A – G.

Some challenges were experienced mainly due to various maintenance issues that have become more problematic due to continued neglect. Several defaults were served on the concessionaire and a variety of rectification plans followed the exits of both the CEO of EDC and the CEO of Rainprop. **the dti** also deducted the first time ever, an amount higher than the allowed penalty provision of the unitary payment to force focus on rectification.

4.2.8 Discontinued activities / activities to be discontinued

No activities were discontinued in the period under review.

4.2.9 New or proposed activities

There were no new or proposed activities in the period under review.

4.2.10 Supply chain management

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

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

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

4.2.12 Exemptions and deviations received from NT

No exemptions were requested or approved for the department in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) or NT regulations, as may be applicable to any of the reporting requirements.

4.2.13 Events after the reporting date

No events took place after the reporting date of 31 March 2018 that would impact on the financial position of **the dti**.

4.2.14 Report in terms of Promotion of Access to Information Act, 2000

Reporting period: 1 April 2017 to 31 March 2018		Total	Comments
A	Number of Promotion of Access to Information Act (Act No. 2 of 2000) (PAIA) requests received	36	<ul style="list-style-type: none"> Two requests were transferred to other organisations For one of the requests, the requested documents do not exist
B	Number of requests granted in full	13	
C	Number of requests granted despite there being grounds for refusal but granted in the public interest	0	
D	Number of requests: refused in full refused partially for which the provision of PAIA was relied on to refuse a request in full / partially	9 11 11	
E	Number of instances in which the 30-day period to deal with a request was extended	15	
F	Number of internal appeals: lodged with the relevant authority where requests were granted as a result of an internal appeal	0 0	
G	Number of internal appeals lodged on account of a deemed refusal	0	
H	Number of applications to court on the grounds that an internal appeal was dismissed by the relevant authority failing to give notice of its decision in the timeframes stated in Section 77(3)	0	
	Comments including those relating to implementation, application, requests or areas of PAIA in respect of which reforms are recommended	0	

4.2.15 Donor funds managed by the dti

Employment Creation Fund	
Donor	European Union
Amount	€100 million
Period of commitment	3 years
Purpose of funding	Employment creation, sector policy support to the economic cluster programme of action
Expected output	the dti is the spending agency of the RDP fund as defined in the RDP Act. This support contributes to creating quality for the economically marginalised, improving the business enabling environment and increasing capacity and skills in the productive sectors of the economy
Actual output achieved	Employment creating projects supported. Most of these projects are in rural and peri-urban areas. Their nature ranges from agriculture, agro-processing, manufacturing, green industries, niche products manufacturing, industrial research and development, entrepreneurship and business incubation, and SMME development
Amount received in the current financial year	R0
Amount spent by the dti	R0
Monitoring mechanism by donor	The ECF programme is audited by the Auditor-General of SA as part of the annual statutory audit or external auditors at the request of the donor

3.2.16 Appreciation

I extend my sincerest gratitude to all staff and stakeholders who have contributed to the department's good performance in the period under review.

Mr Lionel October

Director-General

31 May 2018



5. Statement of responsibility and confirmation of accuracy

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

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report, as issued by NT.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by NT.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and the judgments made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, performance and human resources information, and the financial affairs of the department for the financial year ended 31 March 2018.

Yours faithfully,

Accounting Officer

Mr Lionel October

31 May 2018



6. Economic overview

Global growth

The global economic upswing under way 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 IMF, in its World Economic Outlook released in January 2018, has revised its projections for global economic growth upwards by 0.2 percentage points to reach 3.9 per cent in both 2018 and 2019.

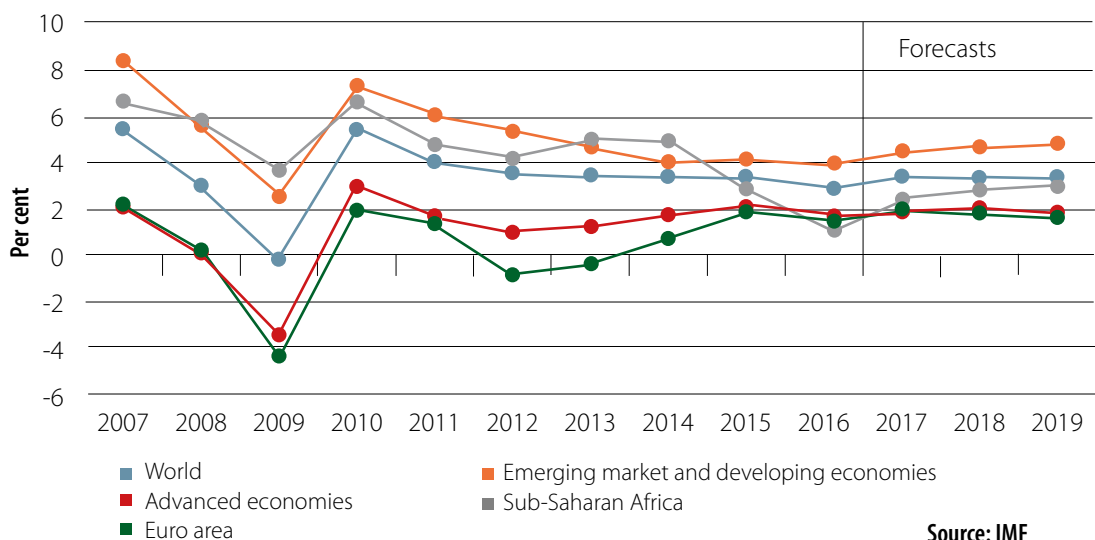
Growth in Emerging Market and Developing Economies (EMDEs) is expected to remain resilient, reaching 4.9 per cent and 5.0 per cent in 2018 and 2019, respectively, compared with 4.4 per cent and 4.7 per cent reported in 2016 and 2017. Improved monetary policies have been supportive to the EMDEs growth, but 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 an improved 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 growth prospects in South Africa are projected and economic output is expected to remain below 1 per cent in 2018 and 2019 as increased political uncertainty weighs on confidence and investment in the economy (IMF: World Economic Outlook, January 2018).

However, risks to the regional outlook are on balance, tilted towards the downside. Drought, conflicts, political transition, low business confidence and worsening security conditions would weigh heavily on economic activity in the region, especially in fragile countries. These risks to the regional outlook underscore the need for policy actions to achieve inclusive growth (World Bank: Global Prospects, January 2018).

Figure 2: Global GDP growth rates: Selected regions



Source: IMF

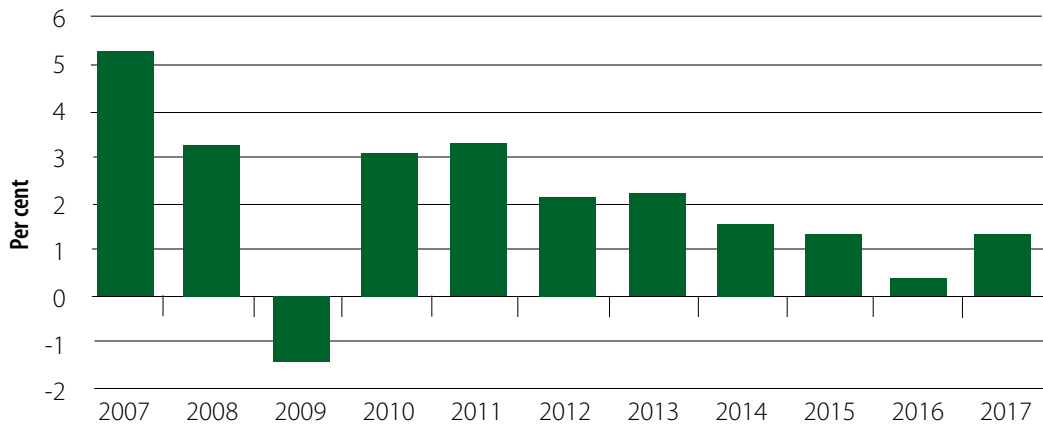
Domestic economic context

GDP growth

After a shaky start in 2017 that saw domestic economic activity contracting in the first quarter, the economy recovered and managed to sustain positive growth for the remainder of the year. The South African economy expanded by 1.3% in 2017 compared to 0.6% in 2016. The strengthening in economic activity over 2017 was primarily led by increased economic activity in the agriculture, forestry and fishing sector with an annual growth of 17.7%; mining and quarrying contributing with an annual growth of 4.6%; and finance, real estate and business services with an annual growth of 1.9%.

However, weak domestic demand continued to weigh in on the manufacturing sector, resulting in a decline of 0.2% in real GDP in 2017 compared to a positive growth of 0.9% in 2016 (Reserve Bank: Quarterly Bulletin March 2018).

Figure 3: South Africa GDP growth rates



Source: Stats SA

The domestic economic outlook for 2018 is promising and according to the National Treasury 2018 Budget Speech, growth is expected to reach 1.5% in 2018 and 1.8% in 2019. Momentum is being gained as business and consumer sentiments are showing signs of recovery. The South African Reserve Bank's business cycle indicators are showing signs of improving, lending further support to the economy's recovery. The Bank also projected a positive outlook for the domestic economy in 2018 and growth is projected at 1.7 per cent in 2018 and 1.5 per cent in 2019 (South African Reserve Bank Monetary Policy Review, April 2018).

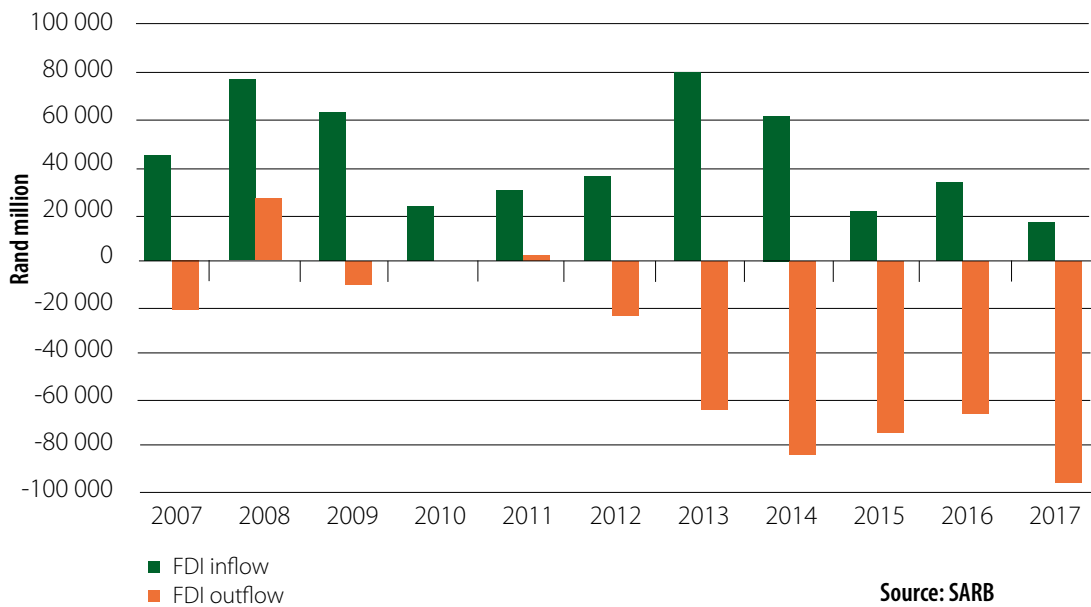
Foreign direct investment

South Africa recorded an annual inflow of R17.6 billion in 2017 following an inflow of R32.8 billion in 2016. The inflow during the year could be attributed to proceeds from non-residents selling shares to their parent companies abroad. The decline in FDI inflows in 2017 could be attributed to a number of factors including the domestic economy going into recession in the first quarter of the year; policy uncertainty in some key sectors of the economy; weak business and consumer confidence; and downgrades by ratings agencies. Furthermore, material disinvestment by Barclays Africa Group from ABSA in the second

and fourth quarters of 2017 as well as retreat by General Motors at the end of May 2017 (though Isuzu Motors came to the rescue in January 2018). All these factors negatively impacted investor sentiment. Regarding FDI outflows, South African entities' direct investment abroad increased by R98 billion in 2017 following an outflow of R65 billion in the preceding year.

However, confidence is rebounding as some of the downward risks are subsiding and it is not surprising to see Goldman Sachs naming South Africa as the best emerging market for 2018. In 2017, the government officially launched the One Stop Shop to streamline investment in the economy with a national office based at **the dti** campus in Pretoria. Provincial One-Stop Shop centres were also launched in the Western Cape, Gauteng and KZN.

Figure 4: FDI inflows and outflows



Gross Fixed Capital Formation

One of the key features of economic growth is net investment by government, private businesses and public corporations in the economy. Gross Fixed Capital Formation is the leading indicator of the level of confidence in the economy, especially that undertaken by the private enterprises. The NDP sets a target of Gross Fixed Capital Formation (GFCF) as a share of GDP at 30% by 2030, to be able to realise a sustained impact on growth and household consumption expenditure, and for the public-sector investment the target is 10% of GDP.

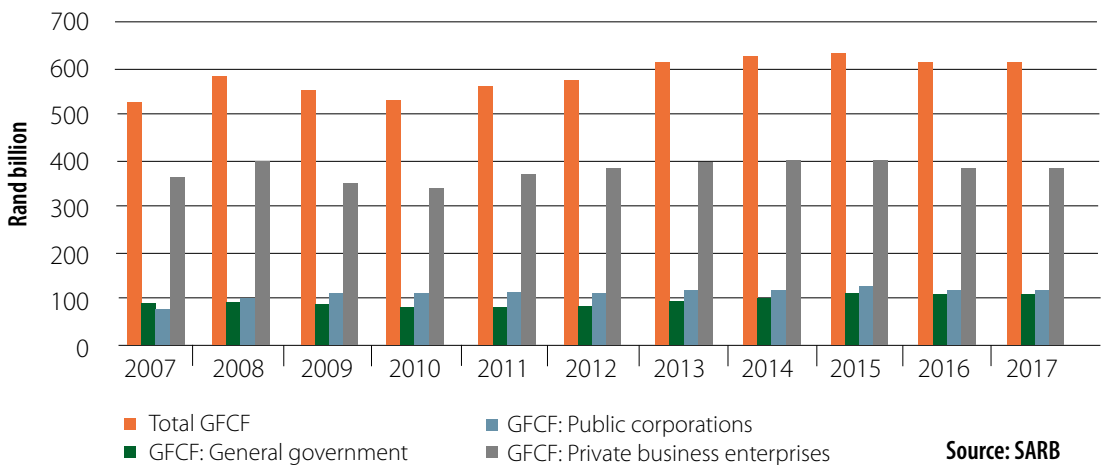
In 2017, total GFCF grew marginally by 0.4% to reach R616 billion, from R613 billion recorded in 2016. The marginal increase in 2017 can be attributed mainly to buoyancy in the mining and quarrying sector, which grew by almost 16% in 2017, as well as the positive growth in the construction; manufacturing; and the transport, storage and communications sectors.

The GFCF by private business enterprises is the biggest contributor to total GFCF, ranging between R340 billion and R410 billion per annum in the period 2007 to 2017. It recovered by R5 billion to reach R390 billion in 2017 after plummeting to R385.3 billion in 2016. An improvement in business confidence levels might have been the driving force behind the recovery in GFCF by private business enterprises.

The GFCF by the general government, the least contributor to total GFCF, has been increasing since 2007, from R85 billion to just over R100 billion in 2017. However, due to austerity measures which became a prominent feature of the national fiscus, it decreased by 0.7 per cent to reach R105.3 billion in 2017 from R104.6 billion in 2016.

Another component of contributions to total GFCF is public corporations. The GFCF by public corporations fell by R2 billion to reach R121.5 billion in 2017 from R123.1 billion in 2016. The contraction could have been driven by real capital outlays in the transport sector that declined as some of the leading public entities, more especially Transnet, deferred capital projects. The lower capital spending by public corporations could also be partly attributed to ongoing sluggish demand in a generally weak economic environment; coupled with reports of mismanagement in big public corporations.

Figure 5: GFCF by organisation type

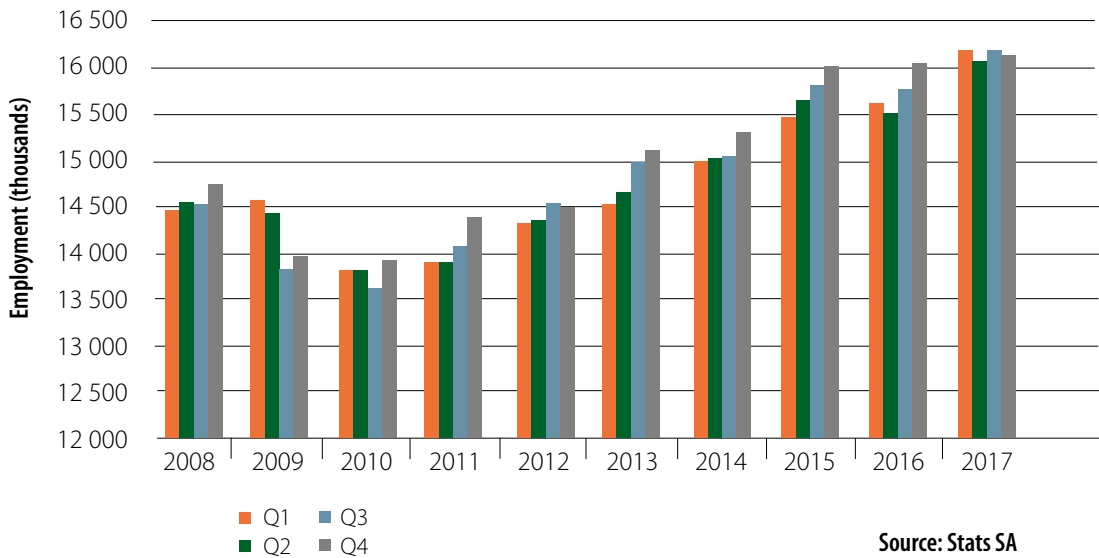


Employment

According to Stats SA's latest Quarterly Labour Force Survey, the number of people employed in South Africa by the end of 2017 stood at 16.2 million. On a year on year basis, total employment increased by 102 000 jobs despite losing 21 000 jobs between the third quarter and the fourth quarter of 2017.

The number of unemployed persons decreased markedly by 330 000 from the third to the fourth quarter of 2017, lowering the total number of unemployed South Africans to 5.9 million. However, when measured over four quarters, unemployment increased by 99 000. Given these developments, the official unemployment rate improved marginally from 27.7 per cent in the third quarter of 2017 to 26.7 per cent in the fourth quarter.

With key sectors of the economy still under pressure, the prospects for meaningful job creation recovery are undoubtedly not promising in the short term.

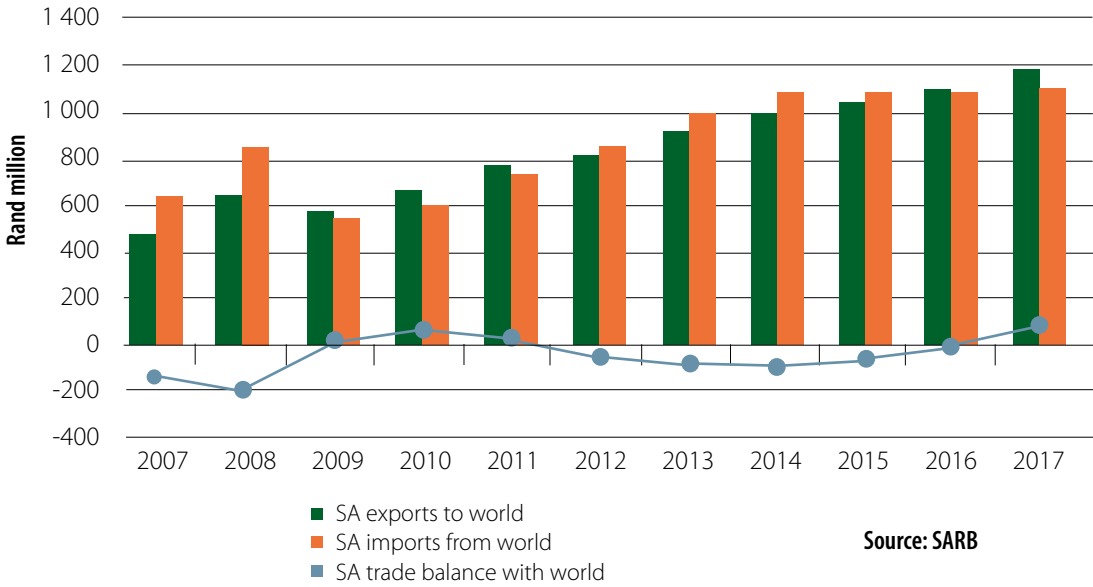
Figure 6: Total employed: Quarterly Labour Force Survey (2008 – 2016)

South Africa's trade with the world

The recovery in global trade in 2017 has benefitted South Africa's ailing economy. The economy maintained a positive trade balance throughout the year with the exception of January 2017 where the current account contracted by R11 billion. The domestic economy recorded a total trade surplus of R68.9 billion in 2017 compared to a surplus of R34.7 billion recorded in 2016 (South African Reserve Bank Quarterly Bulletin: March 2018). The key contributors to this substantial improvement in the trade balance included:

- The end of the drought conditions in most parts of South Africa except the Western Cape and parts of the Northern Cape and Eastern Cape resulting in the reversal of traded maize flows from net imports in 2016 to net exports in 2017;
- Weak domestic currency for most of 2017;
- Increasing demand in world markets; and
- Improving commodity prices boosting mining exports by 23.5 per cent (Industrial Development Corporation: Quarterly Economic Trends March 2018).

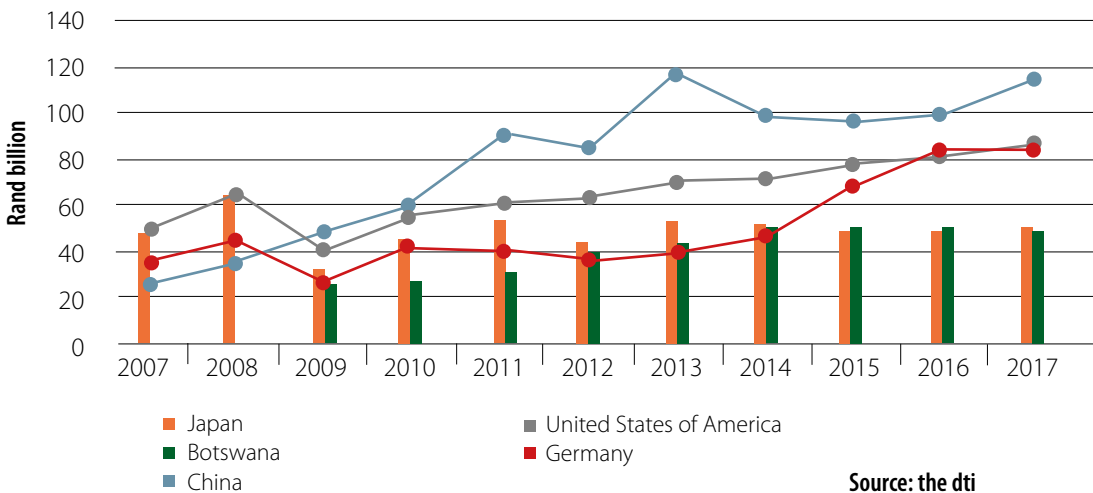
Figure 7: South Africa's trade with the world



South Africa's top five export destinations

South Africa's exports to key trade partners increased as global demand in major markets such as China, Japan and the US improved in 2017. China remains the leading destination for South Africa's exports, with exports increasing to R115 billion in 2017 from R101 billion in 2016. The increase in exports can be attributed to weaker domestic currency for the best parts of 2017 and improved commodity prices which benefitted most of the mining exports. Botswana is the only export market to which South Africa's exports declined in 2017. Exports to Botswana declined by R3 billion to reach R51 billion in 2017, from R54 billion in 2016.

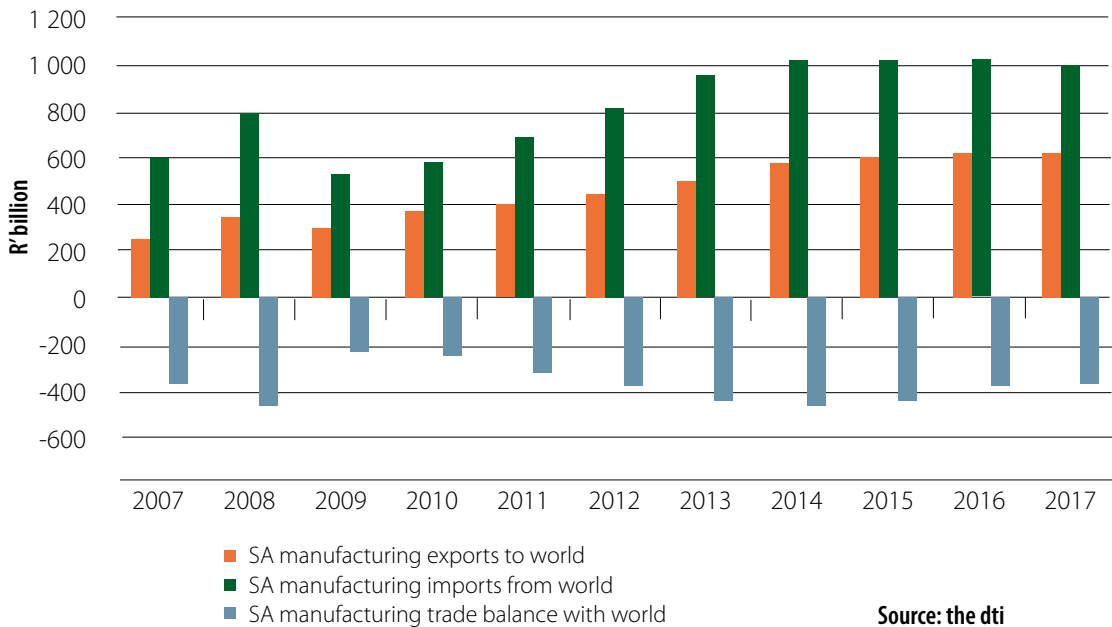
Figure 8: Top 5 export destinations



South Africa's manufacturing trade

South Africa's widening trade deficit with the world in manufacturing products is a reflection of a relatively undiversified manufacturing sector as compared to major trading partners such as China, Japan, the EU and the US. The structure of trade between South Africa and the world is highly concentrated and dominated by mineral commodities, which raise SA's economic vulnerabilities to both internal and external shocks. A case in point is the 2007-2008 Global Financial Crisis, which saw a sharp decline in mineral commodity prices impacting negatively on growth in the manufacturing subsectors such as Coke & Petroleum, Metal Products, Non-metallic Minerals and Basic Iron and Steel value-addition.

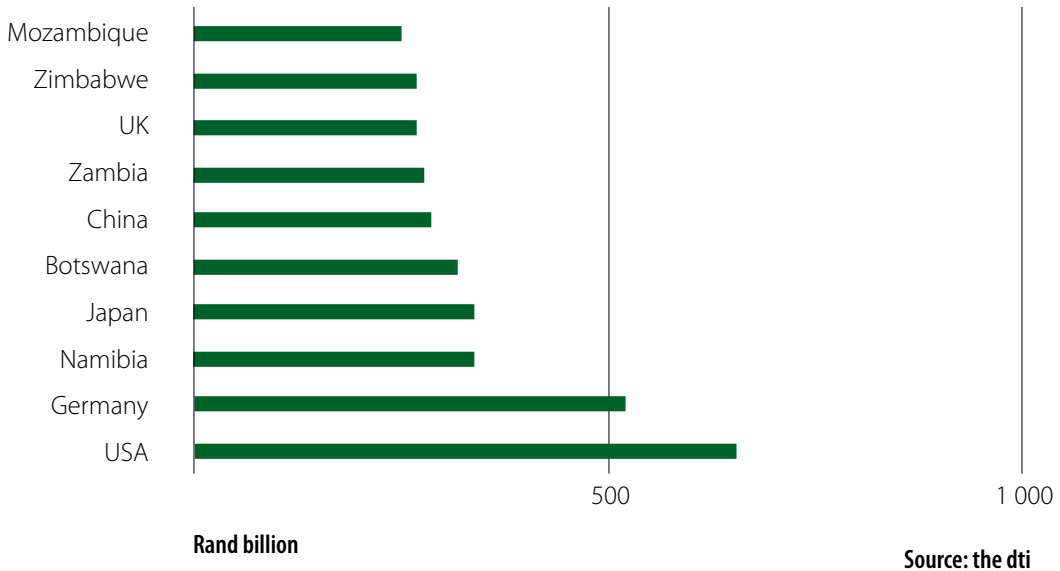
Figure 9: South Africa's manufacturing trade with the world



Top 10 export destinations for manufactured products

South Africa's top 10 export destinations for manufactured products is dominated by African countries (mainly Mozambique, Botswana, Zimbabwe, Zambia and Namibia). This is not surprising because of the existing regional trading arrangements and continued effort by government to diversify and promote intra-African trade. The US is the leading export designation for manufactured products from South Africa (this could be attributed to AGOA), followed by Germany, Namibia, Japan and Botswana, to mention a few.

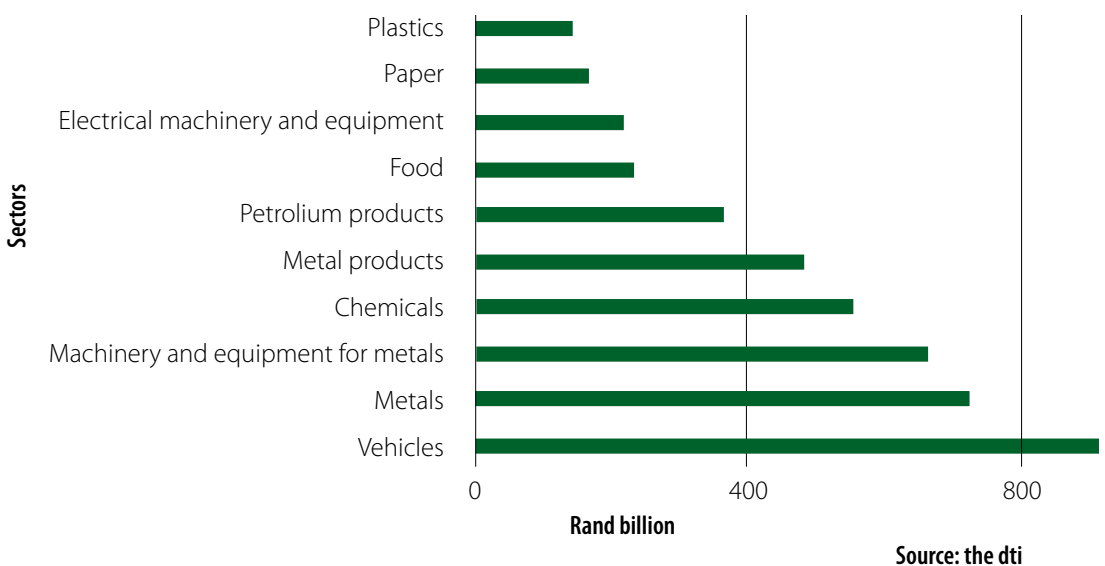
Figure 10: Top 10 export destinations for manufacturing (2007 – 2017)



Top 10 manufactured export products

From 2007 to 2017 motor vehicles topped the list of exported manufactured goods with a value of R903 billion, this is due to the auto incentives provided by the department. The US and Europe were the top export destinations of SA light motor vehicles due to preferential trading arrangements. Metals were South Africa’s second largest manufactured export product to the world with Asia, particularly, China, India and Europe as the main destinations. Machinery and equipment ranked the third largest manufactured export with exports totaling R662 billion in the period (2007 to 2017).

Figure 11: South Africa’s Top 10 manufactured export products (2007 – 2017)



South Africa's overall trade with Africa (2007 – 2017)

South Africa is leveraging the existing regional trade and various bilateral agreements to expand and diversify its export basket on the continent. As a result, South Africa's trade balance with the rest of Africa is positive. Exports to Africa decreased slightly by R4 billion to reach R311 billion in 2017 from R315 billion in 2016. Exports to a number of regional trade partners such as Botswana, Namibia and Zimbabwe declined marginally in 2017 compared to 2016.

Despite the marginal decline in exports, the trade balance with the rest of Africa remains positive at R201 billion in 2017. The rest of Africa accounted for almost 39 per cent of the total manufactured goods exported in 2017 (Industrial Development Corporation: Quarterly Economic Trends March 2018).

Promoting intra-African trade and broadening integration across the continent is a medium to long-term priority of this government. In 2017, the government signed the Tripartite FTA agreement to strengthen South Africa's commitment to regional development in the continent. In addition, **the dti** took South African companies on trade missions to build export markets especially for value-added products and services as part of the strategy to diversify South Africa's export base.

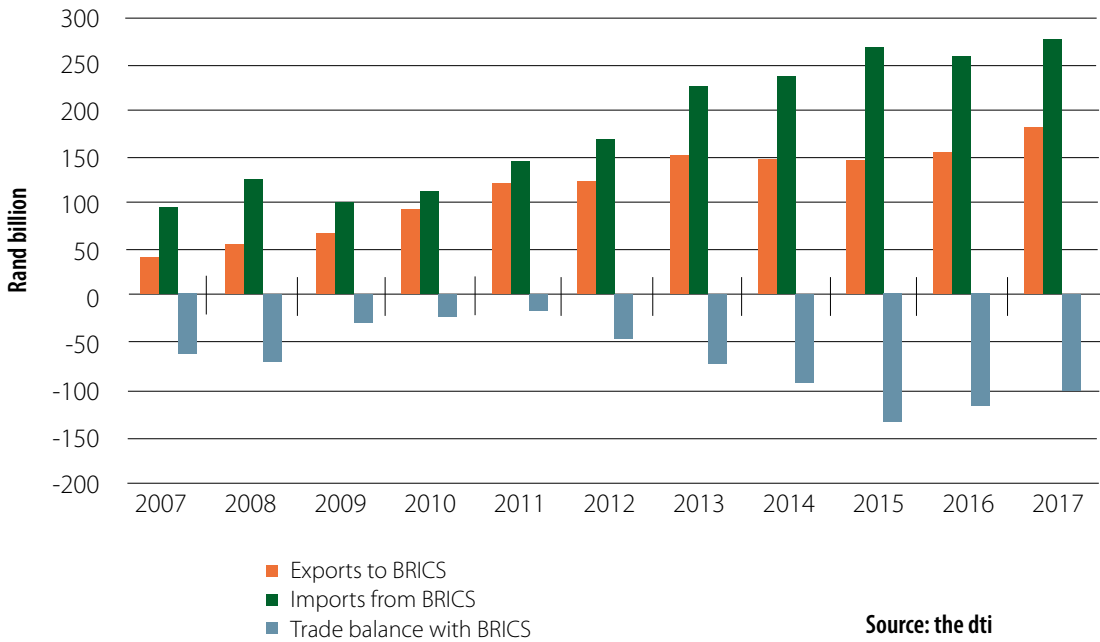
Figure 12: South Africa's trade with Africa (2007 – 2017)



South Africa's trade with BRIC (2007 – 2017)

South Africa's exports to its BRIC counterparts have increased from R158 billion in 2016 to reach R181 billion in 2017. However, despite this increase, the nature of trade is still highly inequitable. The structure of trade between South Africa and other BRIC nations remain fairly the same with export baskets destined for these countries being highly concentrated and dominated by mineral commodities. Exports from South Africa have been driven particularly by raw materials.

The trade balance improved marginally from -R101 billion in 2016 to -R100 billion in 2017. This dominance of raw material exports to the BRIC nations adversely impacted South Africa's trade balance with these nations. However, ongoing engagements at the BRICS Business Council will address some of the inequalities in trade by developing programmes that support industrialisation amongst member states.

Figure 12: South Africa's trade with BRICS countries (2007 – 2016)

7. Strategic overview

7.1 Vision

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

7.2 Mission

the dti aims 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 its skills and capabilities to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

7.3 Strategic objectives

- Grow the manufacturing sector to promote industrial development, job creation, investment and export.
- Improve conditions for consumers and artists, and open markets for new patent players.
- Strengthen capacity to deliver on **the dti's** mandate.

7.4 Values

the dti's values are:

- Operational excellence – service-delivery standards, international best practice, the principles of *Batho Pele* and continuous improvement.
- Intellectual excellence – continuous shared learning, innovation, and relevant knowledge and skills improvement.
- Quality relationships – improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork.

8. Legislative and other mandates

Name of 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 CSIR
Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Provide for an internationally recognised and effective accreditation and monitoring system for South Africa by establishing the South African National Accreditation System (SANAS) as a juristic person; to recognise SANAS as the only accreditation body in South Africa for the accreditation of conformity assessment and calibration, as well as the monitoring of good laboratory practice (GLP)
Alienation of Land Act, 1981 (Act No. 68 of 1981)	Regulate the alienation of land in certain circumstances and provide for matters connected therewith
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Establish a legislative framework for the promotion of black economic empowerment (BEE), empower the Minister to issue codes of good practice and publish transformation charters, establish the B-BBEE Advisory Council and provide for matters connected therewith
Companies Act, 2008 (Act No. 71 of 2008)	Provide a new legislative framework for the incorporation, registration and management of companies; establish a Companies and Intellectual Property Commission (CIPC) and Companies Tribunal (CT); and provide for matters connected therewith

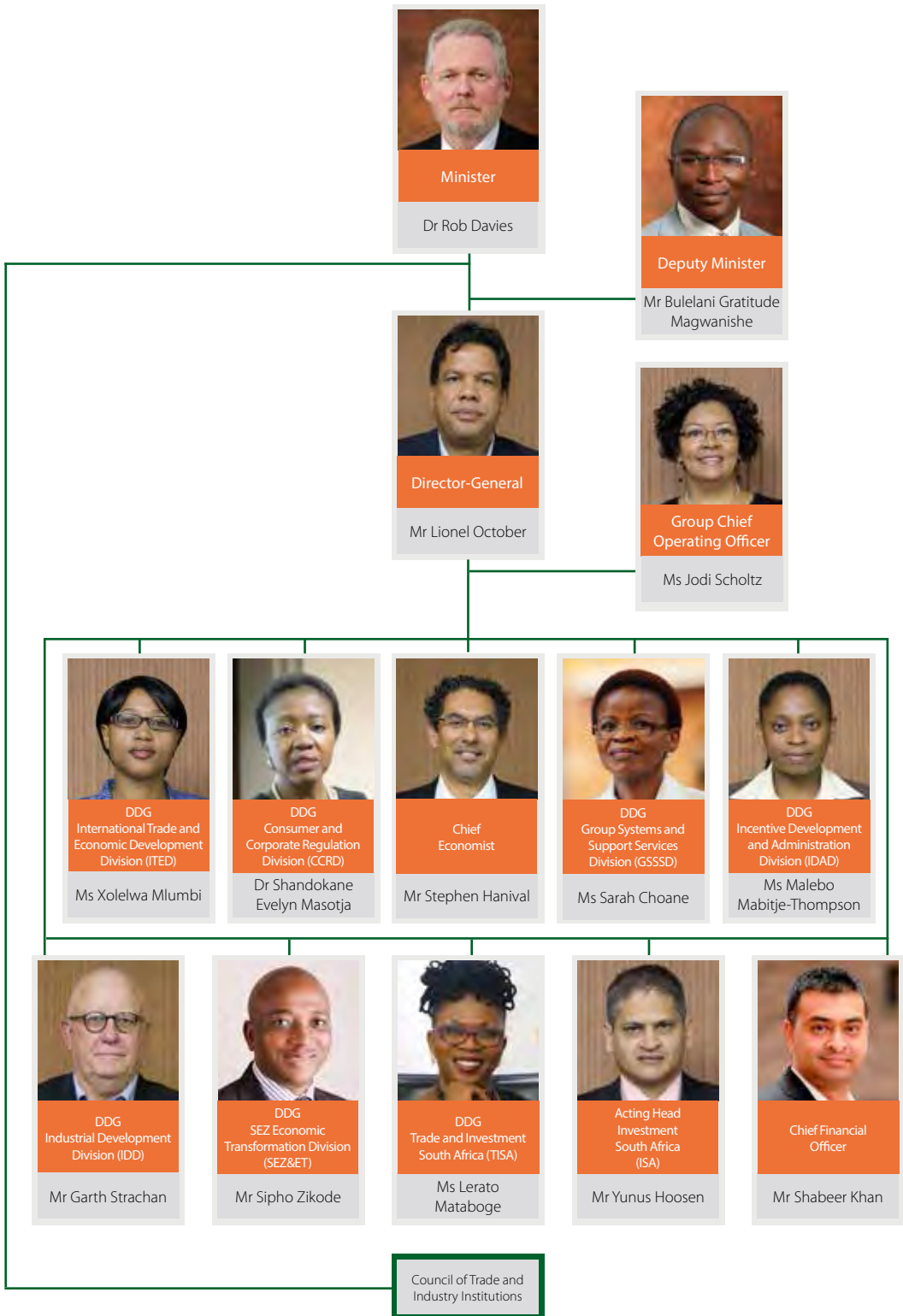
Name of Act	Purpose
Consumer Protection Act, 2008 (Act No. 68 of 2008)	Promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection; provide for improved standards of consumer 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 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 (ECIC) and promote trade with countries outside South Africa by providing for the insurance, on behalf of the South African government, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions
Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	Provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance
Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	Regulate the alienation of certain interests in housing development schemes for retired persons, and provide for matters connected therewith
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

Name of Act	Purpose
Liquor Act, 2003 (Act No. 59 of 2003)	Establish national norms and standards to maintain economic unity within the liquor industry, provide for essential national standards and minimum standards required for the rendering of services, provide for measures to promote cooperative governance in the area of liquor regulation, and provide for matters connected therewith
Lotteries Act, 1997 (Act No. 57 of 1997)	Establish the National Lotteries Commission (NLC), and regulate and prohibit lotteries and sports pools
Manufacturing Development Act, 1993 (Act No. 187 of 1993)	Establish the Manufacturing Development Board, provide for the establishment of programmes for manufacturing development, and provide for matters incidental thereto
Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Provide for the use of the measurement units of the International System of Units; provide for the designation, keeping and maintenance of national measurement units and standards; provide for the establishment and functions of the National Metrology Institute of South Africa (NMISA); and provide for the repeal of certain laws
Merchandise Marks Act, 1941 (Act No. 17 of 1941)	Make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold, and the use of certain words and emblems in connection with business
National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	Provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Credit Act, 2005 (Act No. 34 of 2005)	Establish the National Credit Regulator (NCR) and the National Consumer Tribunal (NCT), 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





Name of Act	Purpose
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 (NGB); establish the National Gambling Policy Council; repeal the National Gambling Act, 1996 (Act No. 33 of 1996); and provide for matters incidental thereto
National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	Provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and provide for the establishment of the National Regulator for Compulsory Specifications (NRCS)
National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	Empower the responsible Minister to manufacture, produce, acquire, hire or import goods; acquire, hire or supply services; exercise control over goods and services, and the manufacture, production, processing and treating of goods; and provide for the establishment and administration of a national supplies procurement fund
Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	Provide for control over weapons of mass destruction and establish a council to control and manage matters relating to the proliferation of such weapons in South Africa; determine its objectives and functions; and prescribe the manner in which it is to be managed and controlled
Patents Act, 1978 (Act No. 57 of 1978)	Provide for the registration and granting of letters, patents for inventions, and for the rights of a patentee
Performers' Protection Act, 1967 (Act No. 11 of 1967)	Provide for the protection of the rights of performers of literary and artistic works
Property Time-Sharing Control Act, 1983 (Act No. 75 of 1983)	Regulate the alienation of time-sharing interests pursuant to property time-sharing schemes
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

Name of Act	Purpose
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 SEZs; establish an advisory board and a fund; regulate the issuing, suspension, withdrawal and transfer of permits; and provide for matters connected therewith
Standards Act, 2008 (Act No. 8 of 2008)	Provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services, and, for that purpose, provide for the continued existence of the South African Bureau of Standards (SABS) as the peak national institution; provide for the repeal of the Standards Act, 1993 (Act No. 29 of 1993); and provide for transitional arrangements
Sugar Act, 1978 (Act No. 9 of 1978)	Consolidate and amend the laws relating to the sugar industry, and provide for matters incidental thereto
Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	Empower the President to suspend temporarily laws or conditions, limitations or obligations thereunder if their application unduly impedes economic development or competition
Trade Marks Act, 1993 (Act No. 194 of 1993)	Consolidate the law relating to 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




9. Organisational structure



10. Entities reporting to the Minister

Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
<p>Companies and Intellectual Property Commission</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 to:</p> <ul style="list-style-type: none"> • register companies, cooperatives and IP rights (trademarks, patents, designs and copyright), and the maintenance thereof; • disclose information on its business registers; • promote education and awareness of company and IP law; • promote compliance with relevant legislation; • enforce relevant legislation; • monitor compliance with and contraventions of financial reporting standards, and make recommendations thereto, to the Financial Reporting Standards Council (FRSC); • license business-rescue practitioners; and • report, research and advise the Minister on matters of national policy relating to company and IP law
<p>Export Credit Insurance Corporation</p> 	Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Partial transfer payment	<p>The ECIC was established in terms of 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 South African government, of contracts in connection with export transactions, investments and loans or similar facilities connected to such transactions, and provides for matters connected thereto</p>
<p>National Consumer Commission</p>  <p>NATIONAL CONSUMER COMMISSION 0 80001 41141 0000 0000</p>	Consumer Protection Act, 2008 (Act No.68 of 2008)	Transfer payment	<p>The NCC is responsible for enforcing and carrying out the functions assigned to it in terms of the Act, which aims to:</p> <ul style="list-style-type: none"> • promote a fair, accessible and sustainable marketplace for consumer products and services, and, for that purpose, establish national norms and standards relating to consumer protection; • provide for improved standards of consumer information; • prohibit certain unfair marketing and business practices; • promote responsible consumer behaviour; and • promote a consistent legislation and enforcement framework relating to consumer transactions
<p>National Consumer Tribunal</p>  <p>national consumer tribunal</p>	National Credit Act, 2005 (Act No. 34 of 2005), as amended	Transfer payment	<p>The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application; or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs, and can exercise any other power conferred on it by law. It also reviews decisions made by the 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</p>

Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
 <p>Companies Tribunal</p>	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 terms of the Act, or any law mentioned in Schedule 4
 <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 the access of consumer credit; provides for the general regulation of consumer credit and improved standards of consumer information; promotes BEE 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</p>	National Empowerment Fund Act, 1995 (Act No. 105 of 1995)	Transfer payment	The NEF's focus is to promote and facilitate black economic equality and transformation. The NEF provides finance and financial solutions to black businesses 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 B-BEE Codes of Good Practice
 <p>National Gambling Board</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</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</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

Name of public entity	Enabling legislation	Financial relationship	Mandate and purpose
National Regulator for Compulsory Specifications 	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	Transfer payment	The NRCS is responsible for the administration and maintenance of compulsory specifications, and the implementation of regulatory and compliance systems for compulsory specifications
South African Bureau of Standards 	Standards Act, 2008 (Act No. 8 of 2008)	Partial 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 	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

Part B

Performance Information



11. AG's report: Predetermined objectives

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management under the heading 'Predetermined objectives' in the section on other legal and regulatory requirements of the auditor's report. Refer to paragraphs 13 to 22 contained in the report of the Auditor-General.

12. Overview of departmental performance

12.1 Service delivery environment, including progress made on the strategic outcome-oriented goals

12.1.1 Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation

Like the world economy, South Africa is faced with a need to fundamentally transform, reflected above all in the end of the metal price boom in 2011 as well as the impact of climate change and inequality. This situation has on the one hand underpinned slower and more fragile growth in manufacturing overall and on the other hand, to a structural shift away from metals refining towards other sectors, especially autos and agro-processing.

IPAP responds to these challenges in the following ways:

Firstly, it has long sought to enhance the contribution of manufacturing into a more inclusive economy both by promoting black industrialists and small businesses and by encouraging job creation both directly and indirectly. In this context, over and above the support to large lead and dynamic firms, greater attention will be paid to providing holistic support to emerging enterprises and to concrete measures to maximise the indirect employment benefits of industrialisation.

Secondly, industrialisation in itself is critical for diversifying away from commodity dependence. The challenge under the current conditions is to take advantage of the end of the metal price boom to promote new industries and activities

that are more sustainable, promote higher value added manufacturing activities and encourage employment creation.

Thirdly, regional development represents an increasingly important thrust. The development of integrated regional value chains opens opportunities for industrialisation across the region, including in South Africa. The challenge is to develop practical measures to support collaboration based on a fair division of labour. A critical step remains reducing the cost of logistics, including regulatory delays and fees as well as transport and communications infrastructure costs.

Finally, fiscal constraints and slow growth make it even more imperative that IPAP measures draw on all possible state levers based on clear priorities, consistency, and strong alignment across the state. Every state action and communication should be tested, in part, for its impact on inclusive growth in both the short and long run. Critically, promoting domestic investment requires certainty around ownership and regulations, without unnecessary changes or reforms.

In addition, industrial policy must be able to draw on all core state functions, including the provision of infrastructure, education and

regulatory frameworks and standards. Where opportunities arise for growth, enterprises should be assured of a package of efficient and effective support from state agencies. The SEZ's and Industrial Parks are an opportunity for growth and a case in point.

The Atlantis and Nkomazi SEZ applications were recommended by the Board to the Minister for approval and designation. SEZ Governance Regulations were approved by the Minister for implementation. **the dti** in partnership with the Bank of China and National Development Reform Commission of China, embarked on SEZ Investment Roadshow in May 2017. Thirty-two (32) officials attended the SEZ Capacity Building Programme in China in May 2017 and the SEZ Advisory Board undertook a Capacity Building

Study Tour to China from 19 to 25 August 2017.

The operator permit for the Energy and Metallurgical Zone in the Musina-Makhado SEZ was issued in September 2017. An SEZ Investment Seminar was held on 19 September 2017 in Xiamen, China. The SEZ Governance Regulations were gazetted for public comments.

Phase 1 for 7 Industrial Parks has been completed and the remaining 4 will be completed during the next financial year. The Nkowankowa and Bodirelo Industrial Parks were approved for Phase 1. Phase 2 of the Revitalisation of Industrial Parks Programme commenced. Provincial engagement workshops in Industrial Parks held in the following provinces: Eastern Cape, KZN, Limpopo, Free State, Gauteng, Northwest and Mpumalanga.

12.1.2 Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic 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 the South African economy, focusing on regional integration and enhancing trade and investment relations in the rest of Africa, South Africa's main/traditional trading partners and dynamic fast growing emerging markets.

This is achieved through efforts to build an equitable multilateral trading system that facilitates development, strengthens trade and investment links with key economies, and fosters African development through regional and continental integration; as well as development cooperation in line with the New Partnership for Africa's Development and the African Union's Agenda 2063.

Regional economic integration remains South Africa's overriding priority. The aim is to broaden integration across existing regional communities within a development integration framework. Practically, this means taking steps to enlarge existing free trade areas into larger, more expansive free trade agreements (FTAs), but also to complement this with active cooperation to promote industrial and

infrastructure development. The key objective of these initiatives is to promote more intra-African trade and support industrialisation through the creation of large regional markets that can support the development of regional value chains, and thus expand productive capabilities and facilitate movement up the value chain. This contributes to South Africa's industrialisation and job creation objectives. The approach is compatible with trends in successful emerging economies. Total trade with the rest of Africa amounted to R427.3 billion in 2017.

Within the Southern African Customs Union (SACU), **the dti** continues to prioritise efforts to forge a consensual approach to the implementation of a development integration work programme that will contribute towards the transformation of the economies within the customs union. In June 2017, SACU agreed on a work programme to review the 2002 SACU Agreement. The review aims to transform SACU into a development integration arrangement and provides for a financing mechanism to facilitate the implementation of cross-border industrial and infrastructure projects. In addition, SACU continues to adopt a unified engagement in trade negotiations with third parties, ensuring

that the common external tariff is preserved.

In SADC, **the dti's** key objective has been to consolidate the Protocol on Trade through the implementation of an agreed programme aimed at facilitating trade. Substantial progress has been made in the negotiations with member states on trade in services, with 11 countries' offers in Communication, Financial, Tourism and Transport services having been legally scrubbed and ready for final approval and adoption by the CMT. Draft annexes on tourism services, movement of natural persons (Mode 4) and subsidies were approved and legally scrubbed.

Further, draft annexes on financial services, telecommunications and the definition of substantial business operations were agreed on. On the outstanding two offers, construction and energy related services, 10 and 8 member states respectively, have made offers. In addition, SADC adopted the costed action plan to operationalise the Regional

Industrialisation Strategy and Roadmap during 2017. Further work has been undertaken to identify and agree on priority potential cross-border value chains.

The Tripartite Free Trade Area (TFTA) was launched in June 2015 in Sharm el Sheik, Egypt, by the COMESA, EAC and SADC Heads of State and Government. The TFTA Agreement follows a developmental integration approach that combines market integration, industrial and infrastructure development. The market integration pillar is negotiated in two phases; phase I focuses only on trade in goods and movement of businesspeople. Phase II, which is yet to commence, includes trade in services, competition policy, intellectual property and cross border investment.

Out of the 26 Member States of the Tripartite Arrangement, 22 countries have signed the Agreement. South Africa signed the Agreement in July 2017. Significant progress has been achieved in the bilateral tariff negotiations between SACU and the EAC and this will result in new market access opportunities for South African goods into the EAC market. Tariff

negotiations with Egypt have also commenced.

The African Union Assembly launched the African Continental Free Trade Area (AfCFTA) negotiations during the 25th Ordinary Summit of Head of States and Governments on 15 June 2015 in Johannesburg, South Africa. The envisaged CFTA is expected to build an integrated market in Africa that will see a market of more than 1.07 billion people and approximately US\$3.3 trillion.

Significant progress to launch and sign the AfCFTA legal instruments has been achieved in a period of just over two years and this work culminated in an Extra-Ordinary Summit of African Union Heads of State and Government on 21 March 2018 in Kigali, Rwanda. Out of 55 countries, 44 countries signed the AfCFTA Agreement and 43 countries signed the Declaration launching the AfCFTA. The Declaration served as a political statement

symbolising a unified commitment to conclude the outstanding issues necessary for the operationalisation and full implementation of the AfCFTA. The launch of the AfCFTA is a significant

milestone in Africa's economic integration agenda and ensures that the African Continent deals decisively with the challenge of small and fragmented markets. South Africa will sign upon completion of the outstanding work which will pave the way for the country to follow Constitutional and internal legal processes to sign the Agreement.

The 11th WTO Ministerial Conference in Buenos Aires in December 2017 failed to reach any significant multilateral outcomes, reflecting the longstanding divergences amongst members on how to advance the multilateral trading system. For many developing countries, including South Africa, the core objective is to ensure the centrality of development in the work of the WTO and that multilateral trade rules promote inclusive growth. The preservation of policy space to promote structural transformation of developing countries

700

**NUMBER OF EMERGING AND ESTABLISHED EXPORTERS
GIVEN ADVICE THROUGH THE EXPORT HELP DESK**

and Africa in particular is critical to ensure integration of developing countries in the global economy.

South Africa will continue to both defend and pursue its trade and developmental interests, by strengthening its coordination and alliance with African countries and other like-minded WTO Members to advance these objectives. South Africa has notified its commitments under the Trade Facilitation Agreement of the WTO and has established the National Committee on Trade Facilitation that will oversee the implementation of the Agreement. The Trade Facilitation Agreement is expected to expedite movement, release and clearance of goods and improve cooperation between customs and other border authorities with a view to facilitate trade.

The major export destinations for South Africa are the African continent, European Union, and China, accounting for almost 60% of South Africa's total exports. The African market is a destination for 26.3% of South Africa's exports. Of intermediate importance are Eastern and South East Asia, India, the US and the Middle East. Amongst the BRICS countries, China and India are the key destinations for South African exports.

Exports to the rest of Africa and China have grown faster than average export growth in terms of export growth and shares and this is consequently reflected in the increased share of South African exports destined for these markets. Exports to the rest of Africa have grown from 20.2% of SA's total export value in 1999 to 26.3% in 2017, while exports to China have grown from 2.5% to 9.6% over the same period. The Middle East has quadrupled its share of South Africa's global exports to 3.8% over the period.

The European Union remains South Africa's key trading partner with total trade between SA and the EU increasing consistently over the past years from R443 billion in 2013 to R605 billion in

2017; an increase of 36%. South African exports to the EU have increased from R161 billion in 2013 to R264 billion in 2017, while imports have increased from R282 billion to R341 billion in the same period. The trade deficit has been declining over the past five years, recording a 34% decline from R121 billion in 2013 to R77 billion in 2017.

Globally, the US accounts for 7.5% of total South African exports to the world. The US was South Africa's second biggest export destination by country for South African products, globally. The trade relations between South Africa and the US are underpinned by the Africa Growth and Opportunity Act (AGOA). AGOA has been the cornerstone of the US-Sub-Saharan Africa commercial relations and has generated tremendous goodwill for the US in the continent. For South Africa, AGOA underpins strong and growing mutually beneficial trade

and investment relationship between SA and the US.

The AGOA enabled South Africa to increase exports of value-added products to the US, thereby

contributing positively toward our national imperatives to boost industrialisation and create jobs. South Africa and the US enjoy relatively balanced trade relations. Bilateral trade has grown from R129.2 billion in 2013 to R162.4 billion in 2017. South African exports to the US grew from R66.1 billion in 2013 to R89 billion in 2017. US exports to South Africa declined from R70 billion to R67.1 billion over the same period.

On 30 March 2017, the UK submitted an official notice triggering their exit from the EU, giving the UK two years to negotiate their exit from the EU. South Africa and UK exports have been benefitting from the preferential access into each others' markets as agreed in the TDCA and subsequently the EPA. The UK is the second biggest trading partner of SA in the EU and a very significant destination for South African agricultural exports.

990

NUMBER OF COMPANIES REACHED THROUGH 35 OUTREACH PROGRAMMES AND EXPORT AWARENESS WORKSHOPS

To ensure that the UK's exit from the EU does not lead to market access interruptions for South African exports to the UK, it has been agreed with the UK that a transitional arrangement based on the EPA will be put in place. This will assist to eliminate trade disruption and ensure a predictable arrangement when the UK officially exits the EU. SACU+Mozambique and the UK have made significant progress in discussing a post-Brexit arrangement that builds on the EPA. The aim is to ensure that the parties have a trade arrangement the moment the UK leaves the EU.

the dti continues to play a significant role in international discussions related to the non-proliferation of weapons of mass destruction and the control of dual-use goods and technologies. These have the potential to be used in weapons of mass destruction but also have vast commercial applications. The implementation of national control measures to ensure compliance with the various non-proliferation conventions, treaties and regimes continues as an essential element of promoting South Africa's image as a responsible and reliable producer, possessor, trader and recipient of sensitive goods and technologies, thereby facilitating trade.

The Integrated National Export Strategy or "Export 2030", in alignment with a concerted Market Diversification Strategy, contributed to increasing South Africa's exporter base and trade flows, by developing a sustainable long-term competitive market positioning and international profile for South Africa. Certain high-level and strategic initiatives for government were leveraged in addition to identified export promotion and development activities.

These strategic engagements include amongst others those related to the South Africa-France Joint Economic Commission (JEC) and Business Forum; State Visit to Tanzania and Business Forum in May 2017; Qatar State Visit and Business Forum; business participation in

the BRICS Council meetings and in the Summit; participation at the Iran-SA Joint Commission; IORA Business Forum on the occasion of South Africa's assumption of the Chair of IORA; 3rd South Africa-Indonesia Joint Trade Committee; the inaugural Trade and Investment Committee Meetings with New Zealand and Australia respectively; and the fourth Bilateral Consultative Forum (BCF) between South Africa and the Philippines.

The Department continues to profile the South African industry players, participating in work programmes and launching projects, which advance the country's economic objectives, as well as to coordinate the participation of the South African private sector in missions and national pavilions. **the dti** continued to implement the Integrated National Export Strategy resulting in export sales of R5.129 billion recorded against the target of R3.75 billion during the period under review.

The department continued 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 South Africa's export culture through export awareness and outreach programmes, as well as through capacitating established enterprises to become exporters.

The following exporter development activities were undertaken by **the dti**, thus expanding the country's exporter base. During the period under review, **the dti**:

- assisted 700 customers by providing export advice and trade information to emerging and established exporters through the export help desk;
- participated in 35 outreach programmes and export awareness workshops reaching 990 companies to enhance South Africa's export culture and showcase **the dti**'s offerings;
- disseminated a total of 1 250 trade leads

1 250

NUMBER OF TRADE LEADS DISSEMINATED TO EXPORTERS AND MANUFACTURERS

- provided support, including financial support, to 18 export councils and 12 industrial associations, joint action groups and other export formations; and

- provided capacity building through the GEPP, reaching 844 companies. Investor confidence in South Africa's economy improved during 2017/18 due to the political changes and emphasis on improved governance across all sectors.

12.1.3 Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth

In terms of Section 13F(f) of the B-BBEE Act, the Minister approved and published for implementation the threshold for major broad-based black economic transactions on 9 June 2017. Consultations were held with various stakeholders (BEE Advisory Council, the Department of Higher Education and Training, the Black Business Council, the South African Qualifications Authority and the Advancement for BEE Professionals) and input was received on proposed amendments of the Amended Codes of Good Practice.

The Draft Amended Statement 005 outlines the structure of the B-BBEE Verification Professional Regulator and was issued on 21 July 2017. Statement 005 seeks to regulate the B-BBEE verification industry and to ensure consistent application across all spheres of B-BBEE Legislation. Empowerment standards have been introduced for B-BBEE rating agencies to ensure that transformation take place within the B-BBEE verification industry (Level 1 – 3 with 51% Black Ownership).

Five Sectoral Codes (AgriBEE, Financial Services, Construction, Property and Forestry Sector Codes) were gazetted by the Minister of Trade and Industry in terms of Section 9 (1) of the B-BBEE Act.

During the period under review, the Minister and Deputy Minister launched the following Black Industrialist beneficiaries/programmes: K9 Pet Food, United Industrial Cables, Microfinish Automotive in Pinetown, KZN, Maneli Pet Foods, 2017 and the expansion of the BIS beneficiary Eastern Trading, trading as Dursots All Joy, in Tzaneen, Limpopo. **the dti** signed strategic partnerships with key stakeholders and the following provincial MOUs:

- KZN Department of Economic Development and Environmental Affairs and Tourism: 2 June 2017;
- Free State Department of Economic Development and Environmental Affairs: 18 September 2017; and
- Limpopo: Department of Economic Development and Environmental Affairs: 4 December 2017.

12.1.4 Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner

The department is currently processing six Bills on gambling, liquor, credit, companies, copyright and performers protection which are in advanced stages of development.

The draft Liquor Amendment Bill seeks to reduce socio-economic harms associated with liquor abuse and to restructure the liquor industry to promote wider participation and encourage

transformation. The draft Bill was published in the Government Gazette No: 40319 for public comments in September 2016 following Cabinet's approval. Written submissions received were analysed and face-to-face consultations with various stakeholders were held. Further engagements with members of the civil society within provinces, government departments,

industry associations, role players, liquor regulators and non-governmental organisations were held. All received comments and input were considered and incorporated into the final draft Bill, where applicable. The updated Bill was further sent to an independent consultant for review. The draft Bill is awaiting Cabinet approval to table it in Parliament.

In September 2016, Cabinet approved the Gambling Amendment Bill to be published for wider public consultation. The aim of the Bill is to improve the regulation of casinos, limited payout machines, bingo and betting (horseracing and bookmakers). This will ensure proper protection of the public in terms of controlled access and accessibility of gambling venues.

The Bill proposes improved enforcement measures against illegal operators and the restructuring of the NGB, among others. **the dti**, conducted extensive stakeholder engagements with different role players.

The Bill was tabled on 5 March 2018 for noting as it had already been referred to the Office of the Chief State Law Advisor (OCSLA) for certification. The Bill is awaiting approval.

The Companies Amendment Bill was developed and prepared for consultation and tabling. Consultations with various internal stakeholders took place in 2017/18. The Bill is ready to be introduced in Parliament.

The Copyright and Performers Amendment Bills were introduced in Parliament in May 2017.

The Policy for the Credit Amendment Bill focusing on debt relief interventions was approved in 2017/18.

The Department, in partnership with the Specialist Committee on Company Law (SCCL), hosted a Company Law Symposium at the Industrial Development Corporation in Sandton from 24-25 August 2017. The purpose of the Symposium was to deliberate on important developments and trends in company law both

in South Africa and internationally under the theme, "Burning Issues in Company Law".

The Liquor Industry Transformation Seminar was held in Midrand on 21 September 2017, to interrogate compliance regarding B-BBEE as outlined in the B-BBEE Act and sector codes, discuss the disparities and challenges encountered with the liquor industry regarding transformation, identify the challenges experienced by small, micro and medium-sized enterprises within the liquor industry and identify ways in which government and the liquor industry could work together to increase the participation of black people in the industry.

The Credit Life Insurance Regulations came into effect on 21 August 2017. The Regulations aims to protect consumers from abusive practice by credit providers.

Three research studies were completed, focusing on the following areas:

- Digitisation and the law;
- The effectiveness of the Companies Act in reducing the regulatory burden of doing business for SMMEs; and
- The financial and economic implications of introducing the prescribed maximum contribution to the National Lottery

Distribution Trust Fund (NLTF) by bookmakers and sports pools.

Twenty-eight (28) education and awareness workshops to educate citizens on how they can benefit and use the legislation to improve their living conditions were convened in all the nine provinces. The response from communities was overwhelming and many challenges were highlighted which will be addressed by some of the pieces of legislation that are currently being developed. The workshops provided an opportunity for policy makers to interact with people at the coalface of service delivery. The lessons learnt will create alignment between the policies developed and challenges on the ground.

28

**NUMBER OF EDUCATION AND
AWARENESS WORKSHOPS CONDUCTED
TO EDUCATE CITIZENS ON LEGISLATION**

12.1.5 Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery

the dti's Rea Aga (We are building) values of, Quality Relationships, Operational Excellence and Intellectual Excellence continue to be the bedrock for building a caring and high performing department.

the dti values

- Leadership
- Improved and continual communication
- Honesty, respect, integrity, transparency
- Professional ownership
- Teamwork



- Continual shared learning
- Innovation
- Relevant knowledge and skills improvement
- Information management

- Service delivery standards
- International best practice
- *Batho Pele* principles
- Continual improvement

The value dimension of Quality Relationships is intended to create a culture and an environment where people are valued, there is respect for one another, teamwork is promoted and ethical conduct is promoted. During the year

under review, **the dti** conducted a behavioural indicators survey to assess the extent to which relationships have improved.

Although the survey denoted a satisfactory environment, focal discussions will be held

with divisions to attend to areas that require improvement. Operational excellence is the second value whose focus is service delivery with an emphasis on Batho Pele and continuous improvement. Efforts to capacitate the department through the recruitment process have scaled down because of austerity measures and emphasis was placed on the optimisation of staff through reassignment of roles and responsibilities. Several initiatives were initiated in the quest for continuous improvement, including the automation of the licence application process for the National Liquor Authority (NLA), the recruitment requisitioning process, the performance management system and the establishment of the HR service desk. These initiatives serve to streamline processes thereby promoting efficiency as well as good user experiences.

As a knowledge-based department, learning, skills improvement, information management and innovation are critical for the successful delivery of departmental programmes and services. These aspects are premised on the third value, which is intellectual excellence. The human resource function continues to provide training and development to promote **the dti** as a learning organisation. The leadership development pipeline is implemented through the Accelerated Management Development Programme (AMDP) and the Executive Management Development Programme (EMDP).

Functional training was rolled out in the areas of export processes, investment risk appraisal, financial modelling, due diligence, supply chain management, contract management, legal drafting, alternative dispute resolution, monitoring and evaluation, export promotion as well as in the development and management of Special Economic Zones (SEZs). Generic training programmes included business and report writing, presentation skills, basic and advanced project management, customer care and Project Khaedu (coal-face service delivery). Currently, 216 employees are participating in the bursary programme indicative of **the dti's** resolve to promote lifelong learning.

To ensure secure information and continuity of business operations from an information technology perspective, a modernised the back-up solution with a new system that has automated controls has been implemented. A security operations centre has been installed and a vulnerability assessment tool will be implemented to assist in monitoring the information technology operations and implementing corrective measures where gaps are identified. With Cyber security being one of the areas posing as a high risk to organisations, a cyber and information security assessment was conducted using a threat modelling approach. Key information assets of the department were identified as well as those individuals who internally or externally interact with the information assets, who could pose a threat. In the ensuing year a cyber-security officer will be assigned to roll out programmes on information

risk, cyber and information security awareness, as well as create and maintain an information asset universe.

The security vetting of employees and service providers is a key programme that helps to ensure that **the dti** information is secure and used for intended purposes.

All new employees have applied for security vetting within one year of their tenure at **the dti** and all current employees whose security clearance certificates are due to expire in six months have also submitted their applications. All service providers are vetted before rendering services to the Department.

The Employer Value Proposition (EVP), underpinned by the aforementioned departmental Values, positions the department as one of the employers of choice in the country. It provides prospective employees with **the dti** career offerings, in terms of what is in it for them should they choose to join the department. For current employees, it contributes to the lowering of staff turnover, as it encourages employees to stay at **the dti**, by providing a benchmark of what they would lose, should they leave the department.

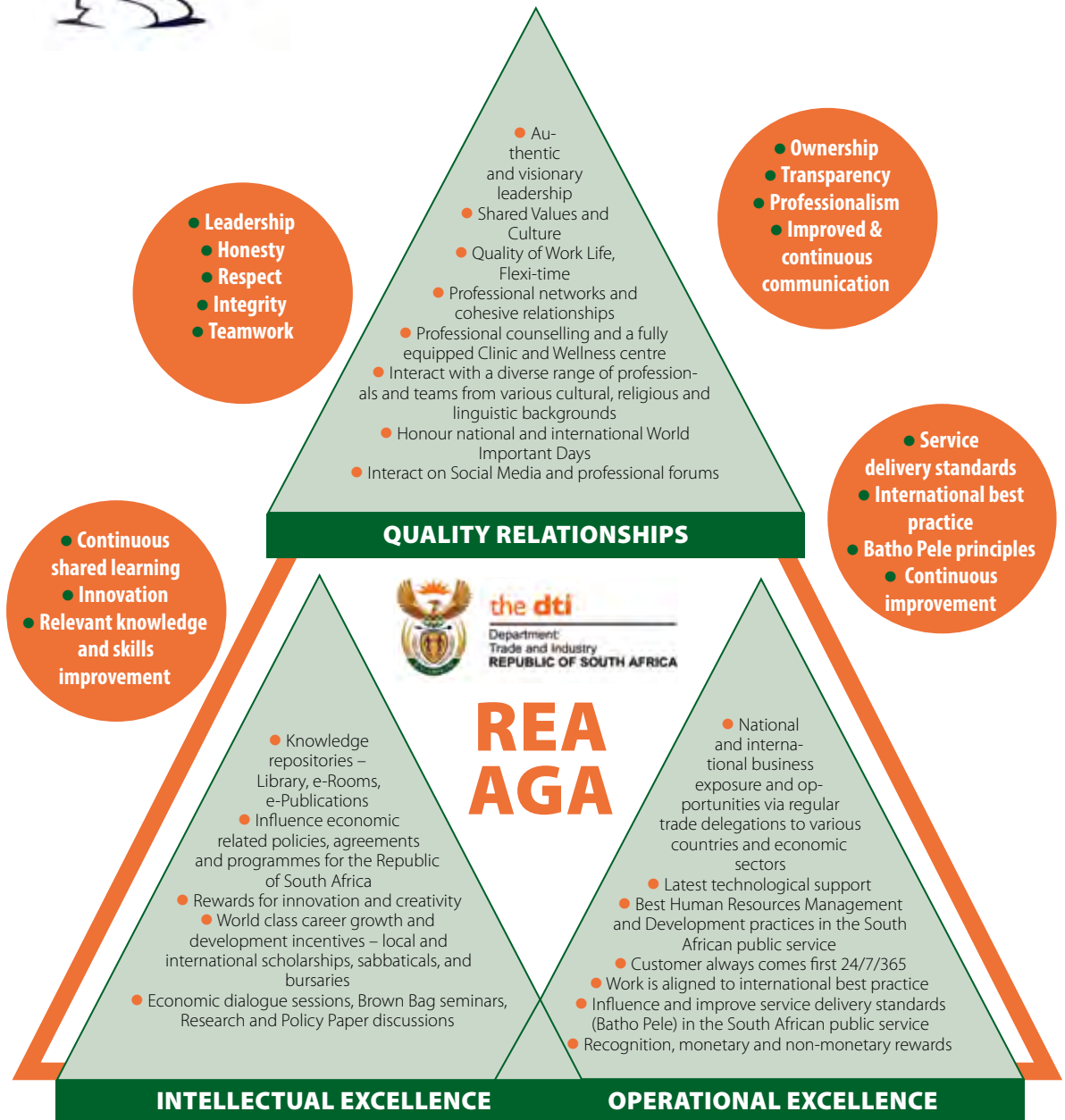
216

NUMBER OF DEPARTMENTAL EMPLOYEES
PARTICIPATING IN THE BURSARY
PROGRAMME



We are building

Our values are based on the SeSotho term Rea Aga, meaning “We are building”. At **the dti**, our culture is to continuously build Quality Relationships, Intellectual Excellence and Operational Excellence



12.2 Service delivery improvement plan

12.2.1 Main services and standards

Main services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievement
Provide financial support through BPS incentive	Medium and large black business	All completed applications and claims approved or paid within 55 working days	All completed applications and claims approved or paid within 50 working days	All completed applications and claims approved or paid within 30 working days
South African exporters	Medium and large black businesses	All completed applications and claims approved or paid within 55 working days	All completed applications and claims approved or paid within 50 working days	All completed applications and claims approved or paid within 60 working days
Issuing of manufacturers and/or distributors of liquor licences	All completed applications and claims approved or paid within 50 working days	All completed applications and claims approved or paid within 40 working days	All completed applications and claims approved or paid within 30 days	Liquor licences issued 130 days after receipt of a completed application

12.2.2 Batho Pele arrangements with beneficiaries

Current/Actual arrangements	Desired arrangements	Actual achievements
80 information sharing consultative sessions with strategic stakeholders annually	100 information sharing consultative sessions with strategic stakeholders annually	130 Information sharing and consultative sessions were held with strategic stakeholders annually
4 Meetings with registrants quarterly in selected provinces	4 Meetings with registrants quarterly in selected provinces	4 Meetings held with registrants

12.2.3 Service delivery information tool

Current/Actual information tools	Desired information tools	Actual achievements
Brochures distributed in regional offices and workshop venues, and information about incentives uploaded on to the dti website	Brochures distributed in regional offices and workshop venues, and information about incentives uploaded on to the dti website	Brochures distributed in regional offices and workshop venues, and information about incentives uploaded on to the dti website
Increase awareness regarding the dti programmes in provinces by conducting workshops and/or imbizos, and advertising in print and on radio annually	Increase awareness regarding the dti programmes in provinces by conducting workshops and/or imbizos, and advertising in print and on radio annually	Increased awareness regarding the dti programmes in provinces by conducting workshops and/or imbizos, and advertising in print and on radio annually
Updated NLA Register posted on the website 30 days after the end of the quarter	Updated NLA Register posted on the website 30 days after the end of the quarter	Updated NLA Register posted on the website 7 days after the end of the quarter
Monthly, quarterly and annual reports updated on the website	Monthly, quarterly and annual reports updated on the website	Quarterly and annual reports updated on the website

12.2.4 Complaints mechanism

Current/Actual complaints mechanism	Desired complaints mechanism	Actual achievements
90% of enquiries responded to within 48 hours	90% of enquiries responded to within 48 hours	90% of enquiries responded to within 48 hours
Handle customer complaints promptly and send an apology to customers within 1 working day of receipt	Handle customer complaints promptly and send an apology to customers within 1 working day of receipt	Telephone complaints are handled in real time and written complaints are responded to within 1 day of receipt
10-day turnaround time for resolving queries and complaints. Apologise when process is delayed	10-day turnaround time for resolving queries and complaints. Apologise when process is delayed	10-day turnaround time for resolving queries and complaints. Apologised when process was delayed

12.3 Organisational environment

For 2017/18, **the dti** recruited 101 employees of which 92 were new employees, and 9 internal promotions. The 92 new employees include 71 Intern appointments, 6 trainee appointments, 4 transfers from other departments and 11 appointments from outside government. The vacancy rate as at 31 March 2018 was 4%, which excluded unfunded vacancies. The vacancy rate will continue to be managed to remain below the Public Service target of 10%.

The turnover rate of 3.8% at 31 March 2018 compares favourably with labour trends. The converse of this, is the retention rate at 96.2%. Skills transfer plans were developed and implemented for 475 jobs across 10 divisions.

A representative workforce remains a priority on the transformation agenda of the department and is pursued through a targeted approach in terms of women in senior management positions and the employment of people with disabilities. Gender representation at senior management is critical to ensure that key decisions made in the department are informed by inputs from women who are a major constituency of South African society.

the dti notes with pride that it exceeded the 50% target set by Cabinet, having achieved 51% representation of women in senior management at 31 March 2018. The empowerment of People with Disabilities (PwD) is another targeted

area where Cabinet has set a target of 2%, and which the department has long surpassed with a representation of PwD standing at 3.62% on 31 March 2018.

the dti efforts go beyond employment by providing PwD with assistive devices like hearing and reading aids, ensuring that offices are accessible and providing the services of sign language practitioners. Employees collected 450kg of bottle tops for the awarding of a wheelchair which will be donated to a PwD facility of choice. There is a sustained drive to reach 50kg of bread tags for the awarding of the second wheel chair.

The Department provides experiential training to graduates, resulting in the appointment of 71 Interns for the 2017/18 financial year for one year.

the dti staff are the most valued assets of the department and the Department has progressive and holistic Wellness Programmes which includes flexitime policy, nearby early learning centre, on-site medical clinic with an occupational nursing sister and visiting doctor, 24/7 hours Counselling Services for staff and family as well as financial and health programmes. Some of activities undertaken are:

- Education and awareness
- Health and Wellness website
- Health Talks
- Workshops on QWL prevailing issues

92

**NUMBER OF NEW
APPOINTMENTS AT the
dti IN THE YEAR UNDER
REVIEW**

- Sessions on chronic/clinic/reproductive health
- Condom distribution
- VCT Screenings
- Sexual health programme
- HIV, Aids and TB Management Programme
- Primary and Occupational Health Care
- Reporting

the dti continues to maintain a healthy working relationship with organised labour with a view to promoting good relations between the employer and employees. Some of the matters of common interest discussed at the Departmental Bargaining Chamber, are:

- Various HR Policies
- Recognition of improved qualifications
- FER Dispute by PSA- Extension of FER Contracts
- Alleged unilateral deviations from Policy
- Skills Audit
- Dispute on JE Processes in posts in GSSSD

The number of formal disciplinary matters during 2017/18 was recorded as 24 of which 13 were informal cases and 11 formal cases, and were dealt in average periods of 8 and 96 days, respectively. Alleged unprofessional conduct resulted in one suspension. The majority of cases revolved around insubordination, dereliction of duties and failure to disclose financial interests.

Meeting the turnaround time to resolve grievances on SMS as well as below SMS level is still a challenge mainly due to the increase in grievances that can be ascribed to a range of various other issues such as conflict, working conditions, alleged unfair treatment as well as job evaluation, recruitment and declined incapacity leave. Dealing with 93 grievances from 1 April 2017 resulted in turnaround times of 68 days for below SMS (83 cases) and SMS at 111 days (10 cases) against targets of 30 days and 45 days, respectively. 82% of the grievances dealt with during the period under review were resolved.

12.4 Key policy developments and legislative changes

The IPAP 2017/18 was launched in the first quarter of 2017/18 and as a result of sectoral interventions; the following key policy developments took effect:

A process is under way to update the NT instruction note on NIPP to incorporate municipalities as well as ensure procuring departments/entities are made aware of the requirements of NIP and complies with this instruction note. The current Procurement Bill addresses the inclusion of NIPP as a regulatory condition. The Bill is expected to be gazetted for public comment early in 2018.

The new Regulations (Preferential Procurement Regulations, 2017) came into effect on 1 April 2017. Local Production and Content is under Regulation 8. The turnaround time for circulation of Instruction Notes by the National Treasury is still a challenge even though the Minister has written a letter to his counterpart at the National Treasury to this effect.

The Medical Device Regulations which were gazetted in December 2016 to regulate the medical device industry including licensing

of company activities in SA followed by the registration of products. This process has caused insurmountable confusion in the industry as many companies are not complying with the licensing requirements. The Regulations are also based on ISO 13485 and hence the requirement for the supporting/enabling systems such as SABS to ensure that products, systems and processes are compliant with international requirements.

The Department of Environmental Affairs has published and gazetted a Notice on Minister's intention to grant Amnesty to BABS Regulated Sectors: (This amnesty is for the Natural Ingredients sector). In addition, a Natural Ingredients strategy implementation plan has been developed.

Mineral and Petroleum Resources Development Act (MPRDA)-Mining Charter:

- Mining Charter III was halted until 2018, pending the High Court judgement.
- Industry is emphasising the need to conclude drawn-out amendments to the Mineral & Petroleum Resources

- Development Act (MPRDA).
- DMR missed the December 2017 deadline to complete the MPRDA. (This was part of the 9 Point Plan to rescue the SA economy).
- The Chamber of Mines filed an application in the High Court against the Mining Charter.
- Cumbersome DMR procedures and long delays to approve mining prospecting is slammed by industry.
- The introduction of a national minimum wage policy is under review.
- Proposed amendments to the Basic Conditions of Employment Act and the Labour Relations Act will have a significant effect on the country's collective bargaining system and stricter regulation of strike action.

The Mining Charter III was gazetted by the DMR on 15 June 2017. There are key elements in the definitions and especially the procurement element that has a direct impact on the Chief Directorate's work and issues relating to industrialisation. The Charter has received extensive negative publicity and the Chamber of Mines has taken the DMR to court.

REIPPP bids that were approved in rounds 3,5 and 4 closed in December 2017. Localisation requirements will be a major issue and it is expected that DoE will grant exemptions. An increased number of exemption requests for designated inverters and PV panels were received due to the closure of the local manufacturer. Revision of the instruction note to exclude inverters will be done in Q3&4. Minister of DoE approved the signing of PPA for REIPPP. He was challenged in court and this delayed the process.

A big issue at present is the fact that many component manufacturers either closed down or mothballed their businesses and the industry will have to be restarted. A possibility is to allow IPP's to create local value addition through other means such as the export of local components to projects in African countries.

The Strategic Partnership Programme (SPP) and Agro-Processing Support Scheme (APSS) have been launched in 2017/18 with objectives to increase capacity, create employment, competitiveness and enhance transformation in

the country. The amendments of the Automotive Investment Scheme were approved and support investments were implemented and to ensure no displacement of current work force in the sector occurs.

Cabinet approved the Intellectual Property (IP) Consultative Framework (Framework) in July 2016 as a consultative instrument that would form the basis of South Africa's IP Policy formulation. Using the Framework, the resulting consultations and submissions received as the basis, the department developed the Draft IP Policy of the Republic of South Africa – Phase I 2017. (Hereinafter Draft IP Policy 2017).

The Draft IP Policy was approved for public comment by Cabinet in August 2017. Various consultations and engagements took place and comments were incorporated. The revised IP Policy document has been submitted to Cabinet for approval. This is a significant step toward finalising Phase I of the IP Policy.

The IP Policy will be developed through a phased approach with two key substantive thematic areas to be covered in the first phase based on 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 covered 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.

The impact of the Amended Procurement Bill on existing tools and instruments including the Centralised Government Database for Designated Groupings will be undertaken. The Minister approved the implementation the threshold for major broad-based black economic transactions in terms of S13F(f) of the B-BBEE Act on 09 June 2017.

Five (5) Sectoral Codes (AgriBEE, Financial Services, Construction, Property and Forestry Sector Codes) were gazetted by the Minister of Trade and Industry in terms of Section 9 (1) of the BBBEE Act. These Sector Codes are now legally binding and the entities operating the three sectors will now be measured in terms of the new Sector Codes.

13. Strategic outcome-oriented goals

13.1 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.

13.2 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 with the NDP and the MTSF

The NDP is being implemented through 5-year implementation plans which have been consolidated into the 14 Outcomes of the MTSF 2014-19.

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.

13.3 Alignment with the NDP and the MTSF

Strategic outcome oriented goals	MTSF Interventions (5 year targets)	Linkages to government outcomes	Significant achievements
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	All IPAP interventions implemented	Outcome 4: Decent employment through inclusive growth	<p>Special economic Zones Maluti-a-Phofung SEZ was launched in April 2017. Two other applications for designation are currently being finalised, namely, Atlantis (Western Cape) and Nkomazi (Mpumalanga). Operator Permit for the Energy and Metallurgical Zone in the Musina-Makhado SEZ was issued in September 2017.</p> <p>Incentives Over R18 billion of private sector investment was leveraged across all incentives and 10 000 jobs are projected to be retained and over 6 000 new jobs projected are to be created through these approvals. The R1 billion Agro-Processing Support Scheme (APSS) was launched on 27 June 2017. APSS incentive will support both brown and greenfield investments, encourage investment in both upstream and downstream support services, and for the expansion of infrastructure to be used by farmers and agro-processors. The APSS is targeting five key sub-sectors ranging from food and beverage value addition and processing (including black winemakers), furniture manufacturing, fibre processing, feed production and fertiliser production.</p> <p>Invest-SA The National One-Stop Shop was launched in March 2017. Other provincial OSS launched in Western Cape (08 September 2017) and Kwa-Zulu Natal (18 November 2017).</p> <p>Black Industrialist Programme Since its launch in November 2015 the Black Industrialists Scheme has supported 79 projects owned by Black Industrialists, empowering them to leverage projected investment of R7.2 billion. These are estimated to result in the retention of almost 8 000 baseline jobs and the creation of 9 459 new jobs.</p>
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Develop MBAP and incorporate into IPAP	Outcome 4: Decent employment through inclusive growth	<p>Energy storage Plans are at advanced stages to establish a R250 million Nickel sulphate plant in Marikana-North West. The plant will produce 25 000t/pa of battery grade nickel sulphate directly employing 65 people. Also, plans to produce Vanadium batteries for Energy storage locally are at advanced stage.</p> <p>A R4 billion titanium beneficiation project for manufacturing titanium pigment at the Richards Bay Industrial Development Zone (IDZ) was launched. The project will result in 1,200 indirect and 800 direct jobs created during the construction phase of the plant, with 550 permanent jobs being established once the plant is operational. Metair, launched a Li-ion battery production programme to produce Li-ion battery in South Africa in partnership with the University of the Western Cape (UWC). This programme will see the company invest R3-million over three years to pilot a prototype lithium production project from January 2018 to produce Li-ion batteries for automotive, mining cap lamps as well as other energy storage applications.</p> <p>Platinum Beneficiation – Fuel cells A Fuel Cells plant was launched in Cape Town, the plant will manufacture fuel cell components and is planned to be fully operational by the end of 2017/18 financial year.</p>

Strategic outcome oriented goals	MTSF Interventions (5 year targets)	Linkages to government outcomes	Significant achievements
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Increase use of local metals in South African manufacturing	Outcome 4: Decent employment through inclusive growth	<p>Steel sector intervention</p> <p>SA steel plants had been severely affected with serious risk of the total loss of SA's steel-making capabilities. Inter-Departmental Task Team has successfully developed a suite of support measures and interventions which has stabilised the sector. Highveld Steel officially re-opened on 6 June 2017. The company complex has been turned into a multipurpose industrial hub – accommodating training centre, coal storage depot for junior miners and trucks maintenance workshop. So far 600 people have been employed in the hub.</p>
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Increase localisation target to 75%	Outcome 4: Decent employment through inclusive growth	<p>Localisation</p> <p>Government committed to stimulate manufacturing sector through the localisation programme which is an important tool for industrialisation. A total of 23 sub-sectors/products have so far been designated for local production with minimum local content thresholds.</p>
Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives	FDI investment pipeline R50 billion Economic diplomacy and pavilions Seven investments and five trade promotion projects Tripartite-Free Trade Agreement (T-FTA) South Africa's position on T-FTA and Continental-FTA	Outcome 11: Create a better South Africa and a better world	<p>SA signed the T-FTA agreement in July 2017. Ratification process under way.</p> <p>SA and SACU positions advanced during C-FTA negotiations. The C-FTA main agreement and protocols concluded and C-FTA launched in March 2018.</p>

14. Performance information by programme



14.1 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 subprogrammes:**
- (i) *Ministry* provides leadership and policy direction to **the dti**.
 - (ii) *Office of the Director-General* 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, Communications 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.
 - (vii) *Media and Public Relations* ensures that the department's image is visible by improving media relations management and public relations activities.

Strategic objectives, performance indicators, planned targets and actual achievements

The vacancy rate as at 31 March 2018 was 4%, which excluded unfunded vacancies. The vacancy rate will continue to be managed in order to remain below the Public Service target of 10%.

The turnover rate of 3.8% at 31 March 2018 compares favourably with labour trends. The converse of this is the retention rate at 96.2%.

A representative workforce remains a priority on the transformation agenda of the department and is pursued through a targeted approach in terms of women in senior management positions and the employment of people with disabilities. Gender representation at senior management is critical to ensure that key decisions made in the department are informed by inputs from women who are a major constituency of South African society.

The department exceeded the 50% target set by Cabinet, by having achieved 51% representation of women in senior management at 31 March 2018. The empowerment of People with Disabilities (PwD) is another targeted area where Cabinet has set a target of 2% which the department has surpassed, with representation of PwD standing at 3.62% as on 31 March 2018.

c) Strategic objectives

Programme Name: Administration					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Strengthened capacity to deliver on the dti mandate	4.4%	5%	3.5%	1.5% over-achievement	Target exceeded because management of unfunded posts

d) Performance indicators

Programme / Subprogramme: Administration							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Percentage (%) of staff turnover (unexpected)	5.2%	7%	3%	6.8%	3.8%	3% Over-achievement	Actual terminations were less than projected turnover
Percentage (%) of people with disability employed	2.8%	3%	3.4%	3.5%	3.6%	0.1% Over-achievement	4 more employees declared Disabilities
Percentage (%) of women employed in senior management positions	47%	49%	50%	50%	51%	1% Over-achievement	4 more males on SMS level left
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	All eligible creditors payments made within 30 days	All eligible creditors payments made within 30 days	N/A	N/A

Programme / Subprogramme: Administration							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of outreach engagements and exhibitions	65 outreach engagements	89	67	65 outreach engagements	63	2	Events postponed due to unforeseen circumstances
	43 exhibitions	54	56	49 exhibitions	54	5 additional	Milestones not achieved in previous quarters were prioritised

e) Strategy to overcome areas of underperformance

No areas of underperformance.

f) Changes to planned targets

No changes were made to planned targets.

g) Linking performance with budgets

The programme had a total expenditure of R773 million, of which 38% was for compensation of employees, 60% goods and services, and the remainder was used for the payment of capital assets.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	34 428	28 426	6 002	29 890	26 170	3 720
Office of the Director-General	106 208	89 570	16 638	96 043	95 955	88
Corporate Services	517 178	508 063	9 115	460 628	443 702	16 926
Office Accommodation	2 494	2 336	158	2 869	2 589	280
Financial Management	68 750	68 197	553	61 852	60 571	1 281
Media and Public Relations	10 864	9 413	1 451	9 075	9 065	10
Marketing Communication and Stakeholder Relations	69 980	66 691	3 289	61 148	61 087	61
Total	809 902	772 696	37 206	721 505	699 139	22 366



12.2 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 cooperation in line with the New Partnership for Africa's Development.
- b) **Description of subprogrammes:**
- (i) *International Trade Development* facilitates bilateral and multilateral trade relations and agreements.
 - (ii) *African Economic Development* facilitates multilateral African trade relations aimed at deepening regional integration.

Strategic objectives, performance indicators, planned targets and actual achievements

Key areas of work with countries of the South have been to foster strategic bilateral trade links with emerging economies such as China and India, including the engagements with BRICS countries through the Contact Group on Economic and Trade Issues (CGETI) initiative.

Through the Comprehensive Strategic Partnership Agreement (CSPA) signed with China in 2011, **the dti** has enhanced discussions to promote trade and investment between China and SA, including through encouraging Chinese investments into the Special Economic Zones (SEZs). Moreover, the department continues to engage with other Asian countries (i.e. Indonesia, South Korea, Vietnam, Australia and New Zealand) with the view to diversify South Africa's export basket to include value-

added products and also to support South Africa's industrialisation and beneficiation process.

The work programme on the Continent continued to promote the implementation of the development integration agenda through multilateral engagements in the Southern African Development Community (SADC), Southern African 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 (TFTA) and the Continental Free Trade Area (CFTA).

South Africa signed the TFTA Agreement in July 2017 and work is under way to finalise the ratification process pending the conclusion of outstanding work in the Agreement. The CFTA is an economic imperative to address the challenge of small and fragmented markets. It is being established at a time when the multilateral trading system is facing challenges.

The CFTA will boost intra-Africa trade and create a bigger market of over 1 billion people with a GDP of \$2.6 trillion that will unlock industrial development. On 21 March 2018 the CFTA was launched, signifying the conclusion of the negotiations on the legal framework.

c) Strategic objectives

Programme name: International Trade and Economic Development					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	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	2 status reports produced on progress for T-FTA and CFTA negotiations	2 status reports were produced on progress for T-FTA and CFTA negotiations	N/A	N/A
	SACU There was no progress on agreed work programme SADC FTA Progress report on implementation of the SADC Trade Protocol developed	2 reports on implementation of SADC- EU EPA	2 reports prepared on implementation of SADC- EU EPA	N/A	N/A
	Status report submitted on BRICS and G20 engagements	4 status reports produced on engagements in Global Fora	14 status reports were produced on engagements with Global Fora	10	Unforeseen increased negotiations in BRICS, Brexit and G20 led to more engagements

d) Performance indicators

Programme / Subprogramme: International Trade and Economic Development							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of status reports on regional economic integration	-	-	-	2 status reports produced on progress for T-FTA and CFTA negotiations	2 status reports were produced on progress for T-FTA and CFTA negotiations	N/A	N/A
Number of reports on Implementation of SADC-EU Economic Partnership Agreement (EPA)	-	-	-	2 reports on implementation of SADC- EU EPA	2 reports prepared on implementation of SADC- EU EPA	N/A	N/A
Number of status reports on Global fora (e.g. BRICS, G20, AGOA, UK Brexit)	-	-	-	4 status reports produced on engagements in Global Fora	14 status reports were produced on engagements in Global Fora	10	Unforeseen increased negotiations in BRICS, Brexit and G20 led to more engagements

e) Strategy to overcome areas of underperformance

No areas of underperformance.

f) Changes to planned targets

No changes made to planned targets.

g) Linking performance with budgets

As at 31 March 2018, the programme's expenditure was R121 million. As the main cost drivers in facilitating bilateral and multilateral trade relations and agreements, spending on compensation of employees and goods and services was 62% and 19% respectively. The remaining 18% was for transfer payments to the international bodies for South Africa's membership fees (WTO, and the Organisation for the Prohibition of Chemical Weapons {OPCW}) and Protechnik Laboratories.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
International Trade Development	99 318	99 308	10	98 943	98 934	9
African Multilateral Economic Development	21 817	21 813	4	17 127	17 090	37
Total	121 135	121 121	14	116 070	116 024	46



14.3 Programme 3: Special Economic Zones and Economic Transformation

- a) **Purpose:** Drive economic transformation and increase participation in industrialisation.

b) Description of subprogrammes:

- (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 real growth of the economy through the Black Industrialists Programme.
- (iii) **Spatial Industrial Economic Development** promotes the regional economy towards a more spatially balanced economy through the development of policies, strategies and programmes, SEZs, and clusters and incubators, among other things.

Strategic objectives, performance indicators, planned targets and actual achievements

The Atlantis and Nkomazi SEZs applications were recommended by the Board to the Minister for approval and designation. SEZ Governance Regulations were approved by Minister for implementation. Phase 1 for 7 industrial parks has been completed and the remaining 4 will be completed during the next financial year. Nkowankowa and Bodirelo Industrial Parks were approved for Phase 1. Phase 2 of the Revitalisation of Industrial Parks Programme commenced.

In terms of Section 13F(f) of the B-BBEE Act, the Minister approved and published for implementation the threshold for major broad-based black economic transactions on 9 June 2017.

The Minister and Deputy Minister launched the following Black Industrialist beneficiaries/programme: K9 Pet Food, United Industrial Cables, Microfinish Automotive in Pinetown, KZN, Maneli Pet Foods, 2017 and the expansion of the BIS beneficiary Eastern Trading, trading as Dursots All Joy, in Tzaneen, Limpopo.

c) Strategic objectives

Programme name: Special Economic Zones and Economic Transformation					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	1	2	2	N/A	N/A
	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	2	2 Reports submitted to Minister	N/A	N/A
	Nil	2	2 Reports submitted to Minister	N/A	N/A

Programme name: International Trade and Economic Development					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	6 BIs supported with Access to Markets in Trade Mission to Nigeria	70 interventions to support BIs in the IPAP Sectors	116 interventions to support BIs in the IPAP Sectors: (50 financial and 66 non-financial)	Exceeded target by 46	Strategic partnerships and collaborations with private sector, multinationals and provincial agreements led to increase in number of BIs supported

d) Performance indicators

Programme / Subprogramme: Special Economic Zones and Economic Transformation							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of SEZs submitted to Minister for designation	-	-	1	2	2	N/A	N/A
Number of implementation reports on the Industrial Parks submitted to Minister	-	-	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	2	2 reports submitted to Minister	N/A	N/A
Number of reports on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister	-	1	Nil	2	2 reports submitted to Minister	N/A	N/A

Programme / Subprogramme: Special Economic Zones and Economic Transformation							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of interventions to support BIs in the IPAP Sectors	-	-	6 BIs supported with Access to Markets in Trade Mission to Nigeria	70 interventions to support BIs in the IPAP Sectors	116 interventions to support BIs in the IPAP Sectors: (50 financial and 66 non-financial)	Exceeded target by 46	Strategic partnerships and collaborations with private sector, multinationals and provincial agreements led to increase in number of BIs supported

e) Strategy to overcome areas of underperformance

No areas of underperformance.

f) Changes to planned targets

The indicator on the 'Number of BIs supported in key sectors' was amended to: Number of interventions to support BIs in the IPAP sectors (financial and non-financial). The amendment was made to ensure that the Department accounts for the number of interventions to support the BIs instead of new BIs supported.

g) Linking performance with budgets

In pursuit of driving economic transformation and increased participation in industrialisation, the programme expended R96 million of its allocated budget. Of the R96 million, 13% was used for transfer payments to the National Productivity Institute, and the Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence. Operational expenditure, which includes compensation of employees; goods and services and payment for capital assets accounted for the remainder 87%.

The Equity and Empowerment sub programme, which promotes BEE and the growth of the economy through the black industrialist programme reported an over-achievement on interventions that supported black industrialists in the IPAP sectors.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	26 011	24 986	1 025	26 687	24 942	1 745
Equity and Empowerment	43 230	32 010	11 220	40 709	32 166	8 543
Spatial Industrial Economic Development (Special Economic Zones)	39 696	38 703	993	45 096	40 481	4 615
Total	108 937	95 699	13 238	112 492	97 589	14 903



14.4 Programme 4: Industrial Development

- a) **Purpose:** Design and implement policies, strategies and programmes to strengthen the ability of the manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness in both the domestic and export markets.

b) Description of subprogrammes:

- (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 increase value-addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.

Strategic objectives, performance indicators, planned targets and actual achievements

The IPAP supports radical economic transformation through an ongoing effort to fundamentally change the structure of the economy including with respect to patterns of ownership, management and control of the economy and specifically within the manufacturing sector. The IPAP 2017 placed emphasis on job creation with a continuously strengthening focus on labour intensity, especially in labour intensive sectors that link the productive sectors of the economy, across integrated value chains.

The successful implementation of almost 90% of the projects and programmes proposed demonstrates a positive contribution to economic growth. The designation of products also contributed significantly to the growth of the local economy and strengthening one of Governments key policy levers which is localisation.

c) Strategic objectives

Programme name: Industrial Development					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	IPAP tabled in Cabinet in April 2016 and launched on 9 May 2016	Annual Rolling IPAP 2018/19 submitted to Minister for tabling in Cabinet by March 2018	Annual Rolling IPAP 2018/19 submitted to Minister for tabling in Cabinet by March 2018	N/A	N/A
	1 implementation report on IPAP tabled at Minister's Review Meetings on 22 August 2017	4 Implementation reports on IPAP prepared for the Minister's Review Meetings per year	4 implementation reports on IPAP tabled at Minister's Review Meetings held on 10 April 2017, 15 September 2017 (Q1 and Q2 were tabled), and 26 March 2018 (Q3 and Q4 were tabled)	N/A	N/A

Programme name: Industrial Development					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	1 designation request prepared for Minister	2 designation requests prepared for Minister per year	4 designation requests prepared for Minister i.e. 22 Pumps and MV Motors; and 23 Industrial Lead Acid Batteries. 24 Rail Permanent Way sector 25 Pipe Fittings and Specials	2 designations	2 designation requests submitted in 2016/17 but were signed by Minister in first quarter of 2017/18

d) Performance indicators

Programme / Subprogramme: Industrial Development							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
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	Annual Rolling IPAP 2018/19 submitted to Minister for tabling in Cabinet March 2018	Annual Rolling IPAP 2018/19 submitted to Minister for tabling in Cabinet by March 2018	N/A	N/A
Number of implementation reports on IPAP prepared for the Minister's Review Meetings per year	4 implementation reports tabled at IPAP review meetings in July, October and November 2014 and in January 2015 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	4	4 implementation reports on IPAP tabled at Minister's Review Meetings held on 10 April 2017, 15 September 2017 (Quarter 1 and 2 were tabled) and 26 March 2018 (Quarter 3 and 4 were tabled)	N/A	N/A

Programme / Subprogramme: Industrial Development							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of designation requests prepared for Minister per year	<p>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, Steel conveyance pipes. Note: The Instruction Note for Power Pylons is being amended to include Power line hardware and structures</p> <p>2) Published Instruction Notes: 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. Residential Electricity Meters</p> <p>3) Amended Instruction Notes that were published: Rail rolling stock, Solar water heaters</p>	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 metres and wheelie bins	2	4 designation requests prepared for Minister i.e. Pumps and MV Motors; and Industrial Lead Acid Batteries. Rail Permanent Way sector Pipe Fittings and Specials	2 designations	2 designations requests were submitted in 2016/17 but were signed by Minister in first quarter of 2017/18

e) Strategy to overcome areas of underperformance

No areas of underperformance.

f) Changes to planned targets

No changes made to planned targets.

g) Linking performance with budgets

The programme had a total expenditure of R1.8 billion, of which 93% was for transfer payments to the clothing, textiles, leather and footwear incentive; and technical infrastructure institutions (i.e. Intsimbi: National Tooling Initiative; NMISA; NRCS; SANAS; SABS; Proudly South African).

These transfers are for continued support provided to the programmes that strengthen the ability of the manufacturing and other value-adding sectors of the economy to create decent jobs and increase value addition in both domestic and export markets. Expenditure for compensation of employees as well as goods and services was 6% and 1% respectively.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industrial Competitiveness	824 706	822 899	1 807	685 218	685 193	25
Customised Sector Programme	1 018 226	1 015 940	2 286	1 037 071	1 037 052	19
Total	1 842 932	1 838 839	4 093	1 722 289	1 722 245	44



14.5 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 subprogrammes:**
- (i) **Policy and Legislative Development** develops policies, laws and regulatory frameworks.
 - (ii) **Enforcement and Compliance** conducts trend 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 NCT, the NCR, the NGB, the NCC, the CIPC and the CT. 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 FRSC, which are responsible for regulating applicable transactions and issuing standards.

Strategic objectives, performance indicators, planned targets and actual achievements

During 2017/18, the department has set out to achieve three targets in the area of policy and legislation. One of the targets committed to was six bills in the areas of liquor, gambling, credit, companies, copyright and performers protection. The Bills are at advanced stages of development and it is anticipated that they will be finalised in the next financial year. During the course of financial year the number of Bills was reduced to five, however, work continued on the Companies Amendment Bill even though it was removed

from the Annual Performance Plan. The Bill was revised and prepared for tabling in the Economic Sectors, Employment and Infrastructure Development (ESEID) Cluster. The increase in the number of requests from municipalities showed that communities were interested in learning about the legislation that is developed by the department.

c) Strategic objectives

Programme name: Consumer and Corporate Regulation					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Improved conditions for consumers, artists and opening up of markets for new patents players	6 SEIAS reports on Companies, Copyright, and Performers' Protection, Liquor and Gambling Amendment bills developed for Minister's approval	3 SEIAS reports on Gambling, Liquor and Credit Amendment Acts developed for Minister's approval	3 SEIAS reports on Gambling, Liquor and Credit Amendment Acts developed for Minister's approval	N/A	N/A
	5 bills on Companies, Copyright, Performers' Protection, Liquor and Gambling Amendment bills developed for Minister's	5 Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts developed for Minister's approval	5 Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts not developed for Minister's approval	5 Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts not developed for Minister's approval	Companies Amendment Bill removed from 2017/18 APP, however work still continuing. Portfolio Committee prioritised Copyright Amendment Bill, thus Performers Protection Amendment Bill was delayed. Liquor and Gambling Amendment Bills were redrafted to address constitutional issues. Credit Amendment Bill is still in Parliament
	New indicator	24 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	28 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	4 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	Municipalities requested additional areas to be visited

d) Performance indicators

Programme / Subprogramme: Consumer and Corporate Regulation							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of Socio-Economic Impact Assessment System (SE-IAS) 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	6 SEIAS reports on Companies, Copyright, and Performers' Protection, Credit, Liquor and Gambling Amendment bills developed for Minister's approval	3 SEIAS reports on Gambling, Liquor and Credit Amendment Acts developed for Minister's approval	3 SEIAS reports on Gambling, Liquor and Credit Amendment Acts developed for Minister's approval	N/A	N/A
Number of Bills 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	5 bills on Companies, Copyright, Performers' Protection, Liquor and Gambling Amendment bills developed for Minister's approval	5 Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts developed for Minister's approval	5 Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts not developed for Minister's approval	5 Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts not developed for Minister's approval	Companies Amendment Bill removed from 2017/18 APP, however work still continuing. Portfolio Committee prioritised Copyright Amendment Bill, thus Performers Protection Amendment Bill was delayed. Liquor and Gambling Amendment Bills were redrafted to address constitutional issues. Credit Amendment Bill is still in Parliament

Programme / Subprogramme: Consumer and Corporate Regulation							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Number of education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	-	-	New indicator	24 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	28 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	4 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	Municipalities requested additional areas to be visited

e) Strategy to overcome areas of underperformance

The department will work closely with Parliament to fast-track the finalisation of the Bills.

f) Changes to planned targets

The department planned to conclude six Bills on gambling, liquor, credit, copyright, companies and performers protection. Due to delays experienced, a decision was taken to move the Companies Amendment Bill to future financial years.

g) Linking performance with budgets

As at 31 March 2018, the programme's expenditure was R299 million. Of the R299 million expenditure, 74% was spent on regulatory services - through the regulatory agencies being, NCT, NCR, NGB, NCC, and CT. Spending on compensation of employees and goods and services was 20% and 5%, respectively, as the drivers in developing and implementing transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens. The remaining 1% was for a transfer payment for South Africa's membership fees at the World Intellectual Property Organisation.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Legislative Development	18 696	18 689	7	17 177	17 168	9
Enforcement and Compliance	39 906	39 881	25	40 281	40 273	8
Regulatory Services	240 180	240 136	44	238 305	237 940	365
Total	298 782	298 706	76	295 763	295 381	382



14.6 Programme 6: Incentive Development and Administration

- a) **Purpose:** Stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.
- b) **Description of subprogrammes:**
- (i) **Broadening Participation Incentives** provides incentive programmes that promote broader participation in the mainstream economy by 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 MCEP, the Capital Projects Feasibility Programme, the AIS, the EMIA 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 BPS incentive, and the Film and Television Production Incentive Support Programme for South African and foreign productions.
 - (iv) **Infrastructure Investment Support** provides infrastructure support that enables investment and industrial development, thereby increasing the export of value-added commodities and creating employment opportunities.
 - (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 such schemes.

Strategic objectives, performance indicators, planned targets and actual achievements

The department has approved a total of 848 applications for financial support across all incentives which are projected to leverage over R36.8 billion of private sector investment. For every R1 billion spent by government on incentives, R3.6 billion of private sector investment was leveraged. These investments will result in retaining over 28 000 jobs and over 15 000 projected new jobs being created. All planned targets for 2017/18 were exceeded. Industrial parks in various townships and rural areas are being refurbished to accommodate local businesses in state of art facilities at reasonable costs.

Transformation is a requirement across all incentives, a total of 50 black industrialists were supported and 6 of those supported were officially launched in various provinces. The Strategic Partnership Programme was launched to facilitate entry of black suppliers into established supply chains. 23 projects have been approved under the Agro-Processing Support Scheme (APSS) which was launched in 2017 with an aim to increase capacity, create employment, competitiveness and enhance transformation in the sector. Fourteen SEZ infrastructure projects to the value of R1.2 billion has been approved for infrastructure development to leverage investment and unlock potential growth in the country.

c) Strategic objectives

Programme name: Incentive Development and Administration					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Private Sector Investment leveraged	Private Sector Investment leveraged	R36.8 billion projected private sector investment leveraged	(R21.8 billion)	Approved applications and projects under 12I, AIS, BPS and CIP are capital intensive, hence high projected investment
	Jobs supported	Jobs supported	43 610 jobs supported	(37 610)	Approved projects and applications for AIS, CIP and BPS projected higher number of jobs to be supported

d) Performance indicators

Programme / Subprogramme: Incentive Development and Administration							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Value (Rand) of projected investments to be leveraged from projects/ enterprises approved	-	R48.8 bn	R13 bn	R15 bn	R36.8 bn	(R21.8 bn)	Approved 12i, AIS, BPS and CIP projects are capital intensive that resulted in high value of projected investments
Projected number of new jobs supported from enterprises approved	-	24 119	8 059	3 000	15 401	(12 401)	High number of new jobs projected were attributed to BPS and CIP approvals which projected substantial new jobs
Projected number of jobs to be retained from approved enterprises	-	57 901	34 592	3 000	28 209	(25 209)	Approved projects/ applications for year especially under AIS are labour intensive, hence they projected to sustain high number of jobs
Number of enterprises/ projects approved for financial support across all incentives	-	-	-	800	848	(48)	Number of applications/ projects received were more than anticipated

e) Strategy to overcome areas of underperformance

No areas of underperformance.

f) Changes to planned targets

No changes were made to planned targets.

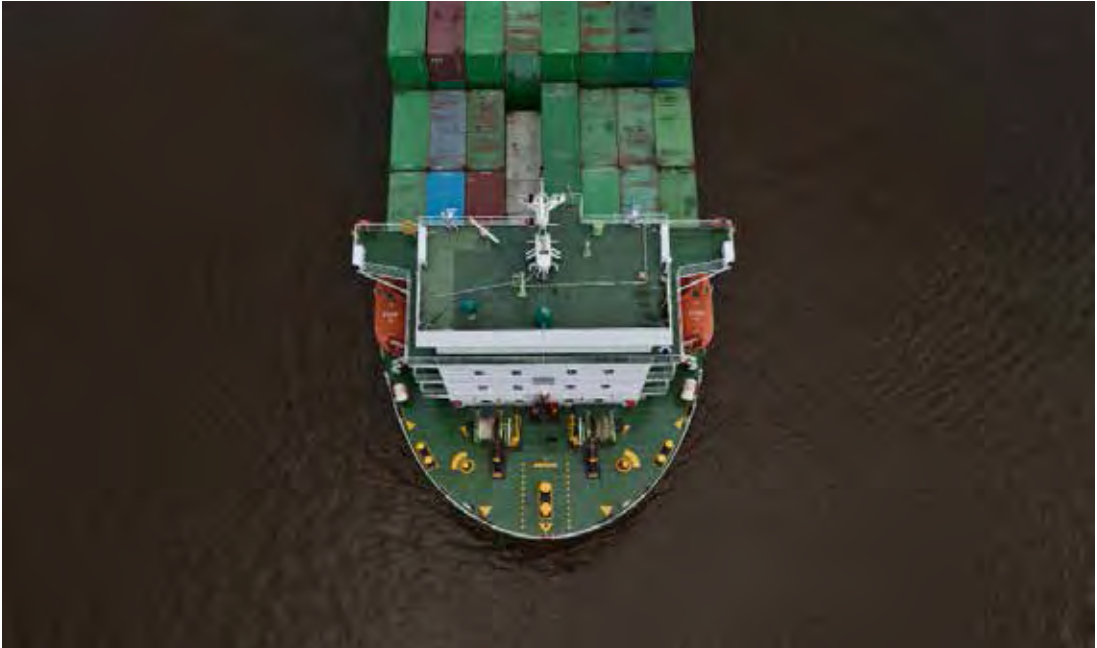
g) Linking performance with budgets

In pursuit of the programme's focus on stimulating and facilitating the development of sustainable, competitive enterprises, 97% of the total expenditure of R5.6 billion was disbursed to companies through the various incentive programmes. This includes amongst others, the Services Investment Incentives (BPO and Film & TV Production), Manufacturing Development Incentives (MCEP, EIP, AIS) as well as the Industrial Infrastructure Incentives (Special Economic Zones and Critical Infrastructure Programme). Operational expenditure comprising compensation of employees and goods and services was 3% of the total programme's expenditure.

Overall, the programme expended 99% of its allocated budget and has exceeded its performance targets due to investments that were attracted through the automotive incentive scheme, the business processing incentive and the critical infrastructure programme.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Broadening Participation Incentives	49 708	41 930	7 778	25 670	25 536	134
Manufacturing Incentives	2 949 354	2 924 544	24 810	4 361 549	4 361 494	55
Services Investment Incentives	821 594	821 588	6	814 227	814 209	18
Infrastructure Investment Support	1 783 533	1 780 278	3 255	1 661 069	1 660 170	899
Product and Systems Development	13 997	13 989	8	15 405	15 400	5
Strategic Partnership and Customer Care	18 473	18 199	274	18 386	18 377	9
Total	5 636 659	5 600 528	36 131	6 896 306	6 895 186	1 120



14.7 Programme 7: Trade Investment South Africa

- a) **Purpose:** Increase export capacity through an effectively managed network of foreign trade offices and strategies for targeted markets.
- b) **Description of subprogrammes:**
- (i) *African Bilateral Economic Development* facilitates bilateral African trade relations aimed at deepening 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 Export South Africa Executive Management Unit* promotes trade, and administers and provides corporate services to the department's foreign office network of 27 foreign economic representatives in 43 countries to enable South African businesses to access global markets.
 - (iv) *Export Development and Support* manages the NEDP, which is designed to contribute to positioning South Africa as a reliable trade partner, and improve and expand the country's exporter base.

Strategic objectives, performance indicators, planned targets and actual achievements

TISA, in implementing the Integrated National Export Strategy, continues to support the export of manufactured products in the IPAP sectors as well as other sectors that showcase South Africa's value proposition in traditional markets (NAFTA and Europe) which include unique natural ingredients; an unparalleled organic sector, component manufacturing and Resources Equipment and Technology Services (RETS) in Latin America.

The Market Diversification Strategy necessitates that South Africa also leverages its unique value propositions to retain or improve current trade in the identified target markets such as Asia, Africa and the Middle East where distinct capabilities in technology and skills transfer, high technology solutions, agro-processing and supply capabilities have been proven. Additionally, South Africa's value position is unique in that its proximity to African and Middle Eastern markets is uncontested and that it is the only African country with a sustained and effective membership to BRICS as well as leveraging trade agreements to which it is a signatory

Additionally, TISA, as part of the implementation of the services export framework, has assisted South African firms to integrate into regional and global supply chains of multinational firms, by actively promoting subcontracting in power, infrastructure programmes and the built environment.

Furthermore, as part of the INES, TISA 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 South Africa's export culture through export awareness and outreach programmes, as well as mobilising established enterprises to become exporters.

c) Strategic objectives

Programme name: Trade Investment South Africa					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Export sales facilitated	Export sales facilitated R3.75 bn (This include both on the spot and export sales)	R5.129 bn	Exceeded target by R1.379 bn	Concerted efforts on product diversification strategy, particularly on agricultural, agro-processed and defence-related exports.
	New indicator	784	656	128	Postponements and movements of shows and missions that were beyond the dti's control such as the embargo against Qatar

d) Performance indicators

Programme / Subprogramme: Trade Investment South Africa							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Value of export sales generated	Export sales facilitated	Export sales facilitated	Export sales facilitated	Export sales facilitated R3.75 bn	R5,129 bn	Exceeded the target by R1,379 bn	Concerted efforts on product diversification strategy, particularly on agricultural, agro-processed and defence-related exports
Number of companies assisted under EMIA in supporting value added exports	-	-	-	784	656	128	Post-ponements and movements of shows and missions were beyond the dti control (such as the embargo on Qatar)

e) Strategy to overcome areas of underperformance

The Mission and Pavilion list for 2018/19 will be reviewed to restrict where possible events in countries where political upheaval may result in the cancellation of events.

f) Changes to planned targets

The Mission and Pavilion list for 2018/19 will be reviewed to restrict where possible events in countries where political upheaval may result in the cancellation of events.

g) Linking performance with budgets

The programme's total expenditure as at 31 March 2018 was R456 million. A transfer payment to the ECIC, which provides insurance solutions for exporters of South African capital goods and services in order to advance trade and economic development, in line with South Africa's industrial policy accounted for 41% of the total expenditure. The remaining 59% was spent on compensation of employees (40.5%), and goods and services (17%), to continue with the support for export development and promotion of exports through targeted strategies. This was evident when the programme reported an overachievement on export sales due to concerted efforts on the product diversification strategy, particularly on agricultural, agro-processing and defence-related exports.

h) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
African Bilateral Economic Development	20 298	20 200	98	20 081	20 073	8
Export Promotion and Marketing	44 517	44 423	94	40 834	40 820	14
Trade Export South Africa Executive Management Unit	373 468	373 260	208	378 923	377 713	1 210
Export Development and Support	18 413	18 271	142	15 998	15 982	16
Total	456 696	456 154	542	455 836	454 588	1 248



14.8 Programme 8: Investment South Africa

- a) **Purpose:** Support FDI flows and domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors.

b) Description of subprogrammes:

- (i) *Investment Promotion* facilitates the increase in the quality and quantity of FDI, 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 Promotion and Interdepartmental Clearing House South Africa. This subprogramme also provides a specialist advisory service, and fast-tracks, unblocks and reduces red tape for investors.
- (iii) *Investment Support and Aftercare* provides specialist advisory services through research, information marketing, aftercare and policy advocacy to facilitate investment, and retain and expand existing investment.

Strategic objectives, performance indicators, planned targets and actual achievements

The objectives of the programme are to increase investment into South Africa which supports industrial development, job creation and economic growth. Furthermore, the division contributes to improving South Africa's investment climate and "Ease of Doing Business" in promoting South Africa as an attractive investment location. The achievement of the investment pipeline of R83.3 billion contributes to fixed investment; job creation and economic development in the country.

c) Strategic objectives

Programme name: Investment South Africa					
Strategic objectives	Actual achievement 2016/17	Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target	Comment on variance
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	R 84.4 bn	R 39.4 bn	Large infrastructure projects for data centres and major resource projects facilitated

d) Performance indicators

Programme / Subprogramme: Investment South Africa							
Performance Indicator	Actual achievement 2014/2015	Actual achievement 2015/2016	Actual achievement 2016/2017	Planned Target 2017/2018	Actual achievement 2017/2018	Deviation from target	Comment on deviations
Value (rand) of investment projects facilitated in pipeline	R2. 779 bn	R92. 812 bn	R58.63 bn	R45 bn	R 84.4 bn	R 39.4 bn	Large infrastructure projects for data centres and major resource projects facilitated

d) Strategy to overcome areas of underperformance

No areas of underperformance.

e) Changes to planned targets

No changes made to planned targets.

f) Linking performance with budgets

The programme's total expenditure as at 31 March 2018 was R65 million, which was spent on investment promotion activities to generate the pipeline and market the country as an investment destination and to establish one stop shops in the provinces. This was evident when the programme reported an over-achievement on investment projects facilitated for large infrastructure projects for data centres and major resource projects.

g) Subprogramme expenditure

Subprogramme name	2017/18			2016/17		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment Promotion	51 397	49 941	1 456	45 256	45 244	12
Investment and Interdepartmental Clearing House	16 693	14 516	2 177	24 000	24 000	-
Investment Support and Aftercare	54	48	6	-	-	-
Total	68 144	64 505	3 639	69 256	69 244	12

15. Transfer payments

15.1 Transfer payments to public entities

Name of public entity	Services rendered by public entity	Amount transferred to public entity (R'000)	Amount spent by public entity	Achievements of public entity
National Empowerment Fund (NEF)	Promote savings and investments among Historically Disadvantaged Persons (HDPs) through its retail activities, and fund economic empowerment and black business through its investment division	-	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Gambling Board (NGB)	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces	31 627	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Lotteries Commission (NLC)	Exercise national control over lottery activities	-	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Metrology Institute of South Africa (NMISA)	Support global competitiveness through the provision of fit-for- purpose international acceptable measurement standards and measurements	252 803	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
South African National Accreditation System (SANAS)	Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations	30 313	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Credit Regulator (NCR)	Regulate the South African credit industry	73 056	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Companies and Intellectual Property (CIPC)	Registration of Companies, Co-operatives and IP rights (trademarks, patents, designs and copyright) and maintenance thereof	-	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Consumer Tribunal (NCT)	Adjudicate a variety of applications, and hear cases against credit providers that contravene the Act	48 459	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Regulator for Compulsory Specification (NRCS)	Administer compulsory specifications, otherwise known as technical regulations	128 745	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Consumer Commission (NCC)	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, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress, thereby creating a fair and accessible consumer marketplace	52 614	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity

Name of public entity	Services rendered by public entity	Amount transferred to public entity (R'000)	Amount spent by public entity	Achievements of public entity
Companies Tribunal (CT)	The CT may adjudicate in relation to any application that may be made to it, and make any order as provided for in the Companies Act in respect of such an application, and in addition serve as a forum for voluntary alternative dispute resolution	15 822	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
South African Bureau of Standards (SABS)	Provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services	302 494	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Export Credit Insurance Corporation of South Africa (ECIC)	Facilitate and encourage South African export trade by underwriting export credit loans and investments outside South Africa and enabling South African contractors to secure capital goods and services in other countries	188 272	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity

15.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018.

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with Section 38(1)(j) of the PFMA	Amount transferred (R'000)
National Productivity Institute	Departmental Agency	Workplace Challenge	Yes	8 949
National Research Foundation	Departmental Agency	Technology and Human Resources for Industry Programme	Yes	84 000
Council for Geoscience	Departmental Agency	The objectives underlying the establishment of the CGS are to develop and publish world-class geoscience knowledge products and to render geoscience-related services to the South African public and industry	Yes	1 188
Centurion Aerospace	Public Corporation	Aerospace	Yes	25 367
Council for Scientific and Industrial Research	Public Corporation	Fibre and Textile Centre of Excellence, Aerospace Industry support, National Cleaner Production	Yes	102 387
Industrial Development Corporation	Public Corporation	Customer Sector Programme, Clothing and Textiles Production Incentive, MCEP Industrial loan	Yes	973 440
Intsimbi	Public Corporation	National Tooling Initiative	Yes	75 786
Protechnik Laboratories	Public Corporation	Chemical laboratories	Yes	4 372
World Trade Organisation	International Organisation	Subscription	N/A	12 909

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with Section 38(1)(j) of the PFMA	Amount transferred (R'000)
Organisation for the Prohibition of Chemical Weapons	International Organisation	Subscription	N/A	3 543
United Nations Industrial Development Organisation	International Organisation	Subscription	N/A	6 021
World Intellectual Property Organisation	International Organisation	Subscription	N/A	4 341
Proudly South Africa Campaign	Non-Profit Institution	The Proudly South Africa "buy local" campaign encourages the nation to buy local products and make use of local services, in an effort to stimulate the local economy and help create jobs	Yes	33 611
Black Business Council	Non-Profit Institution	Lobby government on policy advocacy to accelerate the participation of black South Africans in the mainstream economy	Yes	1 500
Auto Supply Chain Competitive Initiative	Non-Profit Institution	National non-profit initiative jointly established by government, industry and labour to facilitate, coordinate and oversee supplier competitiveness improvement initiatives in the South African automotive industry and to set the strategic direction for specific practically oriented competitiveness improvement projects	Yes	13 127
Treaty Organisation for Metrology	Non-Profit Institution	Intergovernmental treaty organization addressing legal metrology, including provisions related to units of measurement, to measurement results (e.g. pre-packages) and to measuring instruments	N/A	1 644
Trade and Industrial Policy Strategies	Non-Profit Institution	Facilitates policy development and dialogue in pursuit of sustainable and inclusive growth	Yes	24 423

The table below is intended to reflect the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with Section 38(1)(j) of the PFMA	Amount transferred (R'000)
N/A	N/A	N/A	N/A	N/A

16. Conditional grants

During the period under review, the conditional grants information is not applicable.

17. Donor funds

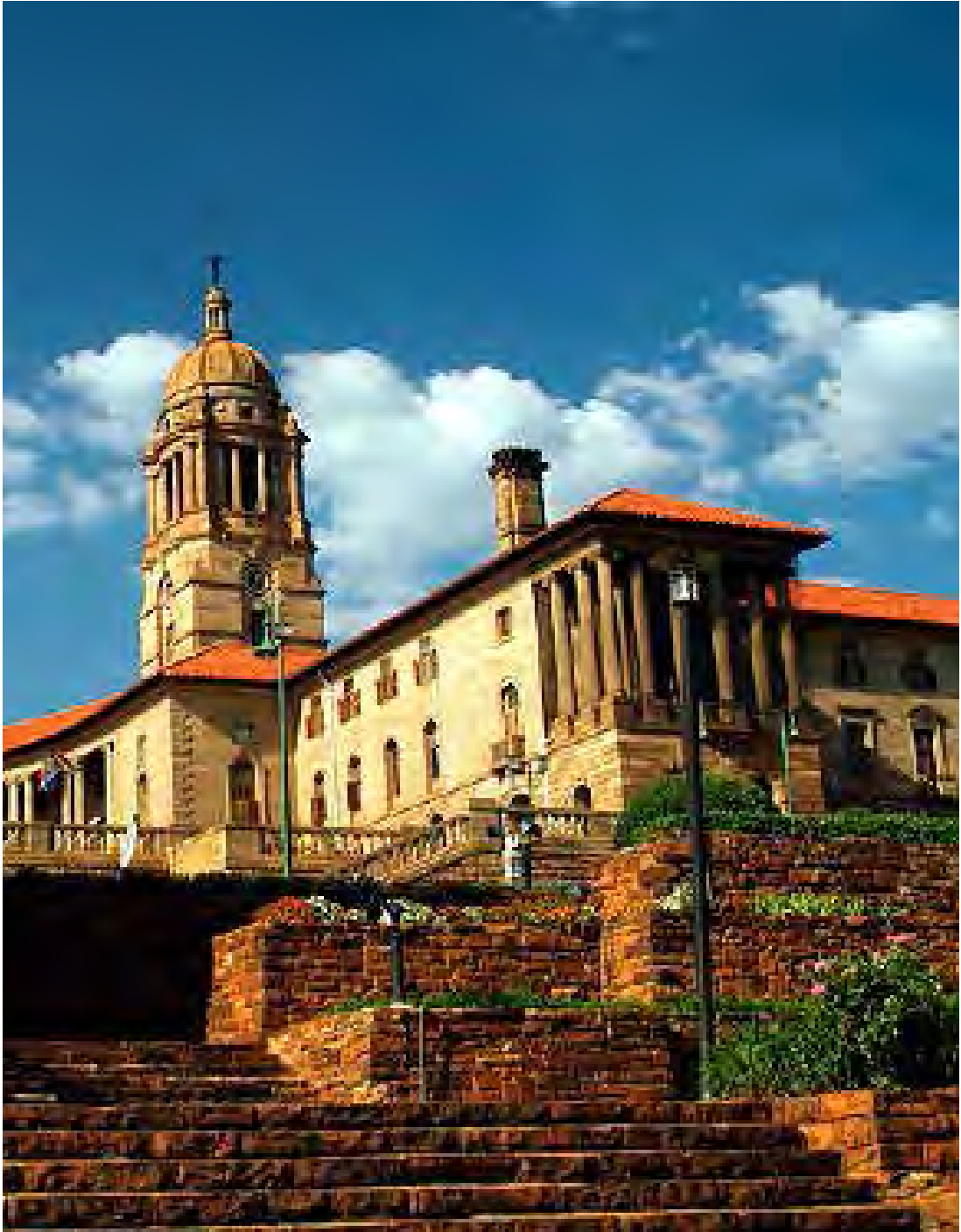
the dti is the spending agency of the RDP fund as defined in the RDP Act for the European Union Employment Creation Fund. This support contributes to creating quality for the economically marginalised, improving business enabling environment and increasing capacity and skills in the productive sectors of the economy. There are ongoing projects, the continuation of which is subject to the receipt of further funding from the RDP Fund in accordance with the RDP Act.

18. Capital investment

During the period under review, the capital investment information is not applicable.

Part C

Governance



19. Governance

In compliance with the corporate governance principles, the Office of the Chief Risk Officer (OCRO) is tasked with ensuring proper governance through risk management processes, ethics processes, conflict of interest, secretariat function to the Department's corporate committee meetings as well as fraud risk management.

19.1 Risk management

The risk management process is aligned with the planning and objective-setting process of the department. A strategic risk register is maintained and actioned by the Exbo. Risks are considered to impede the achievement of **the dti's** strategic objectives. Divisions within the department compile risk registers aligned with divisional operational plans that are monitored by **the dti's** risk management committee quarterly. The risk registers are updated every quarter, with changes in the environment, inclusion of audit findings, emerging risks as well as progress of mitigating actions, which are monitored by the OCRO and reported to the risk management committee.

The Risk Management Committee is chaired by an external member of the Audit Committee and attended by all chief operating officers, the chief financial officer, the chief risk officer, and internal audit. The risk management committee's objective is to assess the effectiveness of risk management processes within the department. **the dti's** risk profile is monitored quarterly at committee meetings, and reported to Exbo and the audit committee. The OCRO monitored both the strategic and operational risks of the Department.

Business continuity plans have been developed for all divisions within the department.

19.2 Ethics management

In an effort to promote a professional, ethical, dynamic, competitive and customer-focused working environment, the OCRO facilitated the disclosure of financial interest by members of the Senior Management Service (SMS) and achieved 100% compliance for the financial year, as reported by the Public Service Commission. Furthermore, the OCRO, continued to promote ethical conduct through internal awareness. The ethics officer and ethics committee provide appropriate guidance to management and staff on all matters that may involve a conflict of interest. The Ethics Committee is held on a quarterly basis, and potential, perceived and actual conflicts of interest are discussed.

19.3 Minimising conflict of interest

To further assist and enhance the ethical culture in the department, all employees are required to obtain approval to perform any remunerative work outside the public service and disclose all business interests. All such applications are submitted to the ethics committee for scrutiny to ensure there are no conflicts of interest before approval can be granted. The Director-General approves/declines all applications. The ethics committee also considers other matters such as gifts and sponsorships in terms of real or potential conflicts of interest.

19.4 Code of conduct

the dti has in place an approved code of conduct for all employees on which frequent training interventions have been undertaken throughout the year.

Fraud and Corruption

the dti is committed to a zero-tolerance approach to fraud and corruption. The fraud-prevention policy, strategy and plan assist in driving initiatives to ensure that both employees of **the dti** and the public are encouraged to report any suspicious activities. There is also a strong focus on ethics awareness, with an ethics officer and an ethics committee in place. The National Anti-Corruption Hotline (0800 701 701, toll-free) is promoted as part of **the dti**'s initiative of encouraging the reporting of any form of fraudulent and/or corrupt activity.

19.5 Portfolio committees

The Budget Review and Recommendation Report of the Portfolio Committee on Trade and Industry on Performance of the Department of Trade and Industry, dated 18 October 2017. The Committee's report which was published in the ATC on 20 October 2017 has reference.

the dti response was as follows:

"With respect to the Committee recommendation:

The Auditor-General based on its engagements with the Department of Trade and Industry has improved its audit approach and focus of local content. **the dti** is meeting with the AG's Office next week to further support and deepen research of local content and to discuss challenges that **the dti** encounters in monitoring compliance with local content.

Regarding the oversight on the implementation of the audit plans and key controls measures of **the dti** and its entities, the Director-General instructed action plans to address the audit findings. The Director-General also scheduled quarterly meetings to discuss progress.

the dti will consult National Treasury on additional funding for the SABS. Progress will be reported when **the dti** presents its quarterly financial and non-financial performance to the Committee."

19.6 ICT Governance

Information and Communications Technology (ICT) plays an ever-increasing role as a strategic enabler of public service delivery. To enable Political and Strategic leadership to embrace ICT as an enabler of business, the DPSA developed a Corporate Governance of ICT Policy Framework, which was adopted by Cabinet on 21 November 2012. The Framework requires departments to implement the corporate governance of ICT (CGICT) and Governance of ICT (GICT) as an integral part of its corporate governance arrangements. An Implementation Guideline was developed to support departments with the implementation of the Framework.

Parallel to the government wide process, **the dti** developed its own Corporate Governance ICT

Policy and Charter. As per the framework, the department created and implemented all the required capabilities. This included the appointment of a Governance Champion, an Enterprise Architect and ICT Managers. The CIO fulfils the role as the Government Information Technology Officer.

the dti adopted ITIL and CoBit as its IT Service Management Framework. A Project and Programme Management office and a framework for the management of projects were established. An ICT Security Policy and an ICT Continuity Plan were developed and implemented.

The department ensures that there is alignment between ICT and business through an approved five-year ICT Plan, As-Is Technology and Application Architectures, ICT Procurement Strategy and ICT Annual Performance Plan.

19.7 SCOPA resolutions

No resolutions.

19.8 Prior modifications to audit reports

No prior modifications to audit reports.

19.9 Internal control

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

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

19.10 Internal Audit and Audit Committees

The Internal Audit Unit continued to increase its audit coverage in line with identified risks, and performed more specialist audits in areas such as performance, IT and corporate governance. The majority of the audits focused on incentive administration and audit of Performance Information per quarter for eight divisions as per compliance to legislation from the Department of Performance Monitoring and Evaluation.

An average vacancy rate of 20% existed for 7 months of the financial year, mainly as a result of promotions to other departments and non-filling of vacancies due to the government financial constraints. Forensic audit services were co-sourced to the forensic firm for the three financial years, with the contract ending in July 2018. Forensic audit and internal audit capacity enabled **the dti** and some of its entities to improve internal and risk management controls, and corporate governance processes. **the dti's** internal audit function has scored 100% compliance on its Management Performance Assessment Tool (MPAT) assessment conducted by the Presidency for 2016/17 and 2017/18 years.

R1 042 984.43 was paid to **the dti's** Audit co source service provider, mainly for IT Audit specialist services during the 17/18 year, while R285 912 was paid to the co-sourced forensic service provider.

For the period under review, the Internal Audit Unit spent an estimated 20 700 direct and indirect hours on audit (including in-house forensic investigation) work at **the dti**. A total of 73 internal audit reports, 14 forensic audit reports and 8 forensic case assessments were issued to management and presented to the Audit Committee as at the end of March 2018. Of the remaining six internal audits reports, 2 were deferred to 2018/19, due to Management revising processes, and reprioritised for quarter 2 of 2018/19 as per Audit Committee approval; the General Controls Review (GCR) review was cancelled, as the Auditor General was covering Internal Audits' scope in their 17/18 audit, and the three that related to year-end financial processes, were planned for completion in April.

19.11 Audit Committee

The Audit Committee consists of five independent members who collectively have sufficient qualifications and experience to fulfil their duties. The Audit Committee consists of the members listed hereunder, and meets at least four times per year in terms of its approved charter. During the current year, five meetings were held inclusive of a Special Audit Committee meeting which was convened on 25 January 2018.

Members of the AC

Name	Qualifications	Internal or external	If internal, position in the dti	Date appointed	Date resigned	No. of meetings attended
Mr Sikkie Kajee	MBA, Hons B.Compt	External	N/A	31/08/2013	N/A	4
Mr Oupa Mokgoanthe	Hons. B.Compt Certified Information Systems Auditor (CISA) (Risk Higher Diploma, Computer Auditing)	External	N/A	22/12/2013	N/A	5
Ms Rene van Wyk	Chartered Accountant (CA) (SA) MBA	External	N/A	04/09/2013	N/A	5
Mr Lionel October	M.Sc. (Economics) B.IURIS	Internal	DG	01/01/2011	N/A	3

New AC Members

Name	Qualifications	Internal or external	If internal, position in the dti	Date appointed	Date resigned	No. of meetings attended
Dr P Dala	PhD - Information Technology, Masters of Information Technology, Bachelor of Sciences (Computer Science) Honours (Cum Laude), Bachelor of Information Technology (Cum Laude), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH) and Computer Hacking Forensic Investigator (CHFI)	External	N/A	31/08/2013	N/A	4
Ms S Sekgobela	MSc Economics; BComm Honours in Economics; BComm general; Certificate in Corporate Governance; a Senior Secondary Teacher's Certificate; Executive Leadership Programme certificate	External	N/A	22/12/2013	N/A	4

20. Report of the Audit Committee

In line with its strategic commitment to be a well-governed National Department, **the dti** strives for effective oversight and monitoring of its governance regime. Vital to the achievement of this aim, is a competent and independent Audit Committee.

The Audit Committee confirms that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulations 3.1.13. The Audit Committee also reports that it has an appropriate Audit Committee Charter (including terms of reference) which is reviewed annually. It regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

the dti's Audit Committee is pleased to present its final report for the financial year ended 31 March 2018.

Audit Committee members and attendance

The Audit Committee's terms of reference requires that five (5) independent members, who have sufficient qualifications and experience renders the services associated with the Audit Committee function. During the year under review, four (4) Audit Committee meetings as well as one (1) Special Audit Committee Meeting were held.

The invitees to the Audit Committee meetings include the ExBo Members (DG and DDGs), Chief Operating Officers, Chief Risk Officer, internal and external auditors, the CFO as well as the Acting CIO, and any other executives when necessary.

Names, tenure period, and qualifications of the Audit Committee Members are as follows:

Name	Qualifications	Tenure period (1)	Tenure period (2)	Number of meetings attended	Special meeting
Non-executive members					
Mr Sikkie Kajee (Chairperson)	Chartered Director (SA), MBA, CIA, FCIS and BCompt (Hons)	October 2013 – 2016	October 2016 – 2019	3/4	1/1
Ms Simangele Sekgobela	MSc Economics; BComm Honours in Economics; BComm general; Certificate in Corporate Governance; a Senior Secondary Teacher's Certificate; Executive Leadership Programme certificate	July 2017 – July 2020	27 June 2017 – 2020	3/3	1/1
Ms Rene van Wyk	CA (SA), MBA and BCompt (Hons & CTA) Diploma in Advanced Banking	October 2013 – 2016	October 2016 – 2019	4/4	1/1
Dr Prittish Dala	Bachelor of Sciences (Computer Science) Honours (Cum Laude); Certified Information Systems Auditor (CISA); Certified Information Security Manager (CISM); Masters of Information Technology; PhD Information Technology	July 2017 – July 2020	27 June 2017 – 2020	3/3	1/1
Mr Oupa Mokgoantle	M.Comm, B.Compt (Hons & CTA), Higher Diplomas in Tax and Computer Auditing, CISA, CRISC	October 2013 – 2016	October 2016 – 2019	4/4	1/1
Executive members					
Mr Lionel October	M.Sc. (Economics) B.IURIS	N/A	N/A	3/4	0/1

Audit Committee responsibility

The Audit Committee is pleased to report that it has complied with its responsibility arising from its terms of reference, including relevant legislative requirements.

The Audit Committee also formalised an annual work plan that assists in carrying out its responsibilities and monitoring progress. The Audit Committee and relevant stakeholders also complete an annual Audit Committee assessment to evaluate the efficiency and effectiveness of the Audit Committee.

For the financial year ended 31 March 2018, the Audit Committee reviewed:

- Quarterly Financial Statements and Performance Reports;
- Unaudited Annual Financial Statements before submission to the Auditor-General SA;
- The appropriateness of accounting policies and procedures;
- The effectiveness of the system of Risk Management;
- Compliance with relevant laws and regulations;
- The system of IT Governance;
- The Annual Report and predetermined objectives prior to submission to the Auditor-General SA and final publication;
- The plans, work and reports of Internal Audit, the Auditor-General and Audit Committee charters.
- The Audit Committee also conducted separate meetings with the assurance providers.

Review and evaluation of the Annual Financial Statements

The Audit Committee had the opportunity to review the final annual financial statements before and after the Auditor-General SA review and discussed them with management. The Audit Committee has the following Comments:

- The accounting policies and practices applied are appropriate;
- We are satisfied that, based on accounting conventions, the financial statements reflect a well-run organisation; and
- Management takes the comments by Internal Audit and Auditor-General SA seriously and is committed about taking the appropriate corrective action.

The Audit Committee wishes to congratulate the Management Team of **the dti** and the Director-General, especially those in the areas of finance, performance and internal audit services, on their continued commitment to the improvement of the internal control environment of **the dti**.

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management report and management's responses thereto;
- Reviewed changes in the accounting policies and practices and;
- Reviewed the Department's compliance with legal and regulatory provisions.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General.

Effectiveness of internal control

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

The Audit Committee has considered the work performed by Internal Audit on a quarterly basis and Internal Audit's tracking of outstanding Audit Findings on a quarterly basis. As noted in certain instances by Internal Audit, certain internal control environment areas needs continuous improvement.

In line with the PFMA requirements relating to the public sector, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the internal controls and processes.

Resolution of internal control weaknesses

The follow-up Internal Audit processes indicated that management is instituting adequate corrective action to address control weaknesses identified.

Overall the Audit Committee is satisfied with the quality and timing of management responses. This is a reflection of the quality of both management and Internal Audit. The Audit Committee is of the view that management is appropriately balancing delivery and continues improvement.

Integrated assurance

The Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management, and concluded that these were adequate to address all significant financial risks facing the business.

The Internal Audit Unit also developed for the Department and its Entities, an Integrated Assurance Strategy and Implementation Plan during 2016/17 and 2017/18 and these will be implemented during 2018/19 going forward.

Internal Audit effectiveness

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

The Internal Audit department has a functional reporting line to the Audit Committee (via the Chairperson) and an administrative reporting line to the Director-General (delegated to Group Chief Operating Officer). The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from Internal Audit on a quarterly basis, assesses the effectiveness of Internal Audit function, and reviews and approves the Internal Audit Operation, Coverage and Three Year Plans.

The Audit Committee is responsible for ensuring that **the dti's** Internal Audit function is independent and has the necessary resources, standing and authority within **the dti** to enable it to discharge its duties. The Internal Audit function's, Internal Audit Coverage and Three Year Rolling Plans were approved by the Audit Committee.

The Audit Committee monitored and challenged, where appropriate, action taken by management with regard to adverse Internal Audit findings.

The Audit Committee has overseen a process by which Internal Audit has performed audits according to a risk-based audit plan where the effectiveness of the risk management and internal controls were evaluated. These evaluations were the main input considered by the Audit Committee in reporting on the effectiveness of internal controls. The Audit Committee is satisfied with the independence and effectiveness of the Internal Audit function. During 2017/18 additional actions were implemented to ensure the Internal Audit function is adequately resourced.

Performance information

The performance information fairly reflects the operations and actual output against planned targets for performance indicators as per the Annual Performance Plan of **the dti** for the financial year ended 31 March 2018.

The performance information has been reported on in accordance with the requirements of the guidelines on annual reports as issued by National Treasury. A system of internal control has been designed to provide reasonable assurance as to the "Integrity and Reliability" of performance information. This includes the quarterly auditing of performance information by the Internal Audit Unit of all APP Targets. An action plan will also be developed by management to address the issues raised by the Auditor-General SA which relates to the reporting of performance information within the coming financial year. These matters will be overseen by the Audit Committee.

Risk management

A separate Risk Management Committee monitors and oversees the control of risk identification throughout **the dti**. One of the Independent Audit Committee Members also represents the Audit Committee during the quarterly Risk Management Committee Meetings.

The Department assessed strategic and operational risks that could have an impact on the achievement of its objectives, both strategically and on a programme level, on a quarterly basis. Risks were prioritised based on its likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes.

Internal Audit also performed their own assessment of the risk environment of the organisation and also included the strategic and operational risks identified by Management as part of this assessment. During 2018/19, the Internal Audit is planning to perform a review of the Updated Risk Management Framework practices and processes.

Governance and ethics

the dti has adopted the corporate governance principles in South Africa applicable to the Public Sector. The Audit Committee continues to monitor the key governance interventions of **the dti** as required. However, due to its nature, there is a need for continued improvement in this area.

There is a focus on Ethics within **the dti** to imbed further enhancements of awareness and understanding of Ethics at all levels within **the dti**. There is an Ethics Committee in place at **the dti**.

Furthermore, **the dti** requires that all members of the Senior Management Services (SMS) complete a financial disclosure declaration on an annual basis. For 2017/18, going forward, all Middle Management Staff are also compelled to complete such disclosures.

Conclusion

The Audit Committee is pleased with the continuing progress made by **the dti** in improving and progressing with the areas outlined in this report. Management is positive in their commitment to good governance and a clean administration.

The Audit Committee noted no significant or material non-compliance with prescribed policies and procedures up to the 31 July 2018. From observations, analyses and reports presented to the Audit Committee by management and assurance providers, including Internal Audit and the Auditor-General SA, as well as the Audit Committee's evaluation of the Risk Management processes, the Audit Committee concludes that the systems of internal control tested were found to be adequate and materially effective for most areas tested. We do however emphasise that in certain instances controls were found to be only partially effective. These require further improvement and we have received assurance that the matter is being addressed. Attention has also been given in addressing prior years concerns noted by the Auditor-General SA.

The Audit Committee wishes to express its appreciation to the management of **the dti**, the Auditor-General SA and Internal Audit who assisted the Audit Committee in performing its functions effectively.

Mr SAH Kajee

Chairperson of the Audit Committee

31 July 2018



21. Report of the Auditor-General to Parliament on Vote 34: the dti

Report on the audit of the Annual Financial Statements

Opinion

1. I have audited the financial statements of the Department of Trade and Industry set out on pages 113 to 247, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Trade and Industry as at 31 March 2018 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999).

Basis for opinion

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

Emphasis of matter

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

Material impairment

7. As disclosed in note 13.5 to the financial statements, material impairment of R32 503 000 was incurred as a result of potential irrecoverable receivables.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 233 to 247 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Department of trade and Industry's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the Annual Performance Report**Introduction and scope**

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the Annual Report
Programme 2: International Trade and Economic Development	66 – 69
Programme 3: Special economic Zones and Economic Transformation	69 – 73
Programme 6: Incentive Development and Administration	82 – 85
Programme 7: Trade Investment South Africa	86 – 89

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

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 63 to 91 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a significant number of targets.

Adjustment of material misstatements

21. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of Programme 2: International Trade and Economic Development. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

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

Internal control deficiencies

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

Other reports

29. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
30. National Treasury requested the Office of the Accountant General (OAG) to conduct a specialised performance audit on the Employment Creation Fund (ECF) for purposes of reporting to the EU donor funders. This will include the financial reconciliation of the donor funds disbursed from National Treasury to the various ECF projects from inception of the project in December 2009 to date. At the end of the reporting period, the performance audit was not yet concluded.

Auditor - General

Pretoria
31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Part D

Financial Statements



22. Appropriation Statement

Appropriation per programme									
Voted funds and direct charges	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administration	814 571	-	(4 669)	809 902	772 696	37 206	95.4%	721 505	699 139
International Trade and Economic Development	119 818	-	1 317	121 135	121 121	14	99.9%	116 070	116 024
Special Economic Zones and Economic Transformation	118 410	-	(9 473)	108 937	95 699	13 238	87.8%	112 492	97 589
Industrial Development	1 819 277	-	23 655	1 842 932	1 838 839	4 093	99.8%	1 722 289	1 722 245
Consumer and Corporate Regulation	298 629	-	153	298 782	298 706	76	99.9%	295 763	295 381
Incentive Development and Administration	5 674 419	-	(37 760)	5 636 659	5 600 528	36 131	99.4%	6 896 306	6 895 186
Trade Export South Africa	425 204	-	31 492	456 696	456 154	542	99.9%	455 836	454 588
Investment South Africa	72 859	-	(4 715)	68 144	64 505	3 639	94.7%	69 256	69 244
Total	9 343 187	-	-	9 343 187	9 248 248	94 939	99.0%	10 389 517	10 349 396
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				106 646				98 092	
Aid assistance				-				331 294	
Actual amounts per Statement of Financial Performance (total revenue)				9 449 833				10 818 903	
Add:									
Aid assistance									295 647
Actual amounts per Statement of Financial Performance Expenditure					9 248 248				10 645 043

Appropriation per economic classification	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 663 642	(6 170)	(4 121)	1 653 351	1 590 517	62 834	96.2%	1 544 854	1 505 485
Compensation of employees	947 719	-	-	947 719	946 790	929	99.9%	930 311	915 498
Salaries and wages	809 620	24 317	9 741	843 678	843 419	259	99.9%	826 541	815 824
Social contributions	138 099	(24 317)	(9 741)	104 041	103 371	670	99.4%	103 770	99 674
Goods and services	715 923	(6 170)	(4 121)	705 632	643 727	61 905	91.2%	614 543	589 987
Administrative fees	7 859	(1 067)	-	6 792	5 900	892	86.9%	2 074	1 989
Advertising	21 279	5 110	(4 000)	22 389	22 045	344	98.5%	16 008	15 993
Minor assets	777	1 680	-	2 457	2 112	345	86.0%	900	801
Audit costs: External	8 384	1 603	-	9 987	9 987	-	100%	9 106	9 105
Bursaries: Employees	3 346	88	-	3 434	3 433	1	99.9%	2 980	2 980
Catering: Departmental activities	4 049	(734)	-	3 315	2 098	1 217	63.3%	2 140	2 085
Communication (goods and services)	10 358	1 648	-	12 006	9 569	2 437	79.7%	10 861	10 660
Computer services	55 276	(6 380)	(1 600)	47 296	43 729	3 567	92.5%	28 895	16 406
Consultants: Business and advisory services	59 550	(11 713)	(2 863)	44 974	21 483	23 491	47.8%	21 819	21 167
Legal services	8 655	2 450	-	11 105	10 500	605	94.6%	20 168	20 124
Contractors	13 883	4 660	457	19 000	16 285	2 715	85.7%	8 925	8 912
Agency and support / outsourced services	-	1 330	-	1 330	1 330	-	100%	1 832	1 830
Entertainment	1 026	746	-	1 772	1 321	451	74.5%	1 112	1 086
Fleet services (including government motor transport)	604	997	-	1 601	1 263	338	78.9%	801	766
Housing	6	(6)	-	-	-	-	-	-	-

Appropriation per economic classification	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	1 666	240	-	1 906	914	992	48.0%	948	880
Consumable: Stationery, printing and office supplies	10 246	62	(1 000)	9 308	7 761	1 547	83.4%	12 475	11 105
Operating leases	322 398	3 948	(113)	326 233	322 401	3 832	98.8%	306 979	305 848
Property payments	9 786	(806)	-	8 980	8 462	518	94.2%	15 024	14 737
Transport provided: Departmental activity	5	-	-	5	-	5	-	1	1
Travel and subsistence	108 144	(42)	4 247	112 349	99 058	13 291	88.2%	93 056	88 828
Training and development	9 232	1 893	-	11 125	9 942	1 183	89.4%	7 410	3 921
Operating payments	33 260	(9 307)	12	23 965	22 127	1 838	92.3%	25 891	25 702
Venues and facilities	21 151	(58)	459	21 552	19 738	1 814	91.6%	23 089	23 013
Rental and hiring	4 983	(2 512)	280	2 751	2 269	482	82.5%	2 049	2 048
Transfers and subsidies	7 656 088	1 077	4 038	7 661 203	7 631 443	29 760	99.6%	8 818 683	8 818 108
Departmental agencies and accounts	727 576	-	-	727 576	727 576	-	100.0%	856 034	856 034
Departmental agencies (non-business entities)	727 576	-	-	727 576	727 576	-	100.0%	856 034	856 034
Higher education institutions	-	-	-	-	-	-	-	3	-
Foreign governments and international organisations	33 256	-	(4 799)	28 457	28 457	-	100.0%	30 203	29 843
Public corporations and private enterprises	6 724 046	-	4 799	6 728 845	6 699 133	29 712	99.6%	7 765 425	7 765 239
Public corporations	2 380 759	890 260	21 799	3 292 818	3 290 641	2 177	99.9%	3 054 153	3 054 149
Subsidies on products and production	-	-	-	-	-	-	-	24 000	28 164
Other transfers to public corporations	2 380 759	890 260	21 799	3 292 818	3 290 641	2 177	99.9%	3 030 153	3 025 985
Private enterprises	4 343 287	(890 260)	(17 000)	3 436 027	3 408 492	27 535	99.2%	4 711 272	4 711 090
Subsidies on products and production	3 997 350	(790 000)	(17 000)	3 190 350	3 171 053	19 297	99.4%	4 441 755	4 441 734

Appropriation per economic classification	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to private enterprises	345 937	(100 260)	-	245 677	237 439	8 238	96.6%	269 517	269 356
Non-profit institutions	169 814	-	4 000	173 814	173 814	-	100.0%	163 107	163 107
Households	1 396	1 077	38	2 511	2 463	48	98.1%	3 911	3 885
Social benefits	1 157	874	14	2 045	2 011	34	98.3%	2 679	2 655
Other transfers to households	239	203	24	466	452	14	97.0%	1 232	1 230
Payments for capital assets	23 457	3 950	83	27 490	25 146	2 344	91.5%	16 279	16 103
Machinery and equipment	20 869	(2 455)	71	18 485	17 059	1 426	92.3%	11 246	11 071
Transport equipment	500	(86)	-	414	414	-	100.0%	2 254	2 254
Other machinery and equipment	20 369	(2 369)	71	18 071	16 645	1 426	92.1%	8 992	8 817
Software and other intangible assets	2 588	6 405	12	9 005	8 087	918	89.8%	5 033	5 032
Payment for financial assets	-	1 143	-	1 143	1 142	1	99.9%	9 701	9 700
Total	9 343 187	-	-	9 343 187	9 248 248	94 939	99.0%	10 389 517	10 349 396

Programme 1: Administration	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1.1 Ministry	32 553	1 669	206	34 428	28 426	6 002	82.6%	29 890	26 170
1.2 Office of the Director-General	119 781	(9 762)	(3 811)	106 208	89 570	16 638	84.3%	96 043	95 955
1.3 Corporate Services	505 421	6 757	5 000	517 178	508 063	9 115	98.2%	460 628	443 702
1.4 Office Accommodation	2 494	-	-	2 494	2 336	158	93.7%	2 869	2 589
1.5 Financial Management	69 508	901	(1 659)	68 750	68 197	553	99.2%	61 852	60 571
1.6 Media and Public Relations	10 429	435	-	10 864	9 413	1 451	86.6%	9 075	9 065
1.7 Marketing Communication and Stakeholder Relations	74 385	-	(4 405)	69 980	66 691	3 289	95.3%	61 148	61 087
	814 571	-	(4 669)	809 902	772 696	37 206	95.4%	721 505	699 139
Economic classification									
Current payments	796 819	(5 523)	(7 577)	783 719	747 549	36 170	95.4%	709 575	687 246
Compensation of employees	289 592	-	(5 277)	284 315	283 738	577	99.8%	269 980	269 929
Salaries and wages	250 196	2 028	(2 681)	249 543	249 332	211	99.9%	237 899	237 878
Social contributions	39 396	(2 028)	(2 596)	34 772	34 406	366	98.9%	32 081	32 051
Goods and services	507 227	(5 523)	(2 300)	499 404	463 811	35 593	92.9%	439 595	417 317
Administrative fees	5 371	(1 478)	-	3 893	3 124	769	80.2%	1 190	1 187
Advertising	19 989	3 733	(4 000)	19 722	19 491	231	98.8%	14 351	14 346
Minor assets	438	1 400	-	1 838	1 503	335	81.8%	569	562
Audit costs: External	8 384	1 603	-	9 987	9 987	-	100.0%	9 106	9 105
Bursaries: Employees	3 327	107	-	3 434	3 433	1	99.9%	2 980	2 980
Catering: Departmental activities	1 683	(17)	-	1 666	746	920	44.8%	1 151	1 123

Appropriation per economic classification	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (goods and services)	7 522	1 351	-	8 873	7 246	1 627	81.7%	6 907	6 847
Computer services	45 983	(4 966)	3 400	44 417	42 762	1 655	96.3%	27 938	15 450
Consultants: Business and advisory services	29 912	(9 597)	-	20 315	8 568	11 747	42.2%	9 058	9 050
Legal services	4 940	(52)	-	4 888	4 631	257	94.7%	14 064	14 059
Contractors	8 570	6 705	-	15 275	13 170	2 105	86.2%	6 560	6 550
Agency and support / outsourced services	-	1 043	-	1 043	1 043	-	100.0%	1 663	1 663
Entertainment	94	1	-	95	11	84	11.6%	23	15
Fleet services (including government motor transport)	286	(17)	-	269	40	229	14.9%	50	39
Consumable supplies	1 147	51	-	1 198	316	882	26.4%	308	286
Consumables: Stationery, printing and office supplies	8 007	72	(1 000)	7 079	6 108	971	86.3%	11 432	10 122
Operating leases	291 184	748	-	291 932	290 453	1 479	99.5%	276 038	275 285
Property payments	8 307	(2 836)	-	5 471	5 304	167	96.9%	7 220	6 937
Travel and subsistence	29 622	(2 692)	(700)	26 230	17 031	9 199	64.9%	20 618	16 893
Training and development	7 627	1 648	-	9 275	8 299	976	89.5%	6 413	2 924
Operating payments	12 109	(4 116)	-	7 993	7 199	794	90.1%	6 371	6 343
Venues and facilities	7 974	4 896	-	12 870	12 185	685	94.7%	13 832	13 799
Rental and hiring	4 751	(3 110)	-	1 641	1 161	480	70.7%	1 753	1 752
Transfers and subsidies	96	483	112	691	672	19	97.3%	2 659	2 643
Households	96	483	112	691	672	19	97.3%	2 659	2 643
Social benefits	57	351	112	520	503	17	96.7%	1 727	1 713
Other transfers to households	39	132	-	171	169	2	98.8%	932	930

Appropriation per economic classification	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	17 656	3 950	2 796	24 402	23 385	1 017	95.8%	9 271	9 250
Machinery and equipment	15 068	(2 436)	2 784	15 416	15 317	99	99.4%	4 913	4 893
Transport equipment	-	-	-	-	-	-	-	1 250	1 250
Other machinery and equipment	15 068	(2 436)	2 784	15 416	15 317	99	99.4%	3 663	3 643
Software and other intangible assets	2 588	6 386	12	8 986	8 068	918	89.8%	4 358	4 357
Payments for financial assets	-	1 090	-	1 090	1 090	-	100.0%	-	-
Total	814 571	-	(4 669)	809 902	772 696	37 206	95.4%	721 505	699 139

Subprogramme: Ministry	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	32 502	1 633	-	34 135	28 142	5 993	82.4%	27 807	24 089
Compensation of employees	17 172	1 669	-	18 841	18 621	220	98.8%	15 838	15 834
Salaries and wages	15 077	1 671	-	16 748	16 746	2	99.9%	14 452	14 451
Social contributions	2 095	(2)	-	2 093	1 875	218	89.6%	1 386	1 383
Goods and services	15 330	(36)	-	15 294	9 521	5 773	62.3%	11 969	8 255
Administrative fees	7	161	-	168	166	2	98.8%	33	32
Minor assets	2	8	-	10	8	2	80.0%	-	-
Catering: Departmental activities	64		-	64	28	36	43.8%	14	13
Communication (goods and services)	892	(5)	-	887	752	135	84.8%	463	461
Consultants: Business and advisory services	-	1	-	1	1	-	100%	19	18
Contractors	36	-	-	36	-	36	-	13	12
Fleet services (including government motor transport)	81	-	-	81	28	53	34.6%	15	14
Consumable supplies	72	-	-	72	6	66	8.3%	6	5
Consumable: Stationery, printing and office supplies	157	-	-	157	5	152	3.2%	4	1

Subprogramme: Ministry	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	776	481	-	1 257	1 256	1	99.9%	1 287	1 285
Property payments	8	-	-	8	-	8	-	9	8
Travel and subsistence	13 184	(816)	-	12 368	7 089	5 279	57.3%	10 033	6 337
Operating payments	19	45	-	64	62	2	96.9%	23	21
Venues and facilities	32	89	-	121	120	1	99.2%	50	48
Transfers and subsidies	4	36	-	40	38	2	95.0%	826	824
Households	4	36	-	40	38	2	95.0%	826	824
Social benefits	-	36	-	36	34	2	94.4%	225	224
Other transfers to households	4	-	-	4	4	-	100.0%	601	600
Payments for capital assets	47	-	206	253	246	7	97.2%	1 257	1 257
Machinery and equipment	47	-	206	253	246	7	97.2%	1 257	1 257
Transport equipment	-	-	-	-	-	-	-	1 250	1 250
Other machinery and equipment	47	-	206	253	246	7	97.2%	7	7
Total	32 553	1 669	206	34 428	28 426	6 002	82.6%	29 890	26 170

Subprogramme: Office of the Director-General	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	118 863	(9 040)	(3 811)	106 012	89 378	16 634	84.3%	94 756	94 678
Compensation of employees	75 156	(1 669)	(3 811)	69 676	69 586	90	99.9%	66 573	66 556
Salaries and wages	64 565	(7)	(1 988)	62 570	62 489	81	99.9%	59 438	59 432
Social contributions	10 591	(1 662)	(1 823)	7 106	7 097	9	99.9%	7 135	7 124
Goods and services	43 707	(7 371)	-	36 336	19 792	16 544	54.5%	28 183	28 122
Administrative fees	2 140	-	-	2 140	1 754	386	82.0%	-	-
Advertising	185	399	-	584	584	-	100.0%	-	-
Minor assets	90	-	-	90	8	82	8.9%	187	183
Catering: Departmental activities	575	(59)	-	516	100	416	19.4%	59	50
Communication (goods and services)	804	-	-	804	82	722	10.2%	512	504
Computer services	446	102	-	548	547	1	99.8%	736	735
Consultants: Business and advisory services	24 241	(6 935)	-	17 306	7 531	9 775	43.5%	7 664	7 660
Legal services	3 175	-	-	3 175	3 172	3	99.9%	10 489	10 487
Contractors	793	(102)	-	691	10	681	1.4%	57	55
Agency and support / outsourced services	-	1 043	-	1 043	1 043	-	100.0%	1 636	1 636
Entertainment	84	-	-	84	5	79	6.0%	10	8
Fleet services (including government motor transport)	158	(18)	-	140	-	140	-	3	2
Consumable supplies	271	(4)	-	267	9	258	3.4%	20	18
Consumables: Stationery, printing and office supplies	1 328	(406)	-	922	300	622	32.5%	907	897

Subprogramme: Office of the Director-General	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	180	-	-	180	73	107	40.6%	90	85
Travel and subsistence	5 685	(680)	-	5 005	3 204	1 801	64.0%	3 851	3 844
Training and development	623	-	-	623	-	623	-	9	9
Operating payments	2 246	(420)	-	1 826	1 262	564	69.1%	1 180	1 178
Venues and facilities	677	(301)	-	376	93	283	24.7%	773	771
Rental and hiring	6	10	-	16	15	1	93.8%	-	-
Transfers and subsidies	-	196	-	196	192	4	98.0%	671	668
Households	-	196	-	196	192	4	98.0%	671	668
Social benefits	-	192	-	192	188	4	97.9%	671	668
Other transfers to households	-	4	-	4	4	-	100.0%	-	-
Payments for capital assets	918	(918)	-	-	-	-	-	616	609
Machinery and equipment	918	(918)	-	-	-	-	-	616	609
Other machinery and equipment	918	(918)	-	-	-	-	-	616	609
Total	119 781	(9 762)	(3 811)	106 208	89 570	16 638	84.3%	96 043	95 955

Subprogramme: Corporate Services	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	489 319	3 017	5 000	497 336	489 156	8 180	98.4%	453 341	436 427
Compensation of employees	115 140	-	-	115 140	115 067	73	99.9%	112 477	112 460
Salaries and wages	100 780	(751)	-	100 029	100 020	9	99.9%	98 639	98 631
Social contributions	14 360	751	-	15 111	15 047	64	99.6%	13 838	13 829
Goods and services	374 179	3 017	5 000	382 196	374 089	8 107	97.9%	340 864	323 967
Administrative fees	2 468	(1 594)	-	874	756	118	86.5%	778	777
Advertising	1 000	1 211	-	2 211	1 987	224	89.9%	1 883	1 882
Minor assets	314	1 404	-	1 718	1 485	233	86.4%	378	375
Bursaries: Employees	3 327	107	-	3 434	3 433	1	99.9%	2 980	2 980
Catering: Departmental activities	136	30	-	166	121	45	72.9%	72	59
Communication (goods and services)	5 295	(196)	-	5 099	4 346	753	85.2%	5 429	5 402
Computer services	42 183	(4 712)	5 000	42 471	40 874	1 597	96.2%	24 985	12 499
Consultants: Business and advisory services	5 559	(2 663)	-	2 896	1 036	1 860	35.8%	549	548
Legal services	1 724	(52)	-	1 672	1 458	214	87.2%	3 571	3 569
Contractors	5 377	8 421	-	13 798	13 124	674	95.1%	6 182	6 181
Agency and support / outsourced services	-	-	-	-	-	-	-	23	23
Entertainment	5	-	-	5	4	1	80.0%	2	-
Fleet services (including government motor transport)	2	1	-	3	2	1	66.7%	4	2
Consumable supplies	630	59	-	689	279	410	40.5%	241	226
Consumables: Stationery, printing and office supplies	75	2 737	-	2 812	2 783	29	99.0%	4 270	4 214

Subprogramme: Corporate Services	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	288 862	46	-	288 908	288 046	862	99.7%	273 589	272 852
Property payments	5 805	(2 836)	-	2 969	2 968	1	99.9%	4 340	4 339
Travel and subsistence	1 995	(542)	-	1 453	1 128	325	77.6%	1 330	1 315
Training and development	6 999	1 648	-	8 647	8 299	348	96.0%	6 404	2 915
Operating payments	2 175	(152)	-	2 023	1 960	63	96.9%	2 604	2 583
Venues and facilities	248	100	-	348	-	348	-	1 250	1 226
Transfers and subsidies	49	208	-	257	248	9	96.5%	787	780
Households	49	208	-	257	248	9	96.5%	787	780
Social benefits	49	119	-	168	160	8	95.2%	582	575
Other transfers to households	-	89	-	89	88	1	98.9%	205	205
Payments for capital assets	16 053	3 532	-	19 585	18 659	926	95.3%	6 500	6 495
Machinery and equipment	13 465	(2 854)	-	10 611	10 603	8	99.9%	2 149	2 145
Other machinery and equipment	13 465	(2 854)	-	10 611	10 603	8	99.9%	2 149	2 145
Software and other intangible assets	2 588	6 386	-	8 974	8 056	918	89.8%	4 351	4 350
Total	505 421	6 757	5 000	517 178	508 063	9 115	98.2%	460 628	443 702

Subprogramme: Office Accommodation	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 494	-	-	2 494	2 336	158	93.7%	2 869	2 589
Goods and services	2 494	-	-	2 494	2 336	158	93.7%	2 869	2 589
Property payments	2 494			2 494	2 336	158	93.7%	2 869	2 589
Total	2 494	-	-	2 494	2 336	158	93.7%	2 869	2 589

Subprogramme: Financial Management	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	68 827	(1 529)	(4 361)	62 937	62 471	466	99.3%	61 543	60 265
Compensation of employees	46 322	(435)	(1 061)	44 826	44 725	101	99.8%	41 823	41 815
Salaries and wages	39 639	96	(426)	39 309	39 213	96	99.8%	36 607	36 602
Social contributions	6 683	(531)	(635)	5 517	5 512	5	99.9%	5 216	5 213
Goods and services	22 505	(1 094)	(3 300)	18 111	17 746	365	98.0%	19 720	18 450
Administrative fees	405	(102)	-	303	260	43	85.8%	379	378
Advertising	22	-	-	22	15	7	68.2%	5	4
Minor assets	32	(12)	-	20	2	18	10.0%	-	-
Audit costs: External	8 384	1 603	-	9 987	9 987	-	100.0%	9 106	9 105
Catering: Departmental activities	4	12	-	16	14	2	87.5%	10	9
Communication (goods and services)	491	1 549	-	2 040	2 037	3	99.9%	326	306
Computer services	3 354	(443)	(1 600)	1 311	1 255	56	95.7%	2 059	2 058
Consultants: Business and advisory services	-	-	-	-	-	-	-	44	44
Legal services	41	-	-	41	1	40	2.4%	4	3
Contractors	2	-	-	2	1	1	50.0%	6	2
Entertainment	3	1	-	4	1	3	25.0%	2	1
Fleet services (including government motor transport)	4	-	-	4	-	4	-	12	8
Consumable supplies	58	(4)	-	54	15	39	27.8%	34	33
Consumables: Stationery, printing and office supplies	6 341	(2 259)	(1 000)	3 082	3 014	68	97.8%	6 227	5 001

Subprogramme: Financial Management	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	618	95	-	713	711	2	99.7%	721	717
Travel and subsistence	2 571	(1 524)	(700)	347	341	6	98.3%	754	751
Operating payments	175	(10)	-	165	92	73	55.8%	31	30
Transfers and subsidies	43	4	112	159	156	3	98.1%	232	230
Households	43	4	112	159	156	3	98.1%	232	230
Social benefits	8	4	112	124	121	3	97.6%	228	226
Other transfers to households	35	-	-	35	35	-	100.0%	4	4
Payments for capital assets	638	1 336	2 590	4 564	4 480	84	98.2%	77	76
Machinery and equipment	638	1 336	2 578	4 552	4 468	84	98.2%	77	76
Other machinery and equipment	638	1 336	2 578	4 552	4 468	84	98.2%	77	76
Software and other intangible assets	-	-	12	12	12	-	100.0%	-	-
Payment for financial assets	-	1 090	-	1 090	1 090	-	100.0%	-	-
Total	69 508	901	(1 659)	68 750	68 197	553	99.2%	61 852	60 571

Subprogramme: Media and Public Relations	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 429	435	-	10 864	9 413	1 451	86.6%	8 762	8 753
Compensation of employees	6 184	435	-	6 619	6 618	1	99.9%	6 308	6 307
Salaries and wages	5 430	339	-	5 769	5 769	-	100.0%	5 504	5 504
Social contributions	754	96	-	850	849	1	99.9%	804	803
Goods and services	4 245	-	-	4 245	2 795	1 450	65.8%	2 454	2 446
Administrative fees	119	145	-	264	76	188	28.8%	-	-
Advertising	-	31	-	31	31	-	100.0%	79	79
Catering: Departmental activities	22	-	-	22	8	14	36.4%	20	20
Communication (goods and services)	-	3	-	3	2	1	66.7%	65	65
Contractors	300	-	-	300	30	270	10.0%	-	-
Entertainment	-	-	-	-	-	-	-	6	5
Fleet services (including government motor transport)	21	-	-	21	4	17	19.0%	7	6
Consumable supplies	-	-	-	-	-	-	-	2	1
Consumables: Stationery, printing and office supplies	100	-	-	100	-	100	-	-	-
Operating leases	167	165	-	332	100	232	30.1%	103	102
Property payments	-	-	-	-	-	-	-	2	1
Travel and subsistence	2 239	870	-	3 109	2 533	576	81.5%	2 155	2 154
Operating payments	1 224	(1 213)	-	11	11	-	100.0%	1	1

Subprogramme: Media and Public Relations	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	53	(1)	-	52	-	52	-	14	12
Transfers and subsidies	-	-	-	-	-	-	-	6	5
Households	-	-	-	-	-	-	-	6	5
Social benefits	-	-	-	-	-	-	-	6	5
Payments for capital assets	-	-	-	-	-	-	-	307	307
Machinery and equipment	-	-	-	-	-	-	-	307	307
Other machinery and equipment	-	-	-	-	-	-	-	307	307
Total	10 429	435	-	10 864	9 413	1 451	86.6%	9 075	9 065

Subprogramme: Marketing Communication and Stakeholder Relations	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	74 385	(39)	(4 405)	69 941	66 653	3 288	95.3%	60 497	60 445
Compensation of employees	29 618	-	(405)	29 213	29 121	92	99.7%	26 961	26 957
Salaries and wages	24 705	680	(267)	25 118	25 095	23	99.9%	23 259	23 258
Social contributions	4 913	(680)	(138)	4 095	4 026	69	98.3%	3 702	3 699
Goods and services	44 767	(39)	(4 000)	40 728	37 532	3 196	92.2%	33 536	33 488
Administrative fees	232	(88)	-	144	112	32	77.8%	-	-
Advertising	18 782	2 092	(4 000)	16 874	16 874	-	100.0%	12 384	12 381
Minor assets	-	-	-	-	-	-	-	4	4
Catering: Departmental activities	882	-	-	882	475	407	53.9%	976	972
Communication (goods and services)	40	-	-	40	27	13	67.5%	112	109
Computer services	-	87	-	87	86	1	98.9%	158	158
Consultants: Business and advisory services	112	-	-	112	-	112	-	782	780
Contractors	2 062	(1 614)	-	448	5	443	1.1%	302	300
Agency and support / outsourced services	-	-	-	-	-	-	-	4	4
Entertainment	2	-	-	2	1	1	50.0%	3	1
Fleet services (including government motor transport)	20	-	-	20	6	14	30.0%	9	7
Consumable supplies	116	-	-	116	7	109	6.0%	5	3
Consumables: Stationery, printing and office supplies	6	-	-	6	6	-	100.0%	24	9
Operating leases	581	(39)	-	542	267	275	49.3%	248	244

Subprogramme: Marketing Communication and Stakeholder Relations	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	3 948	-	-	3 948	2 736	1 212	69.3%	2 495	2 492
Training and development	5	-	-	5	-	5	-	-	-
Operating payments	6 270	(2 366)	-	3 904	3 812	92	97.6%	2 532	2 530
Venues and facilities	6 964	5 009	-	11 973	11 972	1	99.9%	11 745	11 742
Rental and hiring	4 745	(3 120)	-	1 625	1 146	479	70.5%	1 753	1 752
Transfers and subsidies	-	39	-	39	38	1	97.4%	137	136
Households	-	39	-	39	38	1	97.4%	137	136
Social benefits	-	-	-	-	-	-	-	15	15
Other transfers to households	-	39	-	39	38	1	97.4%	122	121
Payments for capital assets	-	-	-	-	-	-	-	514	506
Machinery and equipment	-	-	-	-	-	-	-	507	499
Other machinery and equipment	-	-	-	-	-	-	-	507	499
Software and other intangible assets	-	-	-	-	-	-	-	7	7
Total	74 385	-	(4 405)	69 980	66 691	3 289	95.3%	61 148	61 087

Programme 2: International Trade and Economic Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
2.1 International Trade Development	102 224	70	(2 976)	99 318	99 308	10	100.0%	98 943	98 934
2.2 African Multilateral Economic Development	17 594	(70)	4 293	21 817	21 813	4	100.0%	17 127	17 090
	119 818	-	1 317	121 135	121 121	14	99.9%	116 070	116 024
Economic classification									
Current payments	93 949	-	5 045	98 994	98 981	13	99.9%	92 416	92 371
Compensation of employees	76 863	-	(1 296)	75 567	75 564	3	99.9%	74 158	74 158
Salaries and wages	67 693	351	(1 034)	67 010	67 008	2	99.9%	65 647	65 647
Social contributions	9 170	(351)	(262)	8 557	8 556	1	99.9%	8 511	8 511
Goods and services	17 086	-	6 341	23 427	23 417	10	99.9%	18 258	18 213
Administrative fees	487	(126)	-	361	360	1	99.7%	-	-
Advertising	18	(18)	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	18	18
Catering: Departmental activities	60	(10)	-	50	49	1	98.0%	38	38
Communication (goods and services)	310	(146)	-	164	163	1	99.4%	448	446
Computer services	78	(78)	-	-	-	-	-	-	-
Consultants: Business and advisory services	604	(317)	-	287	286	1	99.7%	288	288
Legal services	-	-	-	-	-	-	-	285	284
Contractors	414	2	457	873	872	1	99.9%	22	21
Agency and support / outsourced services	-	-	-	-	-	-	-	143	142
Entertainment	-	110	-	110	109	1	99.1%	39	37

Programme 2: International Trade and Economic Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	-	-	-	-	-	-	-	5	5
Consumable supplies	10	(6)	-	4	4	-	100.0%	-	-
Consumables: Stationery, printing and office supplies	-	24	-	24	23	1	95.8%	-	-
Operating leases	422	(183)	8	247	246	1	99.6%	218	213
Property payments	3	(2)	-	1	1	-	100.0%	2	1
Travel and subsistence	13 412	947	5 125	19 484	19 483	1	99.9%	12 626	12 597
Operating payments	515	(276)	12	251	250	1	99.6%	2 321	2 320
Venues and facilities	539	(108)	459	890	890	-	100.0%	1 675	1 673
Rental and hiring	214	187	280	681	681	-	100.0%	130	130
Transfers and subsidies	25 247	-	(3 106)	22 141	22 140	1	99.9%	22 970	22 970
Departmental agencies and accounts	1 188	-	-	1 188	1 188	-	100.0%	1 131	1 131
Departmental agencies (non-business entities)	1 188	-	-	1 188	1 188	-	100.0%	1 131	1 131
Foreign governments and international organisations	19 672	-	(3 221)	16 451	16 451	-	100.0%	17 675	17 675
Public corporations and private enterprises	4 373	-	-	4 373	4 372	1	99.9%	4 164	4 164
Public corporations	4 373	-	-	4 373	4 372	1	99.9%	4 164	4 164
Subsidies on products and production	-	-	-	-	-	-	-	-	4 164
Other transfers to public corporations	4 373	-	-	4 373	4 372	1	99.9%	4 164	-

Programme 2: International Trade and Economic Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	14	-	115	129	129	-	100.0%	-	-
Social benefits	14	-	115	129	129	-	100.0%	-	-
Payments for capital assets	622	-	(622)	-	-	-	-	684	683
Machinery and equipment	622	-	(622)	-	-	-	-	684	683
Other machinery and equipment	622	-	(622)	-	-	-	-	684	683
Total	119 818	-	1 317	121 135	121 121	14	99.9%	116 070	116 024

Subprogramme: International Trade Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	76 355	70	752	77 177	77 168	9	100.0%	75 289	75 281
Compensation of employees	63 009	70	(1 034)	62 045	62 044	1	99.9%	61 549	61 549
Salaries and wages	57 470	(1 385)	(1 034)	55 051	55 050	1	99.9%	54 549	54 549
Social contributions	5 539	1 455		6 994	6 994	-	100.0%	7 000	7 000
Goods and services	13 346	-	1 786	15 132	15 124	8	99.9%	13 740	13 732
Administrative fees	260	(75)	-	185	185	-	100.0%	-	-
Advertising	18	(18)	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	18	18
Catering: Departmental activities	45	(1)	-	44	44	-	100.0%	34	34
Communication (goods and services)	285	(121)	-	164	163	1	99.4%	381	380
Computer services	78	(78)	-	-	-	-	-	-	-
Consultants: Business and advisory services	604	(317)		287	286	1	99.7%	288	288
Legal services	-	-	-	-	-	-	-	285	284
Contractors	-	2	-	2	1	1	50.0%	2	1
Entertainment	-	110	-	110	109	1	99.1%	39	37
Consumable supplies	10	(6)	-	4	4	-	100.0%	-	-
Consumables: Stationery, printing and office supplies	-	24	-	24	23	1	95.8%	-	-
Operating leases	267	(100)	-	167	166	1	99.4%	153	152
Property payments	-	-	-	-	-	-	-	2	1
Travel and subsistence	10 635	947	1 775	13 357	13 356	1	99.9%	9 566	9 566

Subprogramme: International Trade Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	504	(283)	11	232	231	1	99.6%	2 318	2 318
Venues and facilities	426	(191)	-	235	235	-	100.0%	524	523
Rental and hiring	214	107	-	321	321	-	100.0%	130	130
Transfers and subsidies	25 247	-	(3 106)	22 141	22 140	1	99.9%	22 970	22 970
Departmental agencies and accounts	1 188	-	-	1 188	1 188	-	100.0%	1 131	1 131
Departmental agencies (non-business entities)	1 188	-	-	1 188	1 188	-	100.0%	1 131	1 131
Foreign governments and international organisations	19 672	-	(3 221)	16 451	16 451	-	100.0%	17 675	17 675
Public corporations and private enterprises	4 373	-	-	4 373	4 372	1	99.9%	4 164	4 164
Public corporations	4 373	-	-	4 373	4 372	1	99.9%	4 164	4 164
Subsidies on products and production	-	-	-	-	-	-	-	-	4 164
Other transfers to public corporations	4 373	-	-	4 373	4 372	1	99.9%	4 164	-
Households	14	-	115	129	129	-	100.0%	-	-
Social benefits	14	-	115	129	129	-	100.0%	-	-
Payments for capital assets	622	-	(622)	-	-	-	-	684	683
Machinery and equipment	622	-	(622)	-	-	-	-	684	683
Other machinery and equipment	622	-	(622)	-	-	-	-	684	683
Total	102 224	70	(2 976)	99 318	99 308	10	99.9%	98 943	98 934

Subprogramme: African Multilateral Economic Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 594	(70)	4 293	21 817	21 813	4	100.0%	17 127	17 090
Compensation of employees	13 854	(70)	(262)	13 522	13 520	2	99.9%	12 609	12 609
Salaries and wages	10 223	1 736		11 959	11 958	1	99.9%	11 098	11 098
Social contributions	3 631	(1 806)	(262)	1 563	1 562	1	99.9%	1 511	1 511
Goods and services	3 740	-	4 555	8 295	8 293	2	99.9%	4 518	4 481
Administrative fees	227	(51)	-	176	175	1	99.4%	-	-
Catering: Departmental activities	15	(9)	-	6	5	1	83.3%	4	4
Communication (goods and services)	25	(25)		-	-	-	-	67	66
Contractors	414	-	457	871	871	-	100.0%	20	20
Agency and support / outsourced services	-	-	-	-	-	-	-	143	142
Fleet services (including government motor transport)	-	-	-	-	-	-	-	5	5
Operating leases	155	(83)	8	80	80	-	100.0%	65	61
Property payments	3	(2)	-	1	1	-	100.0%	-	-
Travel and subsistence	2 777	-	3 350	6 127	6 127	-	100.0%	3 060	3 031

Subprogramme: African Multilateral Economic Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	11	7	1	19	19	-	100.0%	3	2
Operating payments	113	83	459	655	655	-	100.0%	1 151	1 150
Operating payments	-	80	280	360	360	-	100.0%	-	-
Total	17 594	(70)	4 293	21 817	21 813	4	99.9%	17 127	17 090

Programme 3: Special Economic Zones and Economic Transformation	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
3.1 Enterprise Competitiveness	31 198	(714)	(4 473)	26 011	24 986	1 025	96.1%	26 687	24 942
3.2 Equity and Empowerment	42 597	5 633	(5 000)	43 230	32 010	11 220	74.0%	40 709	32 166
3.3 Spatial Industrial Economic Development (Special Economic Zones)	44 615	(4 919)	-	39 696	38 703	993	97.5%	45 096	40 481
	118 410	-	(9 473)	108 937	95 699	13 238	87.8%	112 492	97 589
Economic classification									
Current payments	105 020	(171)	(9 473)	95 376	82 800	12 576	86.8%	89 245	74 495
Compensation of employees	71 025	-	(4 473)	66 552	66 334	218	99.7%	73 573	60 349
Salaries and wages	59 332	4 003	(3 473)	59 862	59 847	15	99.9%	63 857	53 998
Social contributions	11 693	(4 003)	(1 000)	6 690	6 487	203	97.0%	9 716	6 351
Goods and services	33 995	(171)	(5 000)	28 824	16 466	12 358	57.1%	15 672	14 146
Administrative fees	290	209	-	499	483	16	96.8%	76	-
Advertising	144	30	-	174	129	45	74.1%	365	359
Minor assets	271	235	-	506	505	1	99.8%	127	43
Catering: Departmental activities	417	(134)	-	283	209	74	73.9%	270	250
Communication (goods and services)	290	(78)	-	212	52	160	24.5%	382	258
Computer services	8 661	(1 752)	(5 000)	1 909	-	1 909	-	-	-
Consultants: Business and advisory services	8 167	(1 055)	-	7 112	1 794	5 318	25.2%	4 863	4 223
Legal services	519	-	-	519	173	346	33.3%	594	557
Contractors	-	504	-	504	430	74	85.3%	319	318
Entertainment	10	360	-	370	38	332	10.3%	15	1

Programme 3: Special Economic Zones and Economic Transformation	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	48	3	-	51	11	40	21.6%	27	18
Consumable supplies	128	83	-	211	154	57	73.0%	57	37
Consumables: Stationery, printing and office supplies	1 034	5	-	1 039	507	532	48.8%	282	238
Operating leases	2 174	34	-	2 208	161	2 047	7.3%	109	106
Travel and subsistence	8 616	1 313	-	9 929	9 928	1	99.9%	7 012	6 753
Training and development	464	-	-	464	258	206	55.6%	238	238
Operating payments	1 657	(72)	-	1 585	723	862	45.6%	349	197
Venues and facilities	1 105	119	-	1 224	887	337	72.5%	583	546
Rental and hiring	-	25	-	25	24	1	96.0%	4	4
Transfers and subsidies	12 292	171	-	12 463	12 461	2	99.9%	11 687	11 683
Departmental agencies and accounts	8 949	-	-	8 949	8 949	-	100.0%	8 523	8 523
Departmental agencies (non-business entities)	8 949	-	-	8 949	8 949	-	100.0%	8 523	8 523
Public corporations and private enterprises	1 738	-	-	1 738	1 738	-	100.0%	1 655	1 655
Public corporations	1 738	-	-	1 738	1 738	-	100.0%	1 655	1 655
Other transfers to public corporations	1 738	-	-	1 738	1 738	-	100.0%	1 655	1 655
Non-profit institutions	1 500	-	-	1 500	1 500	-	100.0%	1 000	1 000

Programme 3: Special Economic Zones and Economic Transformation	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	105	171	-	276	274	2	99.3%	509	505
Social benefits	5	188	-	193	192	1	99.5%	309	305
Other transfers to households	100	(17)	-	83	82	1	98.8%	200	200
Payments for capital assets	1 098	-	-	1 098	438	660	39.9%	1 875	1 726
Machinery and equipment	1 098	(19)	-	1 079	419	660	38.8%	1 200	1 051
Other machinery and equipment	1 098	(19)	-	1 079	419	660	38.8%	1 200	1 051
Software and other intangible assets	-	19	-	19	19	-	100.0%	675	675
Payments for financial assets	-	-	-	-	-	-	-	9 685	9 685
Total	118 410	-	(9 473)	108 937	95 699	13 238	87.8%	112 492	97 589

Subprogramme: Enterprise Competitiveness	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	20 511	(714)	(4 473)	15 324	14 299	1 025	93.3%	16 404	14 662
Compensation of employees	18 540	(714)	(4 473)	13 353	13 210	143	98.9%	13 889	12 745
Salaries and wages	15 988	(711)	(3 473)	11 804	11 804	-	100.0%	11 364	11 363
Social contributions	2 552	(3)	(1 000)	1 549	1 406	143	90.8%	2 525	1 382
Goods and services	1 971	-	-	1 971	1 089	882	55.3%	2 515	1 917
Administrative fees	117	-	-	117	103	14	88.0%	17	-
Minor assets	1	-	-	1	-	1	-	7	2
Catering: Departmental activities	48	(30)	-	18	6	12	33.3%	40	20
Communication (goods and services)	48	-	-	48	-	48	-	94	7
Consultants: Business and advisory services	1 000	(280)	-	720	-	720	-	1 171	1 107
Contractors	-	72	-	72	-	72	-	-	-
Entertainment	2	-	-	2	-	2	-	2	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	8	-
Consumable supplies	5	-	-	5	1	4	20.0%	8	-
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	21	-
Operating leases	39	30	-	69	69	-	100.0%	27	27

Subprogramme: Enterprise Competitiveness	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	660	208	-	868	867	1	99.9%	1 009	754
Operating payments	-	-	-	-	-	-	-	94	-
Venues and facilities	51	-	-	51	43	8	84.3%	17	-
Transfers and subsidies	10 687	-	-	10 687	10 687	-	100.0%	10 283	10 280
Departmental agencies and accounts	8 949	-	-	8 949	8 949	-	100.0%	8 523	8 523
Departmental agencies (non-business entities)	8 949	-	-	8 949	8 949	-	100.0%	8 523	8 523
Public corporations and private enterprises	1 738	-	-	1 738	1 738	-	100.0%	1 655	1 655
Public corporations	1 738	-	-	1 738	1 738	-	100.0%	1 655	1 655
Other transfers to public corporations	1 738	-	-	1 738	1 738	-	100.0%	1 655	1 655
Households	-	-	-	-	-	-	-	105	102
Social benefits	-	-	-	-	-	-	-	5	2
Other transfers to households	-	-	-	-	-	-	-	100	100
Total	31 198	(714)	(4 473)	26 011	24 986	1 025	96.1%	26 687	24 942

Subprogramme: Equity and Empowerment	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	40 574	5 571	(5 000)	41 145	29 930	11 215	72.7%	28 383	19 989
Compensation of employees	15 410	5 614	-	21 024	20 991	33	99.8%	21 520	13 869
Salaries and wages	12 253	7 114	-	19 367	19 367	-	100.0%	18 421	12 398
Social contributions	3 157	(1 500)	-	1 657	1 624	33	98.0%	3 099	1 471
Goods and services	25 164	(43)	(5 000)	20 121	8 939	11 182	44.4%	6 863	6 120
Administrative fees	88	92	-	180	179	1	99.4%	-	-
Advertising	100	30	-	130	129	1	99.2%	359	359
Minor assets	270	235	-	505	505	-	100.0%	109	30
Catering: Departmental activities	197	-	-	197	135	62	68.5%	177	177
Communication (goods and services)	76	-	-	76	16	60	21.1%	18	18
Computer services	8 661	(1 752)	(5 000)	1 909	-	1 909	-	-	-
Consultants: Business and advisory services	6 009	-	-	6 009	1 450	4 559	24.1%	2 376	1 800
Legal services	450	-	-	450	173	277	38.4%	182	146
Contractors	-	360	-	360	359	1	99.7%	316	315
Entertainment	3	360	-	363	38	325	10.5%	10	1
Fleet services (including government motor transport)	-	3	-	3	3	-	100.0%	3	3
Consumable supplies	108	83	-	191	146	45	76.4%	39	36
Consumables: Stationery, printing and office supplies	1 024	-	-	1 024	492	532	48.0%	249	228
Operating leases	2 082	-	-	2 082	36	2 046	1.7%	19	18
Travel and subsistence	3 244	521	-	3 765	3 765	-	100.0%	2 092	2 091
Training and development	464	-	-	464	258	206	55.6%	238	238

Subprogramme: Equity and Empowerment	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	1 487	-	-	1 487	658	829	44.3%	212	197
Venues and facilities	901	-	-	901	573	328	63.6%	460	459
Rental and hiring	-	25	-	25	24	1	96.0%	4	4
Transfers and subsidies	1 600	43	-	1 643	1 642	1	99.9%	1 195	1 195
Non-profit institutions	1 500	-	-	1 500	1 500	-	100.0%	1 000	1 000
Households	100	43	-	143	142	1	99.3%	195	195
Social benefits	-	60	-	60	60	-	100.0%	195	195
Other transfers to households	100	(17)	-	83	82	1	98.8%	-	-
Payments for capital assets	423	19	-	442	438	4	99.1%	1 446	1 297
Machinery and equipment	423	-	-	423	419	4	99.1%	771	622
Other machinery and equipment	423	-	-	423	419	4	99.1%	771	622
Software and other intangible assets	-	19	-	19	19	-	100.0%	675	675
Payments for financial assets	-	-	-	-	-	-	-	9 685	9 685
Total	42 597	5 633	(5 000)	43 230	32 010	11 220	74.0%	40 709	32 166

Subprogramme: Spatial Industrial Economic Development (Special Economic Zones)	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	43 935	(5 028)	-	38 907	38 571	336	99.1%	44 458	39 844
Compensation of employees	37 075	(4 900)	-	32 175	32 133	42	99.9%	38 164	33 735
Salaries and wages	31 091	(2 400)	-	28 691	28 676	15	99.9%	34 072	30 237
Social contributions	5 984	(2 500)	-	3 484	3 457	27	99.2%	4 092	3 498
Goods and services	6 860	(128)	-	6 732	6 438	294	95.6%	6 294	6 109
Administrative fees	85	117	-	202	201	1	99.5%	59	-
Advertising	44	-	-	44	-	44	-	6	-
Minor assets	-	-	-	-	-	-	-	11	11
Catering: Departmental activities	172	(104)	-	68	68	-	100.0%	53	53
Communication (goods and services)	166	(78)	-	88	36	52	40.9%	270	233
Consultants: Business and advisory services	1 158	(775)	-	383	344	39	89.8%	1 316	1 316
Legal services	69	-	-	69	-	69	-	412	411
Contractors	-	72	-	72	71	1	98.6%	3	3
Entertainment	5	-	-	5	-	5	-	3	-
Fleet services (including government motor transport)	48	-	-	48	8	40	16.7%	16	15
Consumable supplies	15	-	-	15	7	8	46.7%	10	1
Consumables: Stationery, printing and office supplies	10	5	-	15	15	-	100.0%	12	10
Operating leases	53	4	-	57	56	1	98.2%	63	61
Travel and subsistence	4 712	584	-	5 296	5 296	-	100.0%	3 911	3 908

Subprogramme: Spatial Industrial Economic Development (Special Economic Zones)	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	170	(72)	-	98	65	33	66.3%	43	-
Venues and facilities	153	119	-	272	271	1	99.6%	106	87
Transfers and subsidies	5	128	-	133	132	1	99.2%	209	208
Households	5	128	-	133	132	1	99.2%	209	208
Social benefits	5	128		133	132	1	99.2%	109	108
Other transfers to households	-	-	-	-	-	-	-	100	100
Payments for capital assets	675	(19)	-	656	-	656	-	429	429
Machinery and equipment	675	(19)	-	656	-	656	-	429	429
Other machinery and equipment	675	(19)	-	656	-	656	-	429	429
Total	44 615	(4 919)	-	39 696	38 703	993	97.5%	45 096	40 481

Programme 4: Industrial Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
4.1 Industrial Competitiveness	803 617	1 141	19 948	824 706	822 899	1 807	99.8%	685 218	685 193
4.2 Customised Sector Programmes	1 015 660	(1 141)	3 707	1 018 226	1 015 940	2 286	99.8%	1 037 071	1 037 052
	1 819 277	-	23 655	1 842 932	1 838 839	4 093	99.8%	1 722 289	1 722 245
Economic classification									
Current payments	120 281	(117)	4 220	124 384	120 291	4 093	96.7%	112 061	112 027
Compensation of employees	106 509	-	4 220	110 729	110 727	2	100.0%	101 880	101 878
Salaries and wages	90 673	4 146	4 220	99 039	99 038	1	99.9%	90 765	90 763
Social contributions	15 836	(4 146)	-	11 690	11 689	1	99.9%	11 115	11 115
Goods and services	13 772	(117)	-	13 655	9 564	4 091	70.0%	10 181	10 149
Administrative fees	421	52	-	473	443	30	93.7%	-	-
Advertising	4	-	-	4	-	4	-	-	-
Minor assets	2	-	-	2	2	-	100.0%	8	7
Catering: Departmental activities	345	(55)	-	290	117	173	40.3%	93	91
Communication (goods and services)	728	(40)	-	688	142	546	20.6%	398	396
Consultants: Business and advisory services	-	-	-	-	-	-	-	1 009	1 009
Legal services	-	-	-	-	-	-	-	125	125
Contractors	-	9	-	9	9	-	100.0%	-	-
Entertainment	6	67	-	73	72	1	98.6%	1	1
Fleet services (including government motor transport)	8	-	-	8	2	6	25.0%	4	3
Consumable supplies	48	1	-	49	11	38	22.4%	13	6

Programme 4: Industrial Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumables: Stationery, printing and office supplies	-	3	-	3	2	1	66.7%	102	96
Operating leases	193	155	-	348	317	31	91.1%	315	313
Travel and subsistence	9 847	(155)	-	9 692	6 851	2 841	70.7%	6 238	6 230
Operating payments	558	337	-	895	893	2	99.8%	1 620	1 618
Venues and facilities	1 612	(491)	-	1 121	703	418	62.7%	255	254
Transfers and subsidies	1 698 177	117	20 254	1 718 548	1 718 548	-	100.0%	1 609 671	1 609 662
Departmental agencies and accounts	411 861	-	-	411 861	411 861	-	100.0%	372 819	372 819
Departmental agencies (non-business entities)	411 861	-	-	411 861	411 861	-	100.0%	372 819	372 819
Higher education institutions	-	-	-	-	-	-	-	3	-
Foreign governments and international organisations	8 411	-	(746)	7 665	7 665	-	100.0%	7 601	7 600
Public corporations and private enterprises	1 109 583	-	17 000	1 126 583	1 126 583	-	100.0%	1 066 971	1 066 967
Public corporations	1 109 583	-	17 000	1 126 583	1 126 583	-	100.0%	1 066 971	1 066 967
Other transfers to public corporations	1 109 583	-	17 000	1 126 583	1 126 583	-	100.0%	1 066 971	1 066 967
Non-profit institutions	168 314	-	4 000	172 314	172 314	-	100.0%	162 107	162 107

Programme 4: Industrial Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	8	117	-	125	125	-	100.0%	170	169
Social benefits	8	109	-	117	117	-	100.0%	170	169
Other transfers to households	-	8	-	8	8	-	100.0%	-	-
Payments for capital assets	819	-	(819)	-	-	-	-	557	556
Machinery and equipment	819	-	(819)	-	-	-	-	557	556
Other machinery and equipment	819	-	(819)	-	-	-	-	557	556
Total	1 819 277	-	23 655	1 842 932	1 838 839	4 093	99.8%	1 722 289	1 722 245

Subprogramme: Industrial Competitiveness	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	43 508	1 101	-	44 609	42 802	1 807	95.9%	37 607	37 588
Compensation of employees	37 922	1 141	-	39 063	39 062	1	99.9%	34 420	34 419
Salaries and wages	32 247	2 977	-	35 224	35 223	1	99.9%	30 895	30 894
Social contributions	5 675	(1 836)	-	3 839	3 839	-	100.0%	3 525	3 525
Goods and services	5 586	(40)	-	5 546	3 740	1 806	67.4%	3 187	3 169
Administrative fees	196	52	-	248	247	1	99.6%	-	-
Minor assets	-	-	-	-	-	-	-	8	7
Catering: Departmental activities	215	-	-	215	77	138	35.8%	34	33
Communication (goods and services)	283	(40)	-	243	59	184	24.3%	251	250
Consultants: Business and advisory services	-	-	-	-	-	-	-	268	268
Legal services	-	-	-	-	-	-	-	124	124
Contractors	-	9	-	9	9	-	100.0%	-	-
Entertainment	6	67	-	73	72	1	98.6%	1	1
Fleet services (including government motor transport)	6	-	-	6	-	6	-	-	-
Consumable supplies	8	1	-	9	8	1	88.9%	9	2
Consumables: Stationery, printing and office supplies	-	3	-	3	2	1	66.7%	100	96
Operating leases	54	-	-	54	23	31	42.6%	25	24
Travel and subsistence	3 237	-	-	3 237	2 190	1 047	67.7%	1 914	1 913

Subprogramme: Industrial Competitiveness	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	69	282	-	351	350	1	99.7%	432	431
Venues and facilities	1 512	(414)	-	1 098	703	395	64.0%	21	20
Transfers and subsidies	759 803	40	20 254	780 097	780 097	-	100.0%	647 395	647 389
Departmental agencies and accounts	411 861	-	-	411 861	411 861	-	100.0%	372 819	372 819
Departmental agencies (non-business entities)	411 861	-	-	411 861	411 861	-	100.0%	372 819	372 819
Foreign governments and international organisations	8 411	-	(746)	7 665	7 665	-	100.0%	7 601	7 600
Public corporations and private enterprises	285 494	-	17 000	302 494	302 494	-	100.0%	212 365	212 361
Public corporations	285 494	-	17 000	302 494	302 494	-	100.0%	212 365	212 361
Other transfers to public corporations	285 494	-	17 000	302 494	302 494	-	100.0%	212 365	212 361
Non-profit institutions	54 034	-	4 000	58 034	58 034	-	100.0%	54 580	54 580
Households	3	40	-	43	43	-	100.0%	30	29
Social benefits	3	36	-	39	39	-	100.0%	30	29
Other transfers to households	-	4	-	4	4	-	100.0%	-	-
Payments for capital assets	306	-	(306)	-	-	-	-	216	216
Machinery and equipment	306	-	(306)	-	-	-	-	216	216
Other machinery and equipment	306	-	(306)	-	-	-	-	216	216
Total	803 617	1 141	19 948	824 706	822 899	1 807	99.8%	685 218	685 193

Subprogramme: Customised Sector Programmes	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	76 773	(1 218)	4 220	79 775	77 489	2 286	97.1%	74 454	74 439
Compensation of employees	68 587	(1 141)	4 220	71 666	71 665	1	99.9%	67 460	67 459
Salaries and wages	58 426	1 169	4 220	63 815	63 815	-	100.0%	59 870	59 869
Social contributions	10 161	(2 310)		7 851	7 850	1	99.9%	7 590	7 590
Goods and services	8 186	(77)	-	8 109	5 824	2 285	71.8%	6 994	6 980
Administrative fees	225	-	-	225	196	29	87.1%	-	-
Advertising	4	-	-	4	-	4	-	-	-
Minor assets	2	-	-	2	2	-	100.0%	-	-
Catering: Departmental activities	130	(55)	-	75	40	35	53.3%	59	58
Communication (goods and services)	445	-	-	445	83	362	18.7%	147	146
Consultants: Business and advisory services	-	-	-	-	-	-	-	741	741
Legal services	-	-	-	-	-	-	-	1	1
Fleet services (including government motor transport)	2	-	-	2	2	-	100.0%	4	3
Consumable supplies	40	-	-	40	3	37	7.5%	4	4
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	2	
Operating leases	139	155	-	294	294	-	100.0%	290	289
Travel and subsistence	6 610	(155)	-	6 455	4 661	1 794	72.2%	4 324	4 317

Subprogramme: Customised Sector Programmes	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	489	55	-	544	543	1	99.8%	1 188	1 187
Venues and facilities	100	(77)	-	23	-	23	-	234	234
Transfers and subsidies	938 374	77	-	938 451	938 451	-	100.0%	962 276	962 273
Higher education institutions	-	-	-	-	-	-	-	3	-
Public corporations and private enterprises	824 089	-	-	824 089	824 089	-	100.0%	854 606	854 606
Public corporations	824 089	-	-	824 089	824 089	-	100.0%	854 606	854 606
Other transfers to public corporations	824 089	-	-	824 089	824 089	-	100.0%	854 606	854 606
Non-profit institutions	114 280	-	-	114 280	114 280	-	100.0%	107 527	107 527
Households	5	77	-	82	82	-	100.0%	140	140
Social benefits	5	73	-	78	78	-	100.0%	140	140
Other transfers to households	-	4	-	4	4	-	100.0%	-	-
Payments for capital assets	513	-	(513)	-	-	-	-	341	340
Machinery and equipment	513	-	(513)	-	-	-	-	341	340
Other machinery and equipment	513	-	(513)	-	-	-	-	341	340
Total	1 015 660	(1 141)	3 707	1 018 226	1 015 940	2 286	99.8%	1 037 071	1 037 052

Programme 5: Consumer and Corporate Regulation	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
5.1 Policy and Legislative Development	20 092	(1 421)	25	18 696	18 689	7	99.9%	17 177	17 168
5.2 Enforcement and Compliance	36 821	2 646	439	39 906	39 881	25	99.9%	40 281	40 273
5.3 Regulatory Services	241 716	(1 225)	(311)	240 180	240 136	44	99.9%	238 305	237 940
	298 629	-	153	298 782	298 706	76	99.9%	295 763	295 381
Economic classification									
Current payments	71 557	(90)	1 062	72 529	72 488	41	99.9%	73 080	73 058
Compensation of employees	57 558	-	1 037	58 595	58 593	2	99.9%	59 586	59 582
Salaries and wages	50 916	235	852	52 003	52 003	-	100.0%	52 842	52 839
Social contributions	6 642	(235)	185	6 592	6 590	2	99.9%	6 744	6 743
Goods and services	13 999	(90)	25	13 934	13 895	39	99.7%	13 494	13 476
Administrative fees	315	(85)	-	230	228	2	99.1%	4	3
Advertising	614	838	-	1 452	1 450	2	99.9%	693	692
Minor assets	9	(6)	-	3	2	1	66.7%	3	-
Catering: Departmental activities	853	(229)	-	624	622	2	99.7%	304	303
Communication (goods and services)	115	(59)	-	56	54	2	96.4%	194	192
Computer services	-	39	-	39	38	1	97.4%	-	-
Consultants: Business and advisory services	907	1 015	-	1 922	1 920	2	99.9%	1 270	1 269
Legal services	2 484	535	-	3 019	3 019	-	100.0%	3 655	3 655
Contractors	-	14	-	14	14	-	100.0%	-	-
Entertainment	2	(2)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	140	(40)	-	100	99	1	99.0%	246	244

Programme 5: Consumer and Corporate Regulation	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing	6	(6)	-	-	-	-	-	-	-
Consumable supplies	2	1	-	3	3	-	100.0%	15	13
Consumables: Stationery, printing and office supplies	-	3	-	3	3	-	100.0%	14	14
Operating leases	177	(21)	-	156	155	1	99.4%	159	156
Transport provided: Departmental activity	-	-	-	-	-	-	-	1	1
Travel and subsistence	7 133	(1 604)	25	5 554	5 550	4	99.9%	6 122	6 122
Training and development	381	(311)	-	70	69	1	98.6%	-	-
Operating payments	774	(291)	-	483	464	19	96.1%	370	369
Venues and facilities	87	119	-	206	205	1	99.5%	444	443
Transfers and subsidies	226 780	90	(674)	226 196	226 194	2	99.9%	222 556	222 196
Departmental agencies and accounts	221 578	-	-	221 578	221 578	-	100.0%	217 561	217 561
Departmental agencies (non-business entities)	221 578	-	-	221 578	221 578	-	100.0%	217 561	217 561
Foreign governments and international organisations	5 173	-	(832)	4 341	4 341	-	100.0%	4 927	4 568
Households	29	90	158	277	275	2	99.3%	68	67
Social benefits	29	20	134	183	182	1	99.5%	68	67
Other transfers to households	-	70	24	94	93	1	98.9%	-	-
Payments for capital assets	292	-	(235)	57	24	33	42.1%	127	127
Machinery and equipment	292	-	(235)	57	24	33	42.1%	127	127
Other machinery and equipment	292	-	(235)	57	24	33	42.1%	127	127
Total	298 629	-	153	298 782	298 706	76	99.9%	295 763	295 381

Subprogramme: Policy and Legislative Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	20 092	(1 511)	25	18 606	18 600	6	99.9%	17 169	17 161
Compensation of employees	15 511	(596)	-	14 915	14 914	1	99.9%	14 102	14 101
Salaries and wages	13 710	(369)	-	13 341	13 341	-	100.0%	12 633	12 632
Social contributions	1 801	(227)	-	1 574	1 573	1	99.9%	1 469	1 469
Goods and services	4 581	(915)	25	3 691	3 686	5	99.9%	3 067	3 060
Administrative fees	124	(29)	-	95	95	-	100.0%	4	3
Advertising	-	-	-	-	-	-	-	15	15
Catering: Departmental activities	731	(230)	-	501	501	-	100.0%	144	144
Communication (goods and services)	17	(11)	-	6	5	1	83.3%	17	16
Consultants: Business and advisory services	671	(450)	-	221	220	1	99.5%	168	168
Fleet services (including government motor transport)	6	8	-	14	13	1	92.9%	8	8
Consumable supplies	-	-	-	-	-	-	-	4	3
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	13	13
Operating leases	12	26	-	38	37	1	97.4%	36	33
Transport provided: Departmental activity	-	-	-	-	-	-	-	1	1
Travel and subsistence	2 595	(293)	25	2 327	2 327	-	100.0%	1 934	1 934
Operating payments	425	(75)	-	350	349	1	99.7%	370	369
Venues and facilities	-	139	-	139	139	-	100.0%	353	353

Subprogramme: Policy and Legislative Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	90	-	90	89	1	98.9%	8	7
Households	-	90	-	90	89	1	98.9%	8	7
Social benefits	-	20	-	20	19	1	95.0%	8	7
Other transfers to households	-	70	-	70	70	-	100.0%	-	-
Total	20 092	(1 421)	25	18 696	18 689	7	99.9%	17 177	17 168

Subprogramme: Enforcement and Compliance	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	36 812	2 646	330	39 788	39 764	24	99.9%	40 226	40 218
Compensation of employees	30 170	596	330	31 096	31 096	-	100.0%	31 411	31 410
Salaries and wages	26 818	596	145	27 559	27 559	-	100.0%	27 759	27 758
Social contributions	3 352	-	185	3 537	3 537	-	100.0%	3 652	3 652
Goods and services	6 642	2 050	-	8 692	8 668	24	99.7%	8 815	8 808
Administrative fees	137	(35)	-	102	101	1	99.0%	-	-
Advertising	-	1 209	-	1 209	1 208	1	99.9%	678	677
Minor assets	-	-	-	-	-	-	-	3	-
Catering: Departmental activities	90	17	-	107	106	1	99.1%	127	126
Communication (goods and services)	29	(10)	-	19	19	-	100.0%	50	50
Computer services	-	39	-	39	38	1	97.4%	-	-
Consultants: Business and advisory services	58	1 327	-	1 385	1 385	-	100.0%	434	434
Legal services	2 484	535	-	3 019	3 019	-	100.0%	3 655	3 655
Contractors	-	14	-	14	14	-	100.0%	-	-
Fleet services (including government motor transport)	128	(45)	-	83	83	-	100.0%	236	235
Consumable supplies	2	(1)	-	1	1	-	100.0%	3	3
Operating leases	162	(45)	-	117	117	-	100.0%	115	115
Travel and subsistence	2 973	(583)	-	2 390	2 390	-	100.0%	3 423	3 423
Training and development	236	(166)	-	70	69	1	98.6%	-	-

Subprogramme: Enforcement and Compliance	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	343	(216)	-	127	109	18	85.8%	-	-
Venues and facilities	-	10	-	10	9	1	90.0%	91	90
Transfers and subsidies	9	-	109	118	117	1	99.2%	55	55
Households	9	-	109	118	117	1	99.2%	55	55
Social benefits	9		85	94	94	-	100.0%	55	55
Other transfers to households	-	-	24	24	23	1	95.8%	-	-
Total	36 821	2 646	439	39 906	39 881	25	99.9%	40 281	40 273

Subprogramme: Regulatory Services	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 653	(1 225)	707	14 135	14 124	11	99.9%	15 685	15 679
Compensation of employees	11 877	-	707	12 584	12 583	1	99.9%	14 073	14 071
Salaries and wages	10 388	8	707	11 103	11 103	-	100.0%	12 450	12 449
Social contributions	1 489	(8)	-	1 481	1 480	1	99.9%	1 623	1 622
Goods and services	2 776	(1 225)	-	1 551	1 541	10	99.4%	1 612	1 608
Administrative fees	54	(21)	-	33	32	1	97.0%	-	-
Advertising	614	(371)	-	243	242	1	99.6%	-	-
Minor assets	9	(6)	-	3	2	1	66.7%	-	-
Catering: Departmental activities	32	(16)	-	16	15	1	93.8%	33	33
Communication (goods and services)	69	(38)	-	31	30	1	96.8%	127	126
Consultants: Business and advisory services	178	138	-	316	315	1	99.7%	668	667
Entertainment	2	(2)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	6	(3)	-	3	3	-	100.0%	2	1
Housing	6	(6)	-	-	-	-	-	-	-
Consumable supplies	-	2	-	2	2	-	100.0%	8	7
Consumables: Stationery, printing and office supplies	-	3	-	3	3	-	100.0%	1	1
Operating leases	3	(2)	-	1	1	-	100.0%	8	8
Travel and subsistence	1 565	(728)	-	837	833	4	99.5%	765	765
Training and development	145	(145)	-	-	-	-	-	-	-
Operating payments	6	-	-	6	6	-	100.0%	-	-

Subprogramme: Regulatory Services	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	87	(30)	-	57	57	-	100.0%	-	-
Transfers and subsidies	226 771	-	(783)	225 988	225 988	-	100.0%	222 493	222 134
Departmental agencies and accounts	221 578	-	-	221 578	221 578	-	100.0%	217 561	217 561
Departmental agencies (non-business entities)	221 578	-	-	221 578	221 578	-	100.0%	217 561	217 561
Foreign governments and international organisations	5 173	-	(832)	4 341	4 341	-	100.0%	4 927	4 568
Households	20	-	49	69	69	-	100.0%	5	5
Social benefits	20	-	49	69	69	-	100.0%	5	5
Payments for capital assets	292	-	(235)	57	24	33	42.1%	127	127
Machinery and equipment	292	-	(235)	57	24	33	42.1%	127	127
Other machinery and equipment	292	-	(235)	57	24	33	42.1%	127	127
Total	241 716	(1 225)	(311)	240 180	240 136	44	99.9%	238 305	237 940

Programme 6: Incentive Development and Administration	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
6.1 Broadening Participation Incentives	69 059	(19 351)	-	49 708	41 930	7 778	84.4%	25 670	25 536
6.2 Manufacturing Incentives	3 540 542	(581 218)	(9 970)	2 949 354	2 924 544	24 810	99.2%	4 361 549	4 361 494
6.3 Services Investment Incentives	808 560	20 242	(7 208)	821 594	821 588	6	99.9%	814 227	814 209
6.4 Infrastructure Investment Support	1 215 000	585 533	(17 000)	1 783 533	1 780 278	3 255	99.8%	1 661 069	1 660 170
6.5 Product and Systems Development	19 387	(5 154)	(236)	13 997	13 989	8	99.9%	15 405	15 400
6.6 Strategic Partnerships and Customer Care	21 871	(52)	(3 346)	18 473	18 199	274	98.5%	18 386	18 377
	5 674 419	-	(37 760)	5 636 659	5 600 528	36 131	99.4%	6 896 306	6 895 186
Economic classification									
Current payments	180 911	(253)	(20 260)	160 398	151 816	8 582	94.6%	142 537	141 602
Compensation of employees	149 143	-	(17 073)	132 070	131 948	122	99.9%	127 523	126 834
Salaries and wages	126 325	937	(10 867)	116 395	116 368	27	99.9%	111 847	111 844
Social contributions	22 818	(937)	(6 206)	15 675	15 580	95	99.4%	15 676	14 990
Goods and services	31 768	(253)	(3 187)	28 328	19 868	8 460	70.1%	15 014	14 768
Administrative fees	491	(83)	-	408	357	51	87.5%	16	12
Minor assets	10	-	-	10	3	7	30.0%	9	7
Catering: Departmental activities	154	(11)	-	143	99	44	69.2%	101	100
Communication (goods and services)	155	(31)	-	124	77	47	62.1%	282	276
Consultants: Business and advisory services	18 340	(1 802)	(2 863)	13 675	7 271	6 404	53.2%	2 764	2 763
Legal services	685	1 802	-	2 487	2 486	1	99.9%	1 396	1 395

Programme 6: Incentive Development and Administration	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	80	-	-	80	43	37	53.8%	106	96
Consumable supplies	9	-	-	9	9	-	100.0%	14	6
Consumables: Stationery, printing and office supplies	16	11	-	27	26	1	96.3%	45	41
Operating leases	1 481	(99)	(121)	1 261	1 017	244	80.7%	901	898
Property payments	666	(43)	-	623	274	349	44.0%	347	346
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	9 354	165	(203)	9 316	8 082	1 234	86.8%	9 032	8 828
Operating payments	48	30	-	78	42	36	53.8%	1	-
Venues and facilities	279	(192)	-	87	82	5	94.3%	-	-
Transfers and subsidies	5 493 508	215	(17 518)	5 476 205	5 448 658	27 547	99.5%	6 753 296	6 753 112
Departmental agencies and accounts	84 000	-	-	84 000	84 000	-	100.0%	256 000	256 000
Departmental agencies (non-business entities)	84 000	-	-	84 000	84 000	-	100.0%	256 000	256 000
Public corporations and private enterprises	5 408 708	-	(17 000)	5 391 708	5 364 168	27 540	99.5%	6 497 069	6 496 887
Public corporations	1 065 421	890 260	-	1 955 681	1 955 676	5	99.9%	1 785 797	1 785 797
Other transfers to public corporations	1 065 421	890 260	-	1 955 681	1 955 676	5	99.9%	1 785 797	1 785 797
Private enterprises	4 343 287	(890 260)	(17 000)	3 436 027	3 408 492	27 535	99.2%	4 711 272	4 711 090
Subsidies on products and production	3 997 350	(790 000)	(17 000)	3 190 350	3 171 053	19 297	99.4%	4 441 755	4 441 734
Other transfers to private enterprises	345 937	(100 260)	-	245 677	237 439	8 238	96.6%	269 517	269 356

Programme 6: Incentive Development and Administration	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	800	215	(518)	497	490	7	98.6%	227	225
Social benefits	800	215	(518)	497	490	7	98.6%	227	225
Payments for capital assets	-	-	18	18	17	1	94.4%	473	472
Machinery and equipment	-	-	18	18	17	1	94.4%	473	472
Other machinery and equipment	-	-	18	18	17	1	94.4%	473	472
Payments for financial assets	-	38	-	38	37	1	97.4%	-	-
Total	5 674 419	-	(37 760)	5 636 659	5 600 528	36 131	99.4%	6 896 306	6 895 186

Subprogramme: Broadening Participation Incentives	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 122	649	-	5 771	5 699	72	98.8%	4 778	4 776
Compensation of employees	4 253	649	-	4 902	4 901	1	99.9%	4 173	4 172
Salaries and wages	3 368	923	-	4 291	4 290	1	99.9%	3 671	3 670
Social contributions	885	(274)	-	611	611	-	100.0%	502	502
Goods and services	869	-	-	869	798	71	91.8%	605	604
Administrative fees	42	(1)	-	41	35	6	85.4%	-	-
Communication (goods and services)	-	-	-	-	-	-	-	2	2
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	5	5
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Operating leases	130	(5)	-	125	113	12	90.4%	65	65
Travel and subsistence	697	-	-	697	644	53	92.4%	533	532
Operating payments	-	5	-	5	5	-	100.0%	-	-
Transfers and subsidies	63 937	(20 000)	-	43 937	36 231	7 706	82.5%	20 892	20 760
Public corporations and private enterprises	63 937	(20 000)	-	43 937	36 231	7 706	82.5%	20 892	20 760
Private enterprises	63 937	(20 000)	-	43 937	36 231	7 706	82.5%	20 892	20 760
Other transfers to private enterprises	63 937	(20 000)	-	43 937	36 231	7 706	82.5%	20 892	20 760
Total	69 059	(19 351)	-	49 708	41 930	7 778	84.4%	25 670	25 536

Subprogramme: Manufacturing Incentives	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	108 397	(1 009)	(9 470)	97 918	89 787	8 131	91.7%	79 851	79 830
Compensation of employees	82 094	(649)	(6 404)	75 041	74 950	91	99.9%	70 501	70 500
Salaries and wages	69 361	(649)	(2 890)	65 822	65 822	-	100.0%	61 867	61 867
Social contributions	12 733	-	(3 514)	9 219	9 128	91	99.0%	8 634	8 633
Goods and services	26 303	(360)	(3 066)	22 877	14 837	8 040	64.9%	9 350	9 330
Administrative fees	232	(58)	-	174	162	12	93.1%	8	6
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	10	-	-	10	3	7	30.0%	8	7
Catering: Departmental activities	153	(11)	-	142	99	43	69.7%	101	100
Communication (goods and services)	75	-	-	75	38	37	50.7%	188	188
Consultants: Business and advisory services	18 340	(1 802)	(2 863)	13 675	7 271	6 404	53.2%	2 764	2 763
Legal services	685	1 802	-	2 487	2 486	1	99.9%	1 396	1 395
Fleet services (including government motor transport)	65	-	-	65	34	31	52.3%	84	83
Consumable supplies	9	-	-	9	9	-	100.0%	13	6
Consumables: Stationery, printing and office supplies	16	11	-	27	26	1	96.3%	45	41
Operating leases	701	(80)	-	621	478	143	77.0%	410	410
Property payments	623	(50)	-	573	224	349	39.1%	347	346
Travel and subsistence	5 067	-	(203)	4 864	3 890	974	80.0%	3 985	3 985
Operating payments	48	20	-	68	35	33	51.5%	1	-
Venues and facilities	279	(192)	-	87	82	5	94.3%	-	-

Subprogramme: Manufacturing Incentives	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	3 432 145	(580 247)	(518)	2 851 380	2 834 703	16 677	99.4%	4 281 256	4 281 223
Departmental agencies and accounts	84 000	-	-	84 000	84 000	-	100.0%	256 000	256 000
Departmental agencies (non-business entities)	84 000	-	-	84 000	84 000	-	100.0%	256 000	256 000
Public corporations and private enterprises	3 347 350	(580 000)	-	2 767 350	2 750 678	16 672	99.4%	4 025 138	4 025 105
Public corporations	-	250 000	-	250 000	250 000	-	100.0%	250 000	250 000
Other transfers to public corporations	-	250 000	-	250 000	250 000	-	100.0%	250 000	250 000
Private enterprises	3 347 350	(830 000)	-	2 517 350	2 500 678	16 672	99.3%	3 775 138	3 775 105
Subsidies on products and production	3 164 850	(810 000)	-	2 354 850	2 338 306	16 544	99.3%	3 590 716	3 590 696
Other transfers to private enterprises	182 500	(20 000)	-	162 500	162 372	128	99.9%	184 422	184 409
Households	795	(247)	(518)	30	25	5	83.3%	118	118
Social benefits	795	(247)	(518)	30	25	5	83.3%	118	118
Payments for capital assets	-	-	18	18	17	1	94.4%	442	441
Machinery and equipment	-	-	18	18	17	1	94.4%	442	441
Other machinery and equipment	-	-	18	18	17	1	94.4%	442	441
Software and other intangible assets	-	38	-	38	37	1	97.4%	-	-
Total	3 540 542	(581 218)	(9 970)	2 949 354	2 924 544	24 810	99.2%	4 361 549	4 361 494

Subprogramme: Services Investment Incentives	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16 060	50	(7 208)	8 902	8 898	4	99.9%	13 146	13 130
Compensation of employees	15 214	-	(7 208)	8 006	8 006	-	100.0%	12 211	12 210
Salaries and wages	12 134	-	(5 085)	7 049	7 049	-	100.0%	10 771	10 770
Social contributions	3 080	-	(2 123)	957	957	-	100.0%	1 440	1 440
Goods and services	846	50	-	896	892	4	99.6%	935	920
Administrative fees	39	(9)	-	30	30	-	100.0%	7	6
Catering: Departmental activities	1	-	-	1	-	1	-	-	-
Communication (goods and services)	24	(11)	-	13	12	1	92.3%	23	23
Fleet services (including government motor transport)	-	-	-	-	-	-	-	1	-
Operating leases	16	11	-	27	26	1	96.3%	27	26
Travel and subsistence	766	59	-	825	824	1	99.9%	877	865
Transfers and subsidies	792 500	20 192	-	812 692	812 690	2	99.9%	801 081	801 079
Public corporations and private enterprises	792 500	20 000	-	812 500	812 498	2	99.9%	801 039	801 038
Private enterprises	792 500	20 000	-	812 500	812 498	2	99.9%	801 039	801 038
Subsidies on products and production	792 500	20 000	-	812 500	812 498	2	99.9%	801 039	801 038
Households	-	192	-	192	192	-	100.0%	42	41
Social benefits	-	192	-	192	192	-	100.0%	42	41
Total	808 560	20 242	(7 208)	821 594	821 588	6	99.9%	814 227	814 209

Subprogramme: Infrastructure Investment Support	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 079	5 286	-	15 365	15 271	94	99.4%	11 069	10 186
Compensation of employees	9 367	5 232	-	14 599	14 571	28	99.8%	9 827	9 143
Salaries and wages	7 454	5 584	-	13 038	13 013	25	99.8%	8 182	8 181
Social contributions	1 913	(352)	-	1 561	1 558	3	99.8%	1 645	962
Goods and services	712	54	-	766	700	66	91.4%	1 242	1 043
Administrative fees	43	(7)	-	36	36	-	100.0%	1	-
Communication (goods and services)	-	5	-	5	4	1	80.0%	6	1
Fleet services (including government motor transport)	4	1	-	5	5	-	100.0%	8	5
Operating leases	41	(14)	-	27	27	-	100.0%	51	50
Travel and subsistence	624	66	-	690	627	63	90.9%	1 176	987
Operating payments	-	3	-	3	1	2	33.3%	-	-
Transfers and subsidies	1 204 921	580 247	(17 000)	1 768 168	1 765 007	3 161	99.8%	1 650 000	1 649 984
Public corporations and private enterprises	1 204 921	580 000	(17 000)	1 767 921	1 764 761	3 160	99.8%	1 650 000	1 649 984
Public corporations	1 065 421	640 260	-	1 705 681	1 705 676	5	99.9%	1 535 797	1 535 797
Other transfers to public corporations	1 065 421	640 260	-	1 705 681	1 705 676	5	99.9%	1 535 797	1 535 797
Private enterprises	139 500	(60 260)	(17 000)	62 240	59 085	3 155	94.9%	114 203	114 187
Subsidies on products and production	40 000	-	(17 000)	23 000	20 249	2 751	88.0%	50 000	50 000
Other transfers to private enterprises	99 500	(60 260)	-	39 240	38 836	404	99.0%	64 203	64 187
Households	-	247	-	247	246	1	99.6%	-	-
Social benefits	-	247	-	247	246	1	99.6%	-	-
Total	1 215 000	585 533	(17 000)	1 783 533	1 780 278	3 255	99.8%	1 661 069	1 660 170

Subprogramme: Product and Systems Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 387	(5 160)	(236)	13 991	13 983	8	99.9%	15 313	15 308
Compensation of employees	18 875	(5 232)	(236)	13 407	13 407	-	100.0%	14 496	14 495
Salaries and wages	16 886	(4 921)	-	11 965	11 965	-	100.0%	12 946	12 946
Social contributions	1 989	(311)	(236)	1 442	1 442	-	100.0%	1 550	1 549
Goods and services	512	72	-	584	576	8	98.6%	817	813
Administrative fees	25	(8)	-	17	17	-	100.0%	-	-
Communication (goods and services)	26	(8)	-	18	13	5	72.2%	25	25
Fleet services (including government motor transport)	2	-	-	2	-	2	-	1	-
Consumable supplies	-	-	-	-	-	-	-	1	-
Operating leases	12	(4)	-	8	8	-	100.0%	18	17
Travel and subsistence	447	92	-	539	538	1	99.8%	772	771
Transfers and subsidies	-	6	-	6	6	-	100.0%	61	61
Households	-	6	-	6	6	-	100.0%	61	61
Social benefits	-	6	-	6	6	-	100.0%	61	61
Payments for capital assets	-	-	-	-	-	-	-	31	31
Machinery and equipment	-	-	-	-	-	-	-	31	31
Other machinery and equipment	-	-	-	-	-	-	-	31	31
Total	19 387	(5 154)	(236)	13 997	13 989	8	99.9%	15 405	15 400

Subprogramme: Strategic Partnership and Customer Care	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	21 866	(69)	(3 346)	18 451	18 178	273	98.5%	18 380	18 372
Compensation of employees	19 340	-	(3 225)	16 115	16 113	2	99.9%	16 315	16 314
Salaries and wages	17 122	-	(2 892)	14 230	14 229	1	99.9%	14 410	14 410
Social contributions	2 218	-	(333)	1 885	1 884	1	99.9%	1 905	1 904
Goods and services	2 526	(69)	(121)	2 336	2 065	271	88.4%	2 065	2 058
Administrative fees	110	-	-	110	77	33	70.0%	-	-
Minor assets	-	-	-	-	-	-	-	1	-
Communication	30	(17)	-	13	10	3	76.9%	38	37
Fleet services (including government motor transport)	9	(2)	-	7	3	4	42.9%	7	3
Operating leases	581	(7)	(121)	453	365	88	80.6%	330	330
Property payments	43	7	-	50	50	-	100.0%	-	-
Travel and subsistence	1 753	(52)	-	1 701	1 559	142	91.7%	1 689	1 688
Operating payments	-	2	-	2	1	1	50.0%	-	-
Transfers and subsidies	5	17	-	22	21	1	95.5%	6	5
Households	5	17	-	22	21	1	95.5%	6	5
Social benefits	5	17	-	22	21	1	95.5%	6	5
Total	21 871	(52)	(3 346)	18 473	18 199	274	98.5%	18 386	18 377

Programme 7: Trade Export South Africa	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
7.1 African Bilateral Economic Development	22 453	(2 155)	-	20 298	20 200	98	99.5%	20 081	20 073
7.2 Export Promotion and Marketing	41 487	501	2 529	44 517	44 423	94	99.8%	40 834	40 820
7.3 Trade Export South Africa Executive Management Unit	343 557	1 026	28 885	373 468	373 260	208	99.9%	378 923	377 713
7.4 Export Development and Support	17 707	628	78	18 413	18 271	142	99.2%	15 998	15 982
	425 204	-	31 492	456 696	456 154	542	99.9%	455 836	454 588
Economic classification									
Current payments	245 063	(16)	21 748	266 795	266 458	337	99.9%	281 119	279 875
Compensation of employees	163 212	-	21 748	184 960	184 955	5	99.9%	196 138	195 296
Salaries and wages	140 393	6 770	21 610	168 773	168 770	3	99.9%	179 466	178 637
Social contributions	22 819	(6 770)	138	16 187	16 185	2	99.9%	16 672	16 659
Goods and services	81 851	(16)	-	81 835	81 503	332	99.6%	84 981	84 579
Administrative fees	388	40	-	428	408	20	95.3%	573	573
Advertising	108	565	-	673	660	13	98.1%	275	273
Minor assets	47	51	-	98	97	1	99.0%	166	164
Bursaries: Employees	19	(19)	-	-	-	-	-	-	-
Catering: Departmental activities	458	(316)	-	142	140	2	98.6%	157	155
Communication (goods and services)	1 106	713	-	1 819	1 815	4	99.8%	2 169	2 165
Computer services	554	368	-	922	921	1	99.9%	957	956
Consultants: Business and advisory services	1 249	(274)	-	975	956	19	98.1%	1 361	1 359
Legal services	27	38	-	65	64	1	98.5%	49	49
Contractors	885	876	-	1 761	1 760	1	99.9%	2 024	2 023

Programme 7: Trade Export South Africa	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	-	287	-	287	287	-	100.0%	26	25
Entertainment	843	209	-	1 052	1 035	17	98.4%	1 033	1 031
Fleet services (including government motor transport)	22	1 050	-	1 072	1 066	6	99.4%	358	356
Consumable supplies	306	108	-	414	409	5	98.8%	524	515
Consumables: Stationery, printing and office supplies	1 070	(85)	-	985	944	41	95.8%	597	594
Operating leases	26 684	3 173	-	29 857	29 835	22	99.9%	29 065	28 704
Property payments	310	1 717	-	2 027	2 026	1	99.9%	2 283	2 281
Transport provided: Departmental activity	5	-	-	5	-	5	-	-	-
Travel and subsistence	23 290	(1 297)	-	21 993	21 991	2	99.9%	22 897	22 894
Training and development	760	556	-	1 316	1 316	-	100.0%	759	759
Operating payments	16 915	(5 216)	-	11 699	11 576	123	98.9%	14 734	14 730
Venues and facilities	6 787	(2 946)	-	3 841	3 794	47	98.8%	4 812	4 811
Rental and hiring	18	386	-	404	403	1	99.8%	162	162
Transfers and subsidies	177 838	1	10 799	188 638	188 635	3	99.9%	171 701	171 700
Public corporations and private enterprises	177 644	-	10 628	188 272	188 272	-	100.0%	171 566	171 566
Public corporations	177 644	-	10 628	188 272	188 272	-	100.0%	171 566	171 566
Other transfers to public corporations	177 644	-	10 628	188 272	188 272	-	100.0%	171 566	171 566

Programme 7: Trade Export South Africa	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	194	1	171	366	363	3	99.2%	135	134
Social benefits	194	1	171	366	363	3	99.2%	135	134
Payments for capital assets	2 303	-	(1 055)	1 248	1 046	202	83.8%	3 000	2 998
Machinery and equipment	2 303	-	(1 055)	1 248	1 046	202	83.8%	3 000	2 998
Transport equipment	500	(86)	-	414	414	-	100.0%	1 004	1 004
Other machinery and equipment	1 803	86	(1 055)	834	632	202	75.8%	1 996	1 994
Payments for financial assets	-	15	-	15	15	-	100.0%	16	15
	425 204	-	31 492	456 696	456 154	542	99.9%	455 836	454 588

Subprogramme: African Bilateral Economic Development Economic classification	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22 164	(2 031)	-	20 133	20 122	11	99.9%	19 797	19 790
Compensation of employees	19 378	(2 367)	-	17 011	17 010	1	99.9%	17 272	17 271
Salaries and wages	17 102	(1 968)	-	15 134	15 133	1	99.9%	15 225	15 224
Social contributions	2 276	(399)	-	1 877	1 877	-	100.0%	2 047	2 047
Goods and services	2 786	336	-	3 122	3 112	10	99.7%	2 525	2 519
Administrative fees	5	47	-	52	51	1	98.1%	-	-
Advertising	-	116	-	116	116	-	100.0%	82	81
Minor assets	-	-	-	-	-	-	-	17	16
Bursaries: Employees	19	(19)	-	-	-	-	-	-	-
Catering: Departmental activities	55	(49)	-	6	6	-	100.0%	58	57
Communication (goods and services)	52	(24)	-	28	28	-	100.0%	83	82
Consultants: Business and advisory services	-	10	-	10	10	-	100.0%	78	78
Consumable supplies	2	-	-	2	-	2	-	4	4
Operating leases	61	38	-	99	95	4	96.0%	49	49
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 472	71	-	2 543	2 543	-	100.0%	2 100	2 099

Subprogramme: African Bilateral Economic Development	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	16	(10)	-	6	4	2	66.7%	1	-
Venues and facilities	104	156	-	260	259	1	99.6%	53	53
Transfers and subsidies	79	-	-	79	78	1	98.7%	52	51
Households	79	-	-	79	78	1	98.7%	52	51
Social benefits	79	-	-	79	78	1	98.7%	52	51
Payments for capital assets	210	(124)	-	86	-	86	-	232	232
Machinery and equipment	210	(124)	-	86	-	86	-	232	232
Other machinery and equipment	210	(124)	-	86	-	86	-	232	232
Total	22 453	(2 155)	-	20 298	20 200	98	99.5%	20 081	20 073

Subprogramme: Export Promotion and Marketing	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	5	-	-	5	-	5	-	-	-
Travel and subsistence	4 268	1 667	-	5 935	5 934	1	99.9%	5 362	5 360
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	35	(12)	-	23	3	20	13.0%	78	77
Venues and facilities	2 825	(2 001)	-	824	798	26	96.8%	3 285	3 284
Transfers and subsidies	-	-	27	27	26	1	96.3%	23	23
Households	-	-	27	27	26	1	96.3%	23	23
Social benefits	-	-	27	27	26	1	96.3%	23	23
Payments for capital assets	330	568	(898)	-	-	-	-	285	284
Machinery and equipment	330	568	(898)	-	-	-	-	285	284
Other machinery and equipment	330	568	(898)	-	-	-	-	285	284
Total	41 487	501	2 529	44 517	44 423	94	99.8%	40 834	40 820

Subprogramme: Trade and Investment South Africa Executive Management Unit	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	164 220	1 542	18 252	184 014	183 808	206	99.9%	204 882	203 674
Compensation of employees	98 093	2 367	18 252	118 712	118 711	1	99.9%	137 573	136 735
Salaries and wages	87 062	5 231	18 114	110 407	110 406	1	99.9%	128 180	127 355
Social contributions	11 031	(2 864)	138	8 305	8 305	-	100.0%	9 393	9 380
Goods and services	66 127	(825)	-	65 302	65 097	205	99.7%	67 309	66 939
Administrative fees	257	(22)	-	235	218	17	92.8%	512	512
Advertising	89	449	-	538	537	1	99.8%	155	155
Minor assets	14	84	-	98	97	1	99.0%	141	141
Catering: Departmental activities	197	(194)	-	3	2	1	66.7%	2	2
Communication (goods and services)	925	813	-	1 738	1 737	1	99.9%	2 021	2 019
Computer services	554	368	-	922	921	1	99.9%	957	956
Consultants: Business and advisory services	959	(693)	-	266	248	18	93.2%	149	148
Legal services	27	38	-	65	64	1	98.5%	49	49
Contractors	810	909	-	1 719	1 718	1	99.9%	2 024	2 023
Agency and support / outsourced services	-	287	-	287	287	-	100.0%	26	25
Entertainment	826	209	-	1 035	1 035	-	100.0%	1 031	1 030
Fleet services (including government motor transport)	16	1 050	-	1 066	1 065	1	99.9%	356	355
Consumable supplies	281	129	-	410	409	1	99.8%	516	508
Consumables: Stationery, printing and office supplies	1 022	(44)	-	978	940	38	96.1%	596	593
Operating leases	26 594	3 012	-	29 606	29 606	-	100.0%	28 899	28 550
Property payments	310	1 717	-	2 027	2 026	1	99.9%	2 279	2 278

Subprogramme: Trade and Investment in South Africa Executive Management Unit	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	15 706	(3 010)	-	12 696	12 696	-	100.0%	14 869	14 869
Training and development	-	49	-	49	49	-	100.0%	74	74
Operating payments	13 664	(5 261)	-	8 403	8 302	101	98.8%	11 017	11 016
Venues and facilities	3 858	(1 101)	-	2 757	2 737	20	99.3%	1 474	1 474
Rental and hiring	18	386	-	404	403	1	99.8%	162	162
Transfers and subsidies	177 759	-	10 633	188 392	188 391	1	99.9%	171 626	171 626
Public corporations and private enterprises	177 644	-	10 628	188 272	188 272	-	100.0%	171 566	171 566
Public corporations	177 644	-	10 628	188 272	188 272	-	100.0%	171 566	171 566
Other transfers to public corporations	177 644	-	10 628	188 272	188 272	-	100.0%	171 566	171 566
Households	115	-	5	120	119	1	99.2%	60	60
Social benefits	115	-	5	120	119	1	99.2%	60	60
Payments for capital assets	1 578	(531)	-	1 047	1 046	1	99.9%	2 399	2 398
Machinery and equipment	1 578	(531)	-	1 047	1 046	1	99.9%	2 399	2 398
Transport equipment	500	(86)	-	414	414	-	100.0%	1 004	1 004
Other machinery and equipment	1 078	(445)	-	633	632	1	99.8%	1 395	1 394
Payments for financial assets	-	15	-	15	15	-	100.0%	16	15
Total	343 557	1 026	28 885	373 468	373 260	208	99.9%	378 923	377 713

Subprogramme: Export Development and Support	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 522	540	96	18 158	18 131	27	99.9%	15 914	15 898
Compensation of employees	12 514	-	96	12 610	12 608	2	99.9%	10 878	10 877
Salaries and wages	8 696	2 198	96	10 990	10 989	1	99.9%	9 407	9 406
Social contributions	3 818	(2 198)	-	1 620	1 619	1	99.9%	1 471	1 471
Goods and services	5 008	540	-	5 548	5 523	25	99.5%	5 036	5 021
Administrative fees	24	6	-	30	29	1	96.7%	-	-
Catering: Departmental activities	150	(75)	-	75	74	1	98.7%	53	52
Communication (goods and services)	8	-	-	8	6	2	75.0%	11	10
Contractors	18	(18)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	1	1
Consumable supplies	-	-	-	-	-	-	-	1	1
Consumables: Stationery, printing and office supplies	4	-	-	4	2	2	50.0%	-	-
Operating leases	-	78	-	78	60	18	76.9%	81	69
Travel and subsistence	844	(25)	-	819	818	1	99.9%	566	566
Training and development	760	507	-	1 267	1 267	-	100.0%	685	685
Operating payments	3 200	67	-	3 267	3 267	-	100.0%	3 638	3 637

Subprogramme: Export Development and Support	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	1	139	140	140	-	100.0%	-	-
Households	-	1	139	140	140	-	100.0%	-	-
Social benefits	-	1	139	140	140	-	100.0%	-	-
Payments for capital assets	185	87	(157)	115	-	115	-	84	84
Machinery and equipment	185	87	(157)	115	-	115	-	84	84
Other machinery and equipment	185	87	(157)	115	-	115	-	84	84
Total	17 707	628	78	18 413	18 271	142	99.2%	15 998	15 982

Programme 8: Investment South Africa	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
8.1 Investment Promotion	42 558	7 725	1 114	51 397	49 941	1 456	97.2%	45 256	45 244
8.2 Investment and Interdepartmental Clearing House	26 150	(3 628)	(5 829)	16 693	14 516	2 177	87.0%	24 000	24 000
8.3 Investment Support and After Care	4 151	(4 097)	-	54	48	6	88.9%	-	-
	72 859	-	(4 715)	68 144	64 505	3 639	94.7%	69 256	69 244
Economic classification									
Current payments	50 042	-	1 114	51 156	50 134	1 022	98.0%	44 821	44 811
Compensation of employees	33 817	-	1 114	34 931	34 931	-	100.0%	27 473	27 472
Salaries and wages	24 092	5 847	1 114	31 053	31 053	-	100.0%	24 218	24 218
Social contributions	9 725	(5 847)	-	3 878	3 878	-	100.0%	3 255	3 254
Goods and services	16 225	-	-	16 225	15 203	1 022	93.7%	17 348	17 339
Administrative fees	96	404	-	500	497	3	99.4%	215	214
Advertising	402	(38)	-	364	315	49	86.5%	324	323
Catering: Departmental activities	79	38	-	117	116	1	99.1%	26	25
Communication (goods and services)	132	(62)	-	70	20	50	28.6%	81	80
Computer services	-	9	-	9	8	1	88.9%	-	-
Consultants: Business and advisory services	371	317	-	688	688	-	100.0%	1 206	1 206
Legal services	-	127	-	127	127	-	100.0%	-	-
Contractors	4 014	(3 450)	-	564	30	534	5.3%	-	-
Entertainment	71	1	-	72	56	16	77.8%	1	1
Fleet services (including government motor transport)	20	1	-	21	2	19	9.5%	5	5

Programme 8: Investment South Africa	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	16	2	-	18	8	10	44.4%	17	17
Consumables: Stationery, printing and office supplies	119	29	-	148	148	-	100.0%	3	-
Operating leases	83	141	-	224	217	7	96.9%	174	173
Property payments	500	358	-	858	857	1	99.9%	5 172	5 172
Travel and subsistence	6 870	3 281	-	10 151	10 142	9	99.9%	8 511	8 511
Operating payments	684	297	-	981	980	1	99.9%	125	125
Venues and facilities	2 768	(1 455)	-	1 313	992	321	75.6%	1 488	1 487
Transfers and subsidies	22 150	-	(5 829)	16 321	14 135	2 186	86.6%	24 143	24 142
Public corporations and private enterprises	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	24 000	24 000
Public corporations	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	24 000	24 000
Subsidies on products and production	-	-	-	-	-	-	-	24 000	24 000
Other transfers to public corporations	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	-	-
Households	150	-	-	150	135	15	90.0%	143	142
Social benefits	50	(10)	-	40	35	5	87.5%	43	42
Other transfers to households	100	10	-	110	100	10	90.9%	100	100
Payments for capital assets	667	-	-	667	236	431	35.4%	292	291
Machinery and equipment	667	-	-	667	236	431	35.4%	292	291
Other machinery and equipment	667	-	-	667	236	431	35.4%	292	291
Total	72 859	-	(4 715)	68 144	64 505	3 639	94.7%	69 256	69 244

Subprogramme: Investment Promotion	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	41 741	7 725	1 114	50 580	49 570	1 010	98.0%	44 821	44 811
Compensation of employees	25 834	7 983	1 114	34 931	34 931	-	100.0%	27 473	27 472
Salaries and wages	16 309	13 630	1 114	31 053	31 053	-	100.0%	24 218	24 218
Social contributions	9 525	(5 647)	-	3 878	3 878	-	100.0%	3 255	3 254
Goods and services	15 907	(258)	-	15 649	14 639	1 010	93.5%	17 348	17 339
Administrative fees	81	391	-	472	471	1	99.8%	215	214
Advertising	402	(38)	-	364	315	49	86.5%	324	323
Catering: Departmental activities	60	48	-	108	107	1	99.1%	26	25
Communication (goods and services)	132	(62)	-	70	20	50	28.6%	81	80
Computer services	-	9	-	9	8	1	88.9%	-	-
Consultants: Business and advisory services	371	317	-	688	688	-	100.0%	1 206	1 206
Legal services	-	127	-	127	127	-	100.0%	-	-
Contractors	4 014	(3 450)	-	564	30	534	5.3%	-	-
Entertainment	71	-	-	71	55	16	77.5%	1	1
Fleet services (including government motor transport)	20	-	-	20	1	19	5.0%	5	5
Consumable supplies	16	2	-	18	8	10	44.4%	17	17
Consumables: Stationery, printing and office supplies	119	29	-	148	148	-	100.0%	3	-

Subprogramme: Investment Promotion	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	60	141	-	201	195	6	97.0%	174	173
Property payments	500	358	-	858	857	1	99.9%	5 172	5 172
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	6 609	3 028	-	9 637	9 637	-	100.0%	8 511	8 511
Operating payments	684	297	-	981	980	1	99.9%	125	125
Venues and facilities	2 768	(1 455)	-	1 313	992	321	75.6%	1 488	1 487
Transfers and subsidies	150	-	-	150	135	15	90.0%	143	142
Households	150	-	-	150	135	15	90.0%	143	142
Social benefits	50	(10)	-	40	35	5	87.5%	43	42
Other transfers to households	100	10	-	110	100	10	90.9%	100	100
Payments for capital assets	667	-	-	667	236	431	35.4%	292	291
Machinery and equipment	667	-	-	667	236	431	35.4%	292	291
Other machinery and equipment	667	-	-	667	236	431	35.4%	292	291
Total	42 558	7 725	1 114	51 397	49 941	1 456	97.2%	45 256	45 244

Subprogramme: Investment and Interdepartmental Clearing House	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 150	(3 628)	-	522	516	6	98.9%	-	-
Compensation of employees	3 886	(3 886)	-	-	-	-	-	-	-
Salaries and wages	3 786	(3 786)	-	-	-	-	-	-	-
Social contributions	100	(100)	-	-	-	-	-	-	-
Goods and services	264	258	-	522	516	6	98.9%	-	-
Administrative fees	13	12	-	25	24	1	96.0%	-	-
Catering: Departmental activities	19	(12)	-	7	7	-	100.0%	-	-
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	-	-
Operating leases	23	-	-	23	22	1	95.7%	-	-
Travel and subsistence	209	257	-	466	462	4	99.1%	-	-
Transfers and subsidies	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	24 000	24 000
Public corporations and private enterprises	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	24 000	24 000
Public corporations	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	24 000	24 000
Subsidies on products and production	-	-	-	-	-	-	-	24 000	24 000
Other transfers to public corporations	22 000	-	(5 829)	16 171	14 000	2 171	86.6%	-	-
Total	26 150	(3 628)	(5 829)	16 693	14 516	2 177	87.0%	24 000	24 000

Subprogramme: Investment Support and After Care	2017/18							2016/17	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 151	(4 097)	-	54	48	6	88.9%	-	-
Compensation of employees	4 097	(4 097)	-	-	-	-	-	-	-
Salaries and wages	3 997	(3 997)	-	-	-	-	-	-	-
Social contributions	100	(100)	-	-	-	-	-	-	-
Goods and services	54	-	-	54	48	6	88.9%	-	-
Administrative fees	2	1	-	3	2	1	66.7%	-	-
Catering: Departmental activities	-	2	-	2	2	-	100.0%	-	-
Entertainment	-	1	-	1	1	-	100.0%	-	-
Travel and subsistence	52	(4)	-	48	43	5	89.6%	-	-
Total	4 151	(4 097)	-	54	48	6	88.9%	-	-

Notes to the Appropriation Statement for the year ended 31 March 2018

1 Detail of transfers and subsidies as per Appropriation Act (after virement)

Detail of these transactions can be viewed in Note 7 (transfers and subsidies) and Annexure 1 (A-F) to the Annual Financial Statements.

2 Detail of specifically and exclusively appropriated amounts voted (after virement)

Detail of these transactions can be viewed in Note 1 (Annual Appropriation) to the Annual Financial Statements.

3 Detail on payments for financial assets

Detail of these transactions per programme can be viewed in Note 6 (Payments for financial assets) to the Annual Financial Statements.

4 Explanations of variances from amounts voted (after virement)

4.1 Programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Administration ¹	809 902	772 696	37 206	4.59%
International Trade and Economic Development	121 135	121 121	14	0.01%
Special Economic Zones and Economic Transformation ²	108 937	95 699	13 238	12.15%
Industrial Development	1 842 932	1 838 839	4 093	0.22%
Consumer and Corporate Regulation	298 782	298 706	76	0.03%
Incentive Development and Administration	5 636 659	5 600 528	36 131	0.64%
Trade Export South Africa	456 696	456 154	542	0.12%
Investment South Africa ³	68 144	64 505	3 639	5.34%

- 1 The programme achieved a 95% level of financial performance. The variance of 5% is mainly due to delays in finalising the procurement of ICT related goods and services through SITA
- 2 The programme recorded an 88% level of financial performance. The variance is mainly due to the B-BBEE Commission set-up related processes that are yet to be finalised
- 3 The programme recorded a 95% level of financial performance. The variance is mainly due to the set-up related processes for the provincial One-Stop Shops that are yet to be finalised

4.2 Economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	947 719	946 790	929	0.10%
Goods and services ¹	705 632	643 727	61 905	8.77%
Transfers and subsidies				
Departmental agencies and accounts	727 576	727 576	-	0.00%
Public corporations and private enterprises	6 728 845	6 699 133	29 712	0.44%
Foreign governments and international organisations	28 457	28 457	-	0.00%
Non-profit institutions	173 814	173 814	-	0.00%
Households	2 511	2 463	48	1.91%
Payment for capital assets²				
Machinery and equipment	18 485	17 059	1 426	7.71%
Software and other intangible assets	9 005	8 087	918	10.19%
Payment for financial assets	1 143	1 142	1	0.09%

Explanation of variance

1 Goods and services

The department recorded a saving of 8.8% as at 31 March 2018. This is mainly attributable to the stringent cost containment measures implemented by the department such as the use of government facilities instead of external venues as well as the B-BBEE Commission set-up related processes that are yet to be finalised.

2 Payments for capital assets

As at 31 March 2018, the department recorded a saving of 8.5% under payment for capital assets. This is mainly due to delays in finalising the procurement of ICT related goods and services through SITA.

Statement of Financial Performance for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	9 343 187	10 389 517
Departmental revenue	2	106 646	98 092
Aid assistance	3	-	331 294
TOTAL REVENUE		9 449 833	10 818 903
EXPENDITURE			
Current expenditure			
Compensation of employees	4	946 790	915 498
Goods and services	5	643 727	589 987
Aid assistance	3	-	1 155
Total current expenditure		1 590 517	1 506 640
Transfers and subsidies			
Transfers and subsidies	7	7 631 443	8 818 108
Aid assistance		-	294 492
Total transfers and subsidies		7 631 443	9 112 600
Expenditure for capital assets			
Tangible assets	8	17 059	11 071
Intangible assets		8 087	5 032
Total expenditure for capital assets		25 146	16 103
Payments for financial assets	6	1 142	9 700
TOTAL EXPENDITURE		9 248 248	10 645 043
SURPLUS / (DEFICIT) FOR THE YEAR		201 585	173 860
Reconciliation of net surplus / (deficit) for the year			
Voted funds		94 939	40 121
Annual appropriation		94 939	40 121
Departmental revenue and NRF receipts		106 646	98 092
Aid assistance	3	-	35 647
SURPLUS FOR THE YEAR		201 585	173 860

Statement of Financial Position as at 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets		126 124	137 771
Unauthorised expenditure	9	-	-
Cash and cash equivalents	10	52 314	59 883
Other financial assets	11	1 467	1 564
Prepayments and advances	12	71 060	69 200
Receivables	13	1 283	7 124
Non-current assets		33 572	35 137
Receivables	13	33 147	34 985
Other financial assets	11	425	152
TOTAL ASSETS		159 696	172 908
LIABILITIES			
Current liabilities		134 282	145 429
Voted funds to be surrendered to the Revenue Fund	14	94 937	40 119
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	15	4 359	11 142
Payables	16	34 986	58 521
Aid assistance repayable	3	-	35 647
TOTAL LIABILITIES		134 282	145 429
NET ASSETS		25 414	27 479
Represented by:			
Recoverable revenue		25 414	27 479
TOTAL		25 414	27 479

Statement of Changes in Net Assets for the year ended 31 March 2018

NET ASSETS	Note	2017/18 R'000	2016/17 R'000
Recoverable revenue			
Opening balance		27 479	46 040
Transfers		(2 065)	(18 561)
Irrecoverable amounts written off	6.1	(1 090)	(9 644)
Debts revised		(16 089)	(482)
Debts recovered (included in departmental receipts)		(55 892)	(75 296)
Debts raised		71 006	66 861
Closing balance		25 414	27 479
TOTAL		25 414	27 479

Cash Flow Statement for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		9 449 346	10 818 903
Annual appropriated funds received	1	9 343 187	10 389 517
Departmental revenue received	2	104 769	95 384
Interest received	2.3	1 390	2 708
Aid assistance received	3	-	331 294
Net decrease in working capital		(17 716)	24 507
Surrendered to Revenue Fund		(153 550)	(125 878)
Surrendered to RDP Fund / Donor		(35 647)	(32 955)
Current payments		(1 590 517)	(1 506 640)
Payments for financial assets		(1 142)	(9 700)
Transfers and subsidies paid		(7 631 443)	(9 112 600)
Net cash flow available from operating activities	17	19 331	55 637
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(25 146)	(16 103)
Proceeds from sale of capital assets	2.4	487	-
(Increase) / decrease in other financial assets		(176)	(557)
Net cash flows from investing activities		(24 835)	(16 660)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) in net assets		(2 065)	(18 561)
Net cash flows from financing activities		(2 065)	(18 561)
Net increase / (decrease) in cash and cash equivalents		(7 569)	20 416
Cash and cash equivalents at beginning of period		59 883	39 467
Cash and cash equivalents at end of period	10	52 314	59 883

Accounting policies for the year ended 31 March 2018

The Financial Statements have been prepared in accordance with the following accounting policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act, Act 1 of 2010.

1 Presentation of the Annual Financial Statements

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Presentation currency

Amounts have been presented in the currency of South African Rand (R) which is also the functional currency of the department.

1.4 Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000). Unless otherwise stated percentages have been rounded to the nearest one decimal, where applicable.

1.5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.

1.6 Comparative information

1.6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's Financial Statements.

1.6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

2 Revenue

2.1 Appropriated funds

Appropriated funds comprise of departmental allocations.

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjusted budget process, are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

2.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits). Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and /or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on the sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Transactions in financial assets and liabilities

Financial assets include repayment of debts and amounts written off, and are recognised as revenue in the statement of financial performance when cash is received or once debt approved to be written off. Foreign exchange gains are recognised in the statement of financial performance on payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the notes to the Financial Statements.

2.2.8 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- The amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable. Write-offs are made according to the department's debt write off policy.

2.3 Aid assistance

2.3.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

2.3.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

3 Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

3.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department.

3.3 Payment for financial assets

Receivables are written off when identified as irrecoverable. Receivables written-off are limited to the amount of savings and/or under spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is indicated as a disclosure note to the Financial Statements.

Foreign exchange losses are recognised in the statement of financial performance on the payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

All other losses are recognised in the statement of financial performance when identified.

3.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the accounting system.

3.5 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or;
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and/or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

3.7 Irregular expenditure

When confirmed, irregular expenditure must be recorded in the notes to the financial statements. The amount to be recorded in the notes must be equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority; transferred to receivables for recovery; or not condoned and is not recoverable. A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be derecognised when the receivable is settled or subsequently written off as irrecoverable.

3.8 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system.

4 Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are stated in the statement of financial position at cost. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments relate to payments made in advance to non-governmental entities, whereas advances relate to payments made in advance to other government entities.

Prepayments and advances are initially and subsequently measured at cost.

4.4 Receivables

Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

4.5 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

4.6 Capital assets

4.6.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition or receipt.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

4.6.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired before 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

5 Liabilities

5.1 Voted funds to be surrendered to the National Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as liabilities in the statement of financial position.

5.2 Departmental revenue to be surrendered to the National Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Payables

Payables are recognised at cost in the statement of financial position.

5.4 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department; or when there is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources will be required to settle the obligation; or
- The amount of the obligation cannot be measured reliably

5.5 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

5.6 Commitments

Commitments (other than transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

5.7 Accruals not recognised

Accruals are liabilities to pay for goods and services that have been received or supplied before year end but have not yet been formally paid or invoiced at year end.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the notes to the Financial Statements.

Accrued expenditure payable is measured at cost.

5.8 Payables not recognised

Payables are liabilities to pay for goods and services that have been received or supplied and have been formally invoiced before year end but has not yet been paid at year end.

Payables are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the notes to the Financial Statements.

5.9 Leases

5.9.1 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset; or
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

5.9.2 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

5.10 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or a constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

5.11 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) are disclosed in the Employee benefit note.

6 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered, or are transferred to the statement of financial performance when written-off.

7 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

8 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

9 Public-private partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership.

The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

10 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Notes to the Annual Financial Statements for the year ended 31 March 2018

1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act and the Adjustments Appropriation Act for National Departments (Voted funds) and Provincial Departments.

Annual appropriation Programme	2017/18			2016/17	
	Final appropriation	Actual funds received	Funds requested/ not received	Final appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	809 902	809 902	-	721 505	721 505
International Trade and Economic Development	121 135	121 135	-	116 070	116 070
Special Economic Zones and Economic Transformation	108 937	108 937	-	112 492	112 492
Industrial Development	1 842 932	1 842 932	-	1 722 289	1 722 289
Consumer and Corporate Regulation	298 782	298 782	-	295 763	295 763
Incentive Development and Administration	5 636 659	5 636 659	-	6 896 306	6 896 306
Trade Export South Africa	456 696	456 696	-	455 836	455 836
Investment South Africa	68 144	68 144	-	69 256	69 256
Total	9 343 187	9 343 187	-	10 389 517	10 389 517

2 Departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Tax revenue*		4 239	4 862
Sales of goods and services other than capital assets	2.1	652	624
Fines, penalties and forfeits	2.2	40 008	365
Transactions in financial assets and liabilities	2.5	59 870	89 533
Departmental revenue received		104 769	95 384
Interest, dividends and rent on land	2.3	1 390	2 708
Sales of capital assets	2.4	487	-
Departmental revenue collected		106 646	98 092

*Tax revenue relates to liquor licence fees received

	2017/18 R'000	2016/17 R'000
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2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	637	610
Sales by market establishment*	263	262
Other sales**	374	348
Sales of scrap, waste and other used current goods	15	14
Total	652	624

* Sales by market establishment relate to revenue received in respect of parking rental.

** Other sales comprise commission charged on the deduction of insurance premiums and patent examination fees.

2.2 Fines, penalties and forfeits

Fines	5 100	-
Penalties	92	365
Forfeits	34 816	-
Total	40 008	365

2.3 Interest, dividends and rent on land

Interest	1 390	2 708
Total	1 390	2 708

2.4 Sales of capital assets

Tangible capital assets

Machinery and equipment	487	-
Total	487	-

2.5 Transactions in financial assets and liabilities

Receivables	56 167	82 523
Forex gain	4	17
Other receipts including recoverable revenue	3 699	6 993
Total	59 870	89 533

2.6 Cash received not recognised (not included in the main note) – 2017/18

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Balance carried forward	5 102	5 102	-
NCC	133	(133)	-
NGB	11 625	(11 625)	-
CIPC	1 000 000	(1 000 000)	-
NCT	322	(322)	-
NCR	10 455	(10 455)	-
Total	1 027 637	1 027 637	-

Cash received not recognised (not included in the main note) – 2016/17

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
NCR Fines	4 754	(4 754)	-
CIPC (surplus)	225 100	(225 100)	-
NCC	67	-	67
NGB	5 035	-	5 035
Total	234 956	(229 854)	5 102

3 Aid assistance

	2017/18 R'000	2016/17 R'000
3.1		
Opening balance	35 647	32 955
As restated	35 647	32 955
Transferred from Statement of Financial Performance	-	35 647
Paid during the year	(35 647)	(32 955)
Closing balance	-	35 647

3.2 Analysis of balance by source

Aid assistance from RDP	-	35 647
Closing balance	-	35 647

3.3 Analysis of balance

Aid assistance repayable	-	35 647
Closing balance	-	35 647

the dti is the spending agency of the Reconstruction and Development Fund as defined in the Reconstruction and Development Fund Act No. 07 of 1994 (RDP Act). There are ongoing projects to the value of R25.8 million (R193 million for 2016/17), the continuation of which is subject to the receipt of further funding from the RDP Fund in accordance with the RDP Act.

4 Compensation of employees

	2017/18 R'000	2016/17 R'000
4.1 Salaries and wages		
Basic salary	591 836	565 327
Performance award	21 144	14 934
Service based	1 701	1 060
Compensative / Circumstantial	6 567	5 946
Service bonus	38 837	37 725
Homeowners allowance	9 536	9 306
Other non-pensionable allowances*	130 988	132 762
Foreign allowances**	42 810	48 764
Total	843 419	815 824
<i>* Other non-pensionable allowances comprise car allowances and benefits structured as part of salary packages for employees on level 11 and higher.</i>		
<i>** Foreign allowances refers to the cost of living allowances awarded to employees based abroad at foreign mission offices.</i>		
4.2 Social contributions		
Employer contributions		
Pension	78 073	75 527
Medical	25 193	24 050
Bargaining council	105	97
Total	103 371	99 674
Total compensation of employees	946 790	915 498
Average number of employees	1 335	1 344

5 Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		5 900	1 989
Advertising		22 045	15 993
Minor assets	5.1	2 112	801
Bursaries (employees)		3 433	2 980
Catering		2 098	2 085
Communication		9 570	10 660
Computer services	5.2	43 729	16 406
Consultants: Business and advisory services		21 483	21 167
Legal services		10 500	20 124
Contractors		16 285	8 912
Agency and support / outsourced services		1 330	1 830
Entertainment		1 321	1 086
Audit cost – external	5.3	9 987	9 105
Fleet services		1 263	766
Consumables	5.4	8 675	11 985
Operating leases		322 401	305 848
Property payments	5.5	8 461	14 737
Travel and subsistence	5.6	99 058	88 828
Rental and hiring		2 269	2 048
Transport provided as part of departmental activities		-	1
Venues and facilities		19 738	23 013
Training and staff development		9 942	3 921
Other operating expenditure	5.7	22 127	25 702
Total		643 727	589 987

5.1 Minor assets

Tangible assets

Machinery and equipment

Intangible assets

Software

Total

	2017/18	2016/17
Tangible assets	681	540
Machinery and equipment	681	540
Intangible assets	1 431	261
Software	1 431	261
Total	2 112	801

5.2 Computer services

SITA computer services

External computer service providers

Total

SITA computer services	8 743	9 004
External computer service providers	34 986	7 402
Total	43 729	16 406

5.3 Audit costs – external

Regularity audits

Computer audits

Total

Regularity audits	9 692	8 756
Computer audits	295	349
Total	9 987	9 105

2017/18 R'000	2016/17 R'000
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5.4 Consumables

Consumable supplies	915	880
Uniforms and clothing	185	204
Household supplies	195	133
Building material and supplies	132	43
Communication accessories	5	5
IT consumables	356	438
Other consumables*	42	57
Stationery, printing and office supplies	7 760	11 105
Total	8 675	11 985

* Mainly includes security, photographic consumables and fuel supplies.

5.5 Property payments

Municipal services	1 123	1 071
Property management fees	2 336	2 589
Property maintenance and repairs	3 314	9 624
Other*	1 688	1 453
Total	8 461	14 737

* Mainly includes printing and publications, courier and delivery, and boarding tuition costs.

5.6 Travel and subsistence

Local	42 824	40 000
Foreign	56 234	48 828
Total	99 058	88 828

5.7 Other operating expenditure

Courier, delivery and freight services	1 070	1 359
Professional bodies, membership and subscription fees	6 104	7 370
Printing and publication services	6 710	5 980
Resettlement costs	1 532	3 808
School boarding / tuition cost	5 484	6 228
Storage of files / assets	854	937
Other*	373	20
Total	22 127	25 702

* Includes freight services for transporting bulky goods, competency licences and laundry services other than those that will be allocated to property payments expenditure.

6 Payments for financial assets

	Note	2017/18 R'000	2016/17 R'000
Other material losses written off		-	-
Debts written off	6.1	1 090	9 685
Forex losses	6.2	52	15
Total		1 142	9 700

6.1 Debts written off

Recoverable revenue written off

Enterprise Investment Programme	864	9 528
Leave without payment	-	8
Other (tax, cell / telephone, breach of contract, travel and subsistence)	175	108
Subtotal	1 039	9 644

Other debt written off

Salary overpayment out of service	26	3
Leave without payment	3	23
Other (tax, cell / telephone, breach of contract, travel and subsistence)	22	15
Subtotal	51	41

Total debt written off

1 090	9 685
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6.2 Forex losses

Nature of losses

Forex losses	52	15
Total	52	15

7 Transfers and subsidies

	Note	2017/18 R'000	2016/17 R'000
Departmental agencies and accounts	<i>Annex 1A</i>	727 576	856 034
Public corporations and private enterprises	<i>Annex 1C</i>	6 699 133	7 765 239
Foreign governments and international organisations	<i>Annex 1D</i>	28 457	29 843
Non-profit institutions	<i>Annex 1E</i>	173 814	163 107
Households	<i>Annex 1F</i>	2 463	3 885
Total		7 631 443	8 818 108

8 Expenditure for capital assets

Tangible assets		17 059	11 071
Machinery and equipment	31.1	17 059	11 071
Intangible assets		8 087	5 032
Software	32.1	8 087	5 032
Total		25 146	16 103

Voted funds	Aid assistance R'000	Total R'000
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8.1 Analysis of funds utilised to acquire capital assets – 2017/18

Tangible assets	17 059	–	17 059
Machinery and equipment	17 059	–	17 059
Intangible assets	8 087	–	8 087
Computer software	8 087	–	8 087
Total	25 146	–	25 146

Voted funds	Aid assistance R'000	Total R'000
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8.2 Analysis of funds utilised to acquire capital assets – 2016/17

Tangible assets	11 071	-	11 071
Machinery and equipment	11 071	-	11 071
Intangible assets	5 032	-	5 032
Computer software	5 032	-	5 032
Total	16 103	-	16 103

9 Unauthorised expenditure

2017/18 R'000	2016/17 R'000
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9.1 Reconciliation of unauthorised expenditure

Opening balance	-	-
Less: Amounts approved by Parliament / legislature (with funding)	-	-
Closing balance	-	-

10 Cash and cash equivalents

Consolidated Paymaster-General account	49 580	54 768
Cash on hand	64	-
Cash with commercial banks (local)	2 670	5 115
Total	52 314	59 883

11 Other financial assets

	Note	2017/18 R'000	2016/17 R'000
Current			
Foreign			
Rental deposits for employees based abroad		1 467	1 564
Subtotal		1 467	1 564
Total current other financial assets		1 467	1 564
Non-current			
Local			
Staff debts		-	-
Subtotal		-	-
Foreign			
Rental deposits for employees based abroad		425	152
Subtotal		425	152
Total non-current other financial assets		425	152

12 Prepayments and advances

Staff advances		10	37
Travel and subsistence		344	377
Advances paid (not expensed)	12.1	70 706	68 786
Total		71 060	69 200

12.1 Advances paid (Not expensed)*	Note	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add: Current year prepayments R'000	Balance as at 31 March 2018 R'000
National departments	Annexure 5	68 786	178 080	180 000	70 706
Total		68 786	178 080	180 000	70 706

*Amount for advances paid substantially relate to advance payments to the Department of International Relations and Cooperation for costs incurred by the foreign mission offices of **the dti**.

12.2 Advances (expensed)	Amount as at 1 April 2017 R'000	Less: Received in current year R'000	Add: Current year prepayments R'000	Amount as at 31 March 2018 R'000
Goods and services	-	-	1 016	1 016
Total	-	-	1 016	1 016

13 Receivables

Receivables	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	13.1	837	31 532	32 369	5 974	33 864	39 838
Staff debt	13.2	382	644	1 026	936	641	1 577
Other debtors	13.3	64	971	1 035	214	480	694
Total		1 283	33 147	34 430	7 124	34 985	42 109

2017/18
R'000

2016/17
R'000

13.1 Claims recoverable

National departments	310	2 069
Provincial departments	-	63
Public entities	302	3 088
Private enterprises	31 757	34 618
Total	32 369	39 838

13.2 Staff debt

Bursary	533	441
Leave without pay	81	85
Official debt (in service)	145	578
Travel and subsistence	35	119
Tax debt	-	1
School fees	-	24
Petty cash	1	-
Child allowances	231	329
Total	1 026	1 577

13.3 Other debtors

Bursary	21	189
Official debt (out of service)	898	402
Tax	13	23
Travel and subsistence	5	7
Leave without pay	47	46
Other (home bond and losses, supplies)	51	-
Petty cash, travel and subsistence (non-employees)	-	27
Total	1 035	694

	Note	2017/18 R'000	2016/17 R'000
13.4 Fruitless and wasteful expenditure			
Opening balance		-	-
Less: Amounts recovered		-	-
Transfers from note on fruitless and wasteful expenditure		-	-
Total		-	-

13.5 Impairment of receivables

Estimate of impairment of receivables		32 503	34 871
Total		32 503	34 871

14 Voted funds to be surrendered to the National Revenue Fund

Opening balance		40 119	26 185
Transfer from Statement of Financial Performance		94 939	40 121
Paid during the year		(40 121)	(26 187)
Closing balance		94 937	40 119

15 Departmental revenue to be surrendered to the National Revenue Fund

Opening balance		11 142	12 741
Transfer from Statement of Financial Performance		106 646	98 092
Paid during the year		(113 429)	(99 691)
Closing balance		4 359	11 142

16 Payables – current

Amounts owing to other entities	<i>Annex 4</i>	13 731	-
Clearing accounts	<i>16.1</i>	105	135
Other payables	<i>16.2</i>	21 150	58 386
Total		34 986	58 521

	2017/18 R'000	2016/17 R'000
16.1 Clearing accounts		
PAYE	50	84
Government Employee Housing Scheme	55	51
Total	105	135

16.2 Other payables

Employees (pension and leave payouts)	10	42
Liquor licence deposits	1 352	1 388
National Skills Fund	3 567	3 732
Jobs Fund (Government Technical Advisory Centre)	10 352	37 716
Rejected payments	4 300	405
Monies collected from other entities / departments	-	5 102
SARS	-	10 000
Cape Peninsula University of Technology	1 500	-
Other	69	1
Total	21 150	58 386

17 Net cash flow available from operating activities

Net surplus / (deficit) as per Statement of Financial Performance	201 585	173 860
Add back non-cash / cash movements not deemed operating activities	(182 254)	(118 223)
(Increase) / decrease in receivables	7 679	13 681
(Increase) / decrease in prepayments and advances	(1 860)	(9 796)
Increase / (decrease) in payables – current	(23 535)	1 030
Proceeds from sale of capital assets	(487)	-
(Increase) / decrease in other financial assets	(97)	790
Expenditure on capital assets	25 146	16 103
Surrenders to Revenue Fund	(153 550)	(125 878)
Surrenders to RDP Fund / Donor	(35 647)	(32 955)
Other non-cash items	97	(790)
Net cash flow generated by operating activities	19 331	55 637

18 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster-General account	49 580	54 768
Cash on hand	64	-
Cash with commercial banks (local)	2 670	5 115
Total	52 314	59 883

19 Contingent liabilities and contingent assets

	Note	2017/18 R'000	2016/17 R'000
19.1 Contingent liabilities			
Liable to			
Housing loan guarantees	Annex 2A	265	265
Claims against the department ¹	Annex 2B	6 648	2 826
Incentive grants ²	Annex 2B	7 577 483	6 539 513
Intergovernmental payables (unconfirmed balances)	Annex 4	-	-
Total		7 584 396	6 542 604

¹ Claims against the department are disclosed and will only be settled on decision of the court or if the department accepts liability, both of which are unknown. Amounts disclosed are not necessarily the claim amount, but the amount determined as the most likely amount that the court might settle on. There are instances where claims were lodged against the department due to incentive claims not being approved. However, these were not included above due to the remoteness of the claims.

² Incentive grants approved by **the dti** are not always disbursed in the year of approval. Based on the rules of a particular Incentive scheme, grants approved in one year may be disbursed over a period of one to three years following approval. Disbursement of the incentive grant is in all cases conditional on the recipient firms carrying out their approved projects in line with the guidelines of the respective incentive scheme and meeting key performance requirements that are linked to the particular incentive such as achieved investment, output, employment, etc.

19.2 Contingent assets

Nature of contingent asset

Incentive claims	19 264	17 171
Total	19 264	17 171

Some of the claims by the department against certain incentive applicants have resulted in the defendants raising counter claims against the department.

20 Commitments

Current expenditure	123 929	92 318
Approved and contracted	117 465	92 318
Approved but not yet contracted	6 464	-
Capital expenditure	1 425	17 502
Approved and contracted	1 425	17 502
Total commitments	125 354	109 820

A total of 66 contracts listed above exceed one year.

21 Accruals and payables not recognised

Accruals: Listed by economic classification	30 days	30+ days	2017/18 total (R'000)	2016/17 total (R'000)
Goods and services	48 504	3 434	51 938	38 740
Transfers and subsidies	14 024	-	14 024	-
Other* (DIRCO)	16 086	20 023	36 109	38 346
Total	78 614	23 457	102 071	77 086

*Other includes allowances payable to foreign officials and outstanding vouchers not yet received from DIRCO.

Accruals: Listed by programme level	2017/18 R'000	2016/17 R'000
Administration	44 366	34 427
International Trade and Economic Development	664	786
Broadening Participation	1 177	660
Industrial Development	745	459
Consumer and Corporate Regulation	624	413
Industrial Development: Incentive Administration	2 518	732
Trade and Investment South Africa	51 484	39 199
Investment South Africa	493	410
Total	102 071	77 086

Payables not recognised: Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	59	-	59	37
Other	-	20 618	20 618	13 277
Total	59	20 618	20 677	13 314

Payables not recognised: Listed by programme level

Administration	29	2
International Trade and Economic Development	8	-
Broadening Participation	3	20
Industrial Development Incentive Administration	19	1
Trade and Investment South Africa	20 618	13 291
Total	20 677	13 314

22 Employee benefits

	2017/18 R'000	2016/17 R'000
Leave entitlement*	34 937	33 483
Service bonus (13th cheque)	20 328	19 506
Performance awards	14 216	13 955
Capped leave commitments	11 055	11 112
Long service awards**	382	251
Total	80 918	78 307

* The full leave entitlement becomes due on the 1st day of each leave cycle (January – December). In addition to the leave entitlement provision, there are negative leave credits to the value of R1.1 million, which relates to leave taken in excess of the accrued leave credits as at 31 March 2018.

**The provision on the long service awards disclosed above does not include the long term portion of the long service awards.

23 Lease commitments

23.1 Operating lease expenditure

Operating leases	2017/18			Operating leases	2016/17		
	Buildings and other fixed structures	Machinery and equipment	Total		Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000		R'000	R'000	R'000
Not later than 1 year	16 861	3 734	20 595	Not later than 1 year	17 682	3 170	20 852
Later than 1 year and not later than 5 years	8 605	3 887	12 492	Later than 1 year and not later than 5 years	17 685	7 530	25 215
Later than 5 years	760	-	760	Later than 5 years	1 078	-	1 078
Total lease commitments	26 226	7 621	33 847	Total lease commitments	36 445	10 700	47 145

In addition to the above, National Treasury consented that **the dti** could enter into sub-lease contracts with public entities for Block G until **the dti** completes the process of acquiring Block G and including it into the PPP contract. This was anticipated to be finalised in 2016/17 financial year, however, due to this process not being completed, National Treasury has since given further extension of 12 months ending in June 2018. The lease commitment for this extended period is R6,5 million.

23.2 Finance lease expenditure

2017/18

	Machinery and equipment R'000	Total R'000
Not later than 1 year	2 258	2 258
Later than 1 year and not later than 5 years	1 031	1 031
Total lease commitments	3 289	3 289

	Machinery and equipment R'000	Total R'000
2016/17		
Not later than 1 year	1 063	1 063
Later than 1 year and not later than 5 years	886	886
Total lease commitments	1 949	1 949

This note excludes leases relating to Public Private Partnerships (PPP) as they are separately disclosed in note 29.

the dti is a participant on the Transversal Contract facilitated by National Treasury for the supply and delivery of Mobile Communication Services and handsets to the state.

24 Accrued departmental revenue

	2017/18 R'000	2016/17 R'000
Transaction in financial assets and liabilities	-	5 020
Total	-	5 020

24.1 Analysis of accrued departmental revenue

Opening balance	5 020	16 801
Less: Amounts received	(2 020)	(13 801)
Add: Amounts recognised	-	2 020
Less: Amounts written off / reversed as irrecoverable	(3 000)	-
Total	-	5 020

25 Irregular expenditure

25.1 Reconciliation of irregular expenditure

Opening balance	1 258	1 258
Add: Irregular expenditure relating to current year	68	-
Less: Prior year amounts condoned	-	-
Less: Amounts not condoned and not recoverable	-	-
Irregular expenditure awaiting condonation	1 326	1 258

	2017/18 R'000	2016/17 R'000
Analysis of awaiting condonation per age classification		
Current year	68	-
Prior years	1 258	1 258
Total	1 326	1 258

25.2 Details of irregular expenditure – current year

		2017/18 R'000
Incident	Disciplinary steps taken / criminal proceedings	
Acting allowance	Under investigation	68
Total		68

25.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	
		-
Total		-

25.4 Details of irregular expenditure not condoned and not recoverable

Incident	Not condoned by (condoning authority)	
		-
Total		-

26 Fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
26.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Fruitless and wasteful expenditure relating to prior year		-	-
Fruitless and wasteful expenditure relating to current year		-	-
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery		-	-
Closing balance		-	-

	Note	2017/18 R'000	2016/17 R'000
26.2 Analysis of awaiting resolution per economic classification			
Current year		-	-
Total		<u>-</u>	<u>-</u>

26.3 Analysis of current year's fruitless and wasteful expenditure

Incident

Disciplinary steps taken / criminal proceedings		-	
Total		<u>-</u>	

27 Related-party transactions

Revenue received

Rent on land	27.1	15 226	14 248
Total		<u>15 226</u>	<u>14 248</u>

Year-end balances arising from revenue / payments

Payables to related parties	Annex 4	-	-
Receivables from related parties	Annex 3	-	-
Total		<u>-</u>	<u>-</u>

27.1 Rent on land

Name of department / entity

CIPC		15 226	14 248
Total		<u>15 226</u>	<u>14 248</u>

the dti is providing accommodation on its campus to the Companies and Intellectual Property Commission at a reduced rental. The department is also providing office accommodation to the Companies Tribunal, for which there is no charge.

List of related-party relationships

- CIPC
- ECIC
- NCC
- NCT
- CT
- NCR

- NEF
- NGB
- NLC
- NMISA
- NRCS
- SABS
- SANAS

Related parties disclosed under this note are only those that fall within the Minister’s portfolio. For related-party transactions relating to other departments and entities please refer to the Accounting Officer’s report. As per the definition of related parties, key management personnel form part of the related parties. This has been separately disclosed under note 28.

28 Key management personnel

	No. of individuals	2017/18 R’000	2016/17 R’000
Political office bearers	2	4 379	3 101
Officials:			
Level 15 to 16	17	25 264	24 038
Level 14	64	78 082	80 823
Family members of related parties		-	-
Total		107 725	107 962

Political office bearers consist of:

Trade and Industry:

- Minister RH Davies, from 11 May 2009 to date
- Deputy Minister G Magwanishe, from 1 April 2017

29 Public-private partnership

29.1 Buildings and other fixed structures

the dti campus Public Private Partnership (PPP) is based on a partnership between **the dti** and the City of Tshwane under which the City owns the land. The City will also own all fixed assets erected thereon. **the dti** will enjoy the peaceful and undisturbed benefits of a sustained collaborative working and unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private sector partner, who signed an experience delivery agreement with **the dti**.

The construction of **the dti** campus was finalised during the first half of 2004, where after the move and decant took place between May and November 2004.

	2017/18 R'000	2016/17 R'000
Contract fee paid		
Fixed component	226 349	215 134
Indexed component	30 187	29 390
Total	256 536	244 524

29.2 Motor vehicles

Contract fee paid		
Fixed component	3 678	3 736
Indexed component	1 516	1 497
Total	5 194	5 233

the dti participates in the Department of Transport's fleet management contract for the use of its pool vehicles.

29.3 Analysis of indexed component

Building and other fixed structures	30 187	29 390
Motor vehicles	1 516	1 497
Total	31 703	30 887

29.4 PPP commitments

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2017/18			
Not later than 1 year	246 180	3 371	249 551
Later than 1 year and not later than 5 years	1 141 558	-	1 141 558
Later than 5 years	2 297 976	-	2 297 976
Total lease commitments	3 685 714	3 371	3 689 085

2016/17

Not later than 1 year	230 008	3 592	233 600
Later than 1 year and not later than 5 years	1 066 571	-	1 066 571
Later than 5 years	2 583 650	-	2 583 650
Total lease commitments	3 880 229	3 592	3 883 821

30 Provisions

	2017/18 R'000	2016/17 R'000
Export Marketing and Investment Assistance	46 984	31 631
Total	46 984	31 631

As from the date **the dti** approves funding, **the dti** has an unconditional obligation to pay the preferred supplier on submission of the required claim documents. The preferred supplier can claim the incentive at any-time therefore the timing of the obligation is not known. The amount of the obligation is known as the approval letter specifies the maximum amount payable to the grantee.

30.1 Reconciliation of movement in provisions – 2017/18

	EMIA R'000	Total provisions R'000
Opening balance	31 631	31 631
Increase in provision	235 221	235 221
Settlement of provision	(176 100)	(176 100)
Unused amount reversed	(43 768)	(43 768)
Change in provision due to change in estimation inputs	-	-
Closing balance	46 984	46 984

30.2 Reconciliation of movement in provisions – 2016/17

	EMIA R'000	Total provisions R'000
Opening balance	89 259	89 259
Increase in provision	210 261	210 261
Settlement of provision	(184 134)	(184 134)
Unused amount reversed	(83 755)	(83 755)
Change in provision due to change in estimation inputs	-	-
Closing balance	31 631	31 631

31 Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	143 013	-	17 419	(19 303)	141 129
Transport assets	5 084	-	871	-	5 955
Computer equipment	114 519	-	12 952	(13 512)	113 959
Furniture and office equipment	13 893	-	2 225	(5 423)	10 695
Other machinery and equipment	9 517	-	1 371	(368)	10 520
Total movable tangible capital assets	143 013	-	17 419	(19 303)	141 129

31.1 Additions

	Cash R'000	Non-cash R'000	Capital work- in-progress current costs and finance lease payments) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Machinery and equipment	16 962	457	-	-	17 419
Transport assets	414	457	-	-	871
Computer equipment	12 952	-	-	-	12 952
Furniture and office equipment	2 225	-	-	-	2 225
Other machinery and equipment	1 371	-	-	-	1 371
Total additions to movable tangible capital assets	16 962	457	-	-	17 419

31.2 Disposals

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000
Machinery and equipment	-	19 303	19 303
Transport assets	-	-	-
Computer equipment	-	13 512	13 512
Furniture and office equipment	-	5 423	5 423
Other machinery and equipment	-	368	368
Total disposal of movable tangible capital assets	-	19 303	19 303

31.3 Movement for 2016/17

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	149 811	-	11 133	(17 931)	143 013
Transport assets	5 236	-	2 253	(2 405)	5 084
Computer equipment	117 174	-	7 094	(9 749)	114 519
Furniture and office equipment	17 133	-	1 213	(4 453)	13 893
Other machinery and equipment	10 268	-	573	(1 324)	9 517
Total movable tangible capital assets	149 811	-	11 133	(17 931)	143 013

31.4 Minor assets

Movement in minor assets of the department for the year ended 31 March 2018

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	1 717	4 441	6 158
Value adjustments	-	47	47
Additions	1 431	681	2 112
Disposals	(169)	(395)	(564)
Total	2 979	4 774	7 753

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	-	55	55
Number of minor assets at cost (R'000)	2 596	2 811	5 407
Total	2 596	2 866	5 462

Movement in minor assets of the department for the year ended 31 March 2017

Opening balance	1 837	4 770	6 607
Additions	261	540	801
Disposals	(381)	(869)	(1 250)
Total	1 717	4 441	6 158

Number of R1 minor assets	-	279	279
Number of minor assets at cost (R'000)	824	2 972	3 796
Total	824	3 251	4 075

31.5 Moveable assets written off

Moveable assets written off for the year ended 31 March 2018

Assets written off	418	418
Total	418	418

Moveable assets written off for the year ended 31 March 2017

Assets written off	318	318
Total	318	318

31.6 Section 42 movable capital assets

Major assets subjected to transfer in terms of Section 42 of the PFMA as at 31 March 2018

Number of assets	1	170	171
Value of assets (R'000)	8 338	4 162	12 500

Minor assets subjected to transfer in terms of Section 42 of the PFMA as at 31 March 2018

Number of assets	-	44	44
Value of assets (R'000)	-	101	101

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
--	-------------------------------	-------------------------------------	----------------

Major assets subjected to transfer in terms of Section 42 of the PFMA as at 31 March 2017

Number of assets	1	169	170
Value of assets (R'000)	8 338	3 839	12 177

Minor assets subjected to transfer in terms of Section 42 of the PFMA as at 31 March 2017

Number of assets	-	45	45
Value of assets (R'000)	-	106	106

32 Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2018

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer software	53 589	-	8 087	(1 796)	59 880
Total intangible capital assets	53 589	-	8 087	(1 796)	59 880

32.1 Additions

Additions to intangible capital assets per asset register for the year ended 31 March 2018

	Cash R'000	Non-cash R'000	Development work in progress – current costs R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Computer software	8 087	-	-	-	8 087
Total additions to intangible capital assets	8 087	-	-	-	8 087

32.2 Disposals

Disposals of intangible capital assets per asset register for the year ended 31 March 2018

	Sold for cash	Non-cash disposal	Total disposals
	R'000	R'000	R'000
Computer software	-	1 796	1 796
Total disposals of intangible capital assets	-	1 796	1 796

32.3 Movement for March 2016/17

Movement in intangible capital assets per asset register for the year ended 31 March 2017

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	52 836	5 032	(4 279)	53 589
Total	52 836	5 032	(4 279)	53 589

33 Prior period errors

Correction of prior period errors	Note	Amount before error correction	2016/17 Prior period error	Restated amount
		R'000	R'000	R'000
Contingent liabilities	19			
Closing balance		6 542 406	198	6 542 604
<i>Amounts paid during the year was erroneously overstated, thus resulting in incorrect closing balance</i>				
Net effect		6 542 406	198	6 542 604
Provisions	30			
Opening balance		32 115	(484)	31 631
<i>Correction of overstatement of closing balance resulting from the 2016/17 audit of the AFS</i>				
Net effect		32 115	(484)	31 631

Annexures to the Annual Financial Statements for the year ended 31 March 2018

Annexure 1A: Statement of transfers to departmental agencies and accounts

Department / Agency / Account	Transfer allocation				Transfer		2016/17
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Companies Tribunal	15 822	-	-	15 822	15 822	100%	15 069
National Consumer Commission	52 614	-	-	52 614	52 614	100%	56 643
National Consumer Tribunal	48 459	-	-	48 459	48 459	100%	46 151
National Credit Regulator	73 056	-	-	73 056	73 056	100%	69 577
National Gambling Board	31 627	-	-	31 627	31 627	100%	30 121
National Metrology Institute of South Africa	106 470	-	-	106 470	106 470	100%	101 400
National Metrology Institute of South Africa: Infrastructure	146 333	-	-	146 333	146 333	100%	162 793
National Productivity Institute: Workplace Challenge	8 949	-	-	8 949	8 949	100%	8 523
National Regulator for Compulsory Specifications	128 745	-	-	128 745	128 745	100%	86 418
South African National Accreditation System	30 313	-	-	30 313	30 313	100%	22 208
Council for Geoscience	1 188	-	-	1 188	1 188	100%	1 131
National Research Foundation	84 000	-	-	84 000	84 000	100%	256 000
Total	727 576	-	-	727 576	727 576		856 034

Annexure 1C: Statement of transfers / subsidies to public corporations and private enterprises

Name of public corporation / private enterprise	Transfer allocation				Expenditure				2016/17
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public corporations									
Transfers	2 380 759	-	912 059	3 292 818	3 290 641	99.9%	1 725 975	1 564 666	3 054 149
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	1 738	-	-	1 738	1 738	100%	-	1 738	1 655
Council for Scientific and Industrial Research: Aerospace Industry Support	19 020	-	-	19 020	19 020	100%	19 020	-	17 781
Council for Scientific and Industrial Research: National Cleaner Production Centre	62 951	-	-	62 951	62 951	100%	-	62 951	58 870
Export Credit Insurance Corporation	177 644	-	10 628	188 272	188 272	100%	-	188 272	171 566
Industrial Development Corporation: Clothing and Textile Production Incentive	708 329	-	-	708 329	708 329	100%	-	708 329	600 992
Industrial Development Corporation: Customised Sector Programme	15 111	-	-	15 111	15 111	100%	-	15 111	157 274
CSIR: National Foundry Technology Network: Metals	18 678	-	-	18 678	18 678	100%	-	18 678	19 689
ProTechnik Laboratories capital	1 280	-	-	1 280	1 279	99.9%	1 279	-	1 219
ProTechnik Laboratories current	3 093	-	-	3 093	3 093	100%	-	3 093	2 945
South African Bureau of Standards: Research contribution	285 494	-	17 000	302 494	302 494	99.9%	-	302 494	212 361
Industrial parks	160 000	-	(19 740)	140 260	140 257	99.9%	140 257	-	125 797
Special Economic Zones: Investment incentives	905 421	-	660 000	1 565 421	1 565 419	99.9%	1 565 419	-	1 410 000
IDC: MCEP Industrial Financing	-	-	250 000	250 000	250 000	100%	-	250 000	250 000
One-Stop Shop	22 000	-	(5 829)	16 171	14 000	86.6%	-	14 000	24 000
Subsidies	-	-	-	-	-	-	-	-	-
Subtotal: Public corporations	2 380 759	-	912 059	3 292 818	3 290 641	99.9%	1 725 975	1 564 666	3 054 149

Name of public corporation / private enterprise	Transfer allocation				Expenditure				2016/17
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private enterprises									
Transfers	345 937	-	(100 260)	245 677	237 439	96.6%	38 836	198 603	269 357
Export Market and Investment Assistance	182 500	-	(20 000)	162 500	162 372	99.9%	-	162 372	184 410
Support Programme for Industrial Innovation	63 937	-	(20 000)	43 937	36 231	99.9%	-	36 231	20 760
Other critical infrastructure programme project	99 500	-	(60 260)	39 240	38 836	99.9%	38 836	-	64 187
Subsidies	3 997 350	-	(807 000)	3 190 350	3 171 053	99.4%	-	3 171 053	4 441 733
Automotive Production and Development Programme: Production Allowance	1 400 700	-	181 699	1 582 399	1 582 399	100%	-	1 582 399	2 014 463
Supplier Cluster Development	14 500	-	(14 500)	-	-	-	-	-	-
Technology and Human Resources IND	109 100	-	(75 500)	33 600	20 130	59.9%	-	20 130	1 563
Business Process Service Incentive	330 000	-	19 999	349 999	349 998	99.9%	-	349 998	287 778
Enterprise Investment Programme	210 000	-	(47 873)	162 127	162 125	99.9%	-	162 125	460 000
Film and Television Production Incentive	462 500	-	1	462 501	462 500	99.9%	-	462 500	513 260
Cluster Development Programme	30 000	-	(15 228)	14 772	14 772	100%	-	14 772	9 154
Manufacturing Competitiveness Enhancement Programme	1 428 598	-	(853 826)	574 772	573 652	99.9%	-	573 652	1 114 670
Regional Spatial Development Initiative	1 952	-	-	1 952	-	-	-	-	-
Industrial Development Zones	10 000	-	(1 772)	8 228	5 477	66.6%	-	5 477	40 845
Subtotal: Private enterprises	4 343 287	-	(907 260)	3 436 027	3 408 492	99.2%	38 836	3 369 656	4 711 090
Total	6 724 046	-	4 799	6 728 845	6 699 133	99.6%	1 764 811	4 934 322	7 765 239

Annexure 1D: Statement of transfers to foreign governments and international organisations

Foreign government / international organisation	Transfer allocation				Transfer		2016/17
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
World Trade Organisation	14 500	-	(1 591)	12 909	12 909	100%	14 159
Organisation for the Prohibition of Chemical Weapons	5 172	-	(1 629)	3 543	3 543	100%	3 516
United Nations Industrial Development Organisation	6 767	-	(746)	6 021	6 020	100%	5 969
World Intellectual Property Organisation	5 173	-	(832)	4 341	4 341	100%	4 568
Various institutions for Treaty Organisation for Metrology	1 644	-	-	1 644	1 644	100%	1 631
Total	33 256	-	(4 798)	28 458	28 457		29 843

Annexure 1E: Statement of transfers to non-profit institutions

Non-profit institution	Transfer allocation				Transfer		2016/17
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Proudly South African campaign	29 611	-	4 000	33 611	33 611	100%	31 868
Intsimbi National Tooling Initiative	75 786	-	-	75 786	75 786	100%	74 082
Centurion Aerospace Village	25 367	-	-	25 367	25 367	100%	18 445
Trade and Industrial Policy Strategies	24 423	-	-	24 423	24 423	100%	22 712
Automotive Supply Chain Competitiveness Initiative	13 127	-	-	13 127	13 127	100%	15 000
Black Business Council	1 500	-	-	1 500	1 500	100%	1 000
Total	169 814	-	4 000	173 814	173 814		163 107

Annexure 1F: Statement of transfers to households

Households	Transfer allocation				Transfer		2016/17
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Employee social benefits	1 157	-	888	2 045	2 011	98%	2 655
Social assistance	-	-	-	-	-	-	626
Bursaries	-	-	41	41	41	100%	204
Gift and donations	239	-	166	405	391	97%	396
Payments / Refunds and remissions as an act of grace	-	-	20	20	20	100%	4
Total	1 396	-	1 115	2 511	2 463		3 885

Annexure 1G: Statement of gifts, donations and sponsorships received

Name of organisation	Nature of gift, donation or sponsorship	2017/18	2016/17
Received in kind		R'000	R'000
WIPO	Sponsored trip to attend WIPO conference in Geneva	-	78
The Commonwealth Secretariat	Sponsored trip to attend the Commonwealth African Countries Regional Integration on WTO Post-Nairobi and Continental and Regional Integration Meeting in Lusaka, Zambia	-	15
Saudi Government	Sponsored state visit to the Kingdom of Saudi Arabia (KSA) and United Arab Emirates (UAE)	-	23
Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)	Sponsored trip to participate on the 21 On-Site Inspection Regional Introductory Course for CTBTO, that was held in Aniston	-	50
World Trade Organisation (WTO)	Sponsored trip to participate in the WTO Regional Workshop and Advanced Trade Negotiations Simulation Skills Course held in Namibia, Switzerland and Ghana	-	121
Chilean International Cooperation Agency (AGCI)	Sponsored Masters' Degree at the University of Concepcion in Chile	-	678
COMESA-EAC-SADC Secretariats	Sponsored trip to participate in COMESA-EAC-SADC Tripartite Technical Workshop on SPS and TBT Measures from 3 – 9 July 2016 in Nairobi, Kenya	-	33
Centre for Conflict Resolution	Sponsored trip to attend a Seminar on Africa and External Actors, Cape Town	-	11
European Union	Sponsored trip to attend the European Union Summer University course on export controls and non-proliferation	-	31
SACU Secretariat	Sponsored trip to the SACU Building Task Team Meeting	-	9
International Trade Centre (ITC)	Sponsored trip to attend the SACU workshop on Trade Facilitation Agreement implementation in Windhoek, Namibia	-	66
National Nuclear Security Administration (NNSA)	Sponsored trip to participate in the East African Community Regional Weapons of Mass Destruction Commodity Identification Training demonstration workshop in Naivasha, Kenya	-	31
African Union Commission	Sponsored trip to attend the 3rd Continental Free Trade Area-Negotiations Forum (CFTA-NF) in Addis Ababa, African Union Commissions' consultative meeting, the Continental Consultative meeting on the draft Pan African Investment Code and Geographical Indications Policy Framework in Nairobi and the African Union's dti consultative meeting on the 4 year strategic plan	-	173
United Nations	Sponsored accommodation for the trip to participate in United Nations Conference on Trade and Development (UNCTAD) Annual Workshop in New York	-	24
Organization for the Prohibition of Chemical Weapons	Sponsored trip to attend the Stakeholders Forum for States Parties in Africa on Adoption of National Implementing Legislation and eighteenth Annual Meeting of National Authorities to the Chemical Weapons Convention, which was held in Dar Es Salaam, Tanzania, and The Hague-Netherlands	-	38

Name of organisation	Nature of gift, donation or sponsorship	2017/18	2016/17
Received in kind		R'000	R'000
The United States Government	Sponsored trip to attend the 15th International Export Control conference in Prague and for Industry Benchmarking	-	80
American University's Kogod Business School.	Coffee cups during the FER handover session in Washington DC	-	14
Tripartite Capacity Building Programme	Sponsored trip Tripartite Capacity Building Programme at the Beitbridge Border Post.	-	30
SADC Secretariat	Sponsored trip to attend the SADC SPS Coordinating Committee meetings in Dar Es Salaam	-	17
International Centre for Trade and Sustainable Development (ICTSD)	Sponsored trip to attend a roundtable dialogue of policy makers, business representatives, and international experts entitled Setting South Africa's trade policy priorities for the global digital and services economy	-	6
United Nations Development Programme (UNDP)	Sponsored trip to attend United Nations Development Programme (UNDP) Technical Assistance Mission to Botswana	-	34
Government of the People's Republic of China	Sponsored trip to attend the 3rd Capacity Building Programme on Special Economic Zones (SEZs), participate in the Maritime Manufacturing Seminar and Seminar on Economic Globalization	-	146
Harvard Kennedy School	Sponsored to attend the Infrastructure in a Market Economy Programme	-	53
IOL	Sponsored trip to attend the third world-skills hi-tech competition and future skills foresight conference to be held in Russia	-	20
Global Offset and Countertrade Association	Sponsored trip to attend the Global Industrial Cooperation Conference (GICC) in Toledo, Spain.	-	37
United States Trade and Development Agency	Sponsored Energy Storage Study Tour to the US.	-	100
United Nations Industrial Development Organization (UNIDO)	Sponsored trip to attend the Specialised Technical Committee on Trade, Industry and Minerals in Ethiopia	-	21
U.S. Trade and Development Agency	Sponsored trip to participate in the U.S. Trade and Development Agency Gas-to-Power Reverse Trade Mission.	-	50
South African Danish Embassy	Sponsored trip to attend Bioenergy tour in Denmark	-	33
CHIETA	Sponsored trip to attend CHIETA Annual Strategic Board at Magaliesburg	-	5
Trade and Industry Policy Strategies (TIPS)	Sponsored trip to attend the quarterly Africa Industrial Development and Integration Programme research meeting in Tanzania	-	11
University of Birmingham, United Kingdom	Sponsored Masters of Business Administration (MBA) in International Business	-	504

Name of organisation	Nature of gift, donation or sponsorship	2017/18	2016/17
Received in kind		R'000	R'000
Saudi Royal Protocol	Sponsored ground transport, accommodation and meals for a State Visit	-	45
Turkish Government	Sponsored trip to attend Turkey Africa Economic Business Forum – accommodation and ground transport	-	60
Singapore Government	Attend the Singapore Cooperation Programme (SCP) training award Public Private Partnership's (PPP's) Programme in Development of Infrastructure Projects in support of the G20 development working group	-	33
COMESA	Transport allowance to the dti officials to attend a meeting to review Border Assessment between SA and Zimbabwe	10	-
Intelligence Transfer Company	Sponsored flight and accommodation-speaker at a conference for the Intelligence Transfer Centre	6	-
Organisation for the Prohibition of Chemical Weapons; State of Qatar	Sponsored trip to attend International Conference on Chemical Disarmament and Security, OPCW's Contributions to Global Peace and Security that was held in Doha, Qatar	27	-
University of Georgia: Centre for International Trade and Security	Sponsored trip to attend the Strategic Trade Management Academy from 27 March 2017 to 7 April 2017 in Atlanta Georgia, the United States of America	48	-
Women for Africa Foundation	Sponsored trip to attend Leadership Forum for Strategic Impact, New Haven and Washington, USA	130	-
IDEP- Institute for Economic Development and Planning	Sponsored trip to participate in the United Nations African Institute for Economic Development and Planning in Dakar, Senegal	39	-
Saudi Embassy - Pta	Courtesy Gift	12	-

Name of organisation	Nature of gift, donation or sponsorship	2017/18	2016/17
Received in kind		R'000	R'000
Third World Network-Africa (TWN-Africa)	Sponsored trip to attend SADC Regional Consultation on the Continental Free Trade Area in Lusaka, Zambia	9	-
Commonwealth	Sponsored trip to attend African Regional Consultation On Multilateral, Regional & Emerging Trade Issues, Organised By The Commonwealth, in Balaclava Mauritius	13	-
Tripartite Capacity Building Programme (TCBP)	Transport allowance to attend Non-Tariff Measures Data Validation workshop for South Africa	7	-
WTO	Sponsored trip to attend formal interview for the Secondment Programme for Trade Lawyers, advanced course on Dispute Settlement and Intellectual Property	101	-
Organisation for the Prohibition of Chemical Weapons (OPCW)	Sponsored trip to attend the fifteenth Regional Meeting of National Authorities of States Parties in Africa and the fourth & nineteenth Annual Meeting of Chemical and National Authorities	59	-
Rheinmetall Denel Munition Pty (Ltd)	Sponsored venue , accommodation, dinner and other accessories	7	-
Wilton Park	Sponsored trip to attend the Enhancing Trade and Investment Capacity in Sub-Saharan Economies in the United Kingdom and the Commonwealth Development Corporation	13	-
Heineken South Africa	Sponsored trip to attend a race course through an invite as a stakeholder	6	-
Unisa	Sponsored air transport to First World Congress on Nanoscience and Nanotechnology and congress fees	21	-
Emirof Qatar	Watch	60	-
TRALAC	Sponsored trip to attend TRALAC annual conference on International Trade Governance	12	-
Government of The Russian Federation	Sponsored trip to attend International Conference on Global Biosecurity Challenges	37	-
United Nations Economic Commission for Africa	Sponsored trip to attend the 10th Session of the Committee on Regional Cooperation and Integration	19	-
WIPO	WIPO Training	27	-
AUC	Sponsored trip to attend 5th EPA Coordination Meeting held in Harare, Zimbabwe from 6 – 10 November 2017	15	-
Korean Institute of Nuclear Non-proliferation and Control (KINAC)	Sponsored trip to attend the 14th INSA International Training Course in Daejeon, Republic of Korea.	52	-
United Nations Office for Disarmament Affairs (UNODA)	Sponsored trip to attend the 2017 Wiesbaden Conference in Wiesbaden, Germany	17	-

Name of organisation	Nature of gift, donation or sponsorship	2017/18	2016/17
Received in kind		R'000	R'000
US Department of State	Sponsorship to participate in the International Visitor Leadership Program.	256	-
Republic of China	Stipend for the sponsored trips to attend seminars and training	73	-
SACU Secretariat	Sponsored trip to undergo an interview and assessment for the SACU Deputy Executive Secretary Position in Namibia	14	-
United Nations Framework Convention on Climate Change (UNFCCC)	Sponsored trip to attend Awareness creation workshop to maximize the positive and minimise the negative impacts of the implementation of response measures	30	-
Department of Environmental Affairs	Sponsored hotel accommodation during attendance of UNFCCC Strategic Negotiation Session	10	-
UNIDO	Sponsored trip to attend UNIDO training course on gender equality, inclusive and sustainable industrial Development and to participate in the Sustainable Energy Solutions	59	-
The Global Offset & Countertrade Association	Sponsored trip to attend the global offset countertrade association conference	43	-
Singapore Government	Daily allowance during attendance of leadership and economic diplomacy training in Singapore	11	-
Google	Sponsored trip to Mauritius to participate at the Africa Internet Academy	35	-
Miscellaneous (grouped small items)		54	36
Total		1 332	2 716

Annexure 1H: Statement of local and foreign aid assistance received

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on/by 31 March 2018	Closing balance
		R'000	R'000	R'000	R'000	R'000
Employment Creation Fund	To create long-term sustainable employment	1 792	-	-	1 792	-
Sector Wide Enterprise Employment and Equity Programme (SWEEP)	To increase employment and greater social and economic equity and integration	33 855	-	-	33 855	-
Total		35 647	-	-	35 647	-

Annexure 1I: Statement of gifts, donations and sponsorships made; and remissions, refunds and payments made as an act of grace

Nature of gift, donation or sponsorship	2017/18	2016/17
Made in kind	R'000	R'000
the dti: Provide blankets and food parcels for the Mandela Day Commemoration	76	96
the dti: Part payment for hearing aids for employees	172	-
the dti: Token of appreciation for speakers at BEE Commission's Annual Conference	44	24
Miscellaneous (exchange gifts with counterparts and business executives, etc)	26	-
Total	318	120

Annexure 2A: Statement of financial guarantees issued as at 31 March 2018 – local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guaranteed repayments / cancelled / reduced / released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	Realised losses not recoverable (ie claims paid out)
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	80	80	-	-	-	80	-	-
ABSA	Housing	185	185	-	-	-	185	-	-
	Total	265	265	-	-	-	265	-	-

Annexure 2B: Statement of contingent liabilities as at 31 March 2018

Nature of liability	Opening balance 1 April 2017	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (details hereunder)	Closing balance
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Gwam Properties	357	-	357	-	-
Automotive Incentive Scheme (AIS)	2 722 013	2 638 539	1 970 952	-	3 389 600
Business Process Services (BPS)	143 823	379 269	390 928	-	132 164
Film and Television Production	1 165 277	730 357	867 063	-	1 028 571
Enterprise Investment Programme (EIP)	150 851	8 019	158 870	-	-
Critical Infrastructure Programme (CIP)	376 963	349 525	228 166	-	498 322
Capital Project Feasibility Programme (CPFP)	59 436	17 643	60 642	-	16 437
Manufacturing Competitive Enhancement Programme (MCEP)	555 444	31 074	490 378	-	96 140
Incubator Support Program (ISP)	162 156	10 436	106 958	-	65 634
Aquaculture Development Enhancement Program (ADEP)	80 314	81 805	64 275	-	97 844
Support Programme for Industrial Innovation (SPII)	23 519	71 825	36 230	-	59 114
Cluster Development Programme (CDP)	56 787	24 400	22 909	-	58 278
Black Industrialist Scheme (BIS)	892 303	1 405 030	620 403	-	1 676 930
Technology and Human Resources for Industry Programme (THRIP)	150 627	235 388	33 697	-	352 318
Agro Processing Support Scheme	-	109 406	3 275	-	106 131
Rainprop	2 469	180 238	176 059	-	6 648
Total	6 542 339	6 272 954	5 231 162	-	7 584 131

Annexure 3: Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Department of Water and sanitation	-	-	27	-	27	-
Department of Economic Development	-	-	100	2 069	100	2 069
The Presidency	-	-	-	-	-	-
Department of Mineral Resources	-	-	-	-	-	-
Department of Small Business Development	-	-	183	-	183	-
Ekurhuleni municipality	-	-	-	-	-	-
Gauteng: e-Government	-	-	-	63	-	63
Subtotal	-	-	310	2 132	310	2 132
Other government entities						
Companies and Intellectual Properties	-	-	237	-	237	-
Competition Tribunal	3	-	-	1	3	1
International Trade Administration	46	-	-	38	46	38
The Competition Commission	-	-	-	42	-	42
National Gambling Board	-	-	-	1	-	1
South African National Accreditation System	-	-	7	-	7	-
Small Enterprise Development Agency	-	-	-	3 000	-	3 000
Companies Tribunal	-	-	5	-	5	-
UNIDO Vienna	4	-	-	-	4	-
Subtotal	53	-	249	3 082	302	3 082
Total	53	-	559	5 214	612	5 214

Annexure 4: Intergovernment payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
Other government entity						
Current						
Competition Commission	5 731	-	-	-	5 731	-
Limpopo Economic Development Agency	8 000	-	-	-	8 000	-
Total	13 731	-	-	-	13 731	-

Annexure 5: Inter-entity advances paid (Note 12)

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
National departments						
Department of International Relations and Cooperation	-	-	69 587	60 924	69 587	60 924
Government Communication and Information Systems	-	7 719	1 119	-	1 119	7 719
Statistics South Africa	-	-	-	143	-	143
Total	-	7 719	70 706	61 067	70 706	68 786

Part E

Human Resource Management



23. Human resource management

23.1 Personnel related expenditure

Table 23.1.1 Personnel expenditure by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	772 696	283 738	8 273	8 568	37%	615
Consumer and Corporate Regulation	121 121	75 564	0	287	62%	779
Incentive Development and Administration	95 699	66 334	258	1 794	69%	609
Industrial Development	1 838 839	110 727	0	0	6%	724
International Trade and Economic Development	298 706	58 593	0	1 920	20%	751
Special Economic Zones and Economic Transformation	5 600 528	131 948	69	7 271	2%	628
Trade Export South Africa	456 154	184 955	1 315	956	41%	1 193
Investment South Africa	64 505	34 931	0	687	54%	563
Total as on financial systems	9 248 248	946 790	9 915	21 483	36,4%	5 863

Table 23.1.2 Personnel costs by salary band

Salary band (permanent personnel)	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	278	0,03	2	139
Skilled (levels 3-5)	21 922	2,32	129	170
Highly skilled production (levels 6-8)	124 854	13,19	394	317
Highly skilled supervision (levels 9-12)	466 944	49,32	586	797
Senior management (levels 13-16)	332 792	35,15	224	1 486
Total	946 790	100,00	1 335	2 909

Table 23.1.3 Salaries, overtime, homeowners allowance and medical aid by programme

Programme	Salaries		Overtime		Homeowners allowance		Medical aid	
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost
Administration	192 973	68.0%	631	0.2%	3 788	1.3%	8 849	3.1%
Special Economic Zones and Transformation	51 653	68.4%	0	0.0%	751	1.0%	1 832	2.4%
Consumer and Corporate Regulation	45 107	68.0%	0	0.0%	448	0.7%	1 247	1.9%
Incentive Development and Administration	76 235	68.8%	0	0.0%	894	0.8%	2 124	1.9%
Industrial Development	39 116	66.8%	0	0.0%	489	0.8%	1 579	2.7%
International Trade and Economic Development	91 762	69.5%	0	0.0%	1 775	1.3%	3 864	2.9%
Trade Export South Africa	70 297	38.0%	0	0.0%	1 050	0.6%	2 659	1.4%
Investment South Africa	24 692	70.7%	0	0.0%	341	1.0%	814	2.3%
Total	591 835	64.8%	631	0.0%	9 536	0.9%	22 968	2.3%

Table 23.1.4 Salaries, overtime, homeowners allowance and medical aid by salary band

Programme	Salaries		Overtime		Homeowners allowance		Medical aid	
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as % of personnel cost
Lower skilled (levels 1-2)	207	74.6%	0	0.0%	2	0.7%	5	1.8%
Skilled (levels 3-5)	11 693	53.3%	8	3.6%	589	2.7%	926	4.2%
Highly skilled production (levels 6-8)	62 104	52.1%	199	15.9%	4 752	3.8%	8 518	6.8%
Highly skilled supervision (levels 9-12)	269 378	57.7%	424	9.1%	3 566	0.8%	9 943	2.1%
Senior management (levels 13-16)	245 453	73.8%	0	0.0%	627	0.2%	3 576	1.1%
Total	591 835	311.5%	631	28.7%	9 536	8.2%	22 968	16.1%

23.2 Employment and vacancies

Table 23.2.1 Employment and vacancies by programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administration	460	444	3%	17
Special Economic Zones and Transformation	84	77	8%	32
Consumer and Corporate Regulation	75	73	3%	5
Incentive Development and Administration	207	202	2%	8
Industrial Development	146	141	3%	12
International Trade and Economic Development	97	96	1%	1
Trade Export South Africa	153	143	7%	12
Investment South Africa	49	49	0%	13
Total	1 271	1 225	4%	100

Table 23.2.2 Employment and vacancies by salary band at end of period

Salary band (permanent employees)	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (levels 1-2)	1	1	0%	0
Skilled (levels 3-5)	42	40	5%	0
Highly skilled production (levels 6-8)	387	382	1%	0
Highly skilled supervision (levels 9-12)	586	571	3%	2
Senior management (levels 13-16)	233	209	10%	1
Other	0	0	0%	0
Contract (levels 1-2)	0	0	0%	1
Contract (levels 3-5)	0	0	0%	88
Contract (levels 6-8)	6	6	0%	3
Contract (levels 9-12)	6	6	0%	3
Contract (levels 13-16)	10	10	0%	2
Total	1 271	1 225	4%	100

Table 23.2.3 Employment and vacancies by critical occupation at end of period

Critical occupation (permanent employees)	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administrative related	153	151	1%	78
Cleaners in offices, workshops, hospitals, etc	0	0	0%	1
Communication and information related	5	5	0%	0
Economists	6	6	0%	0
Finance and economics related	54	47	13%	0
Financial and related professionals	5	5	0%	0
Financial clerks and credit controllers	0	0	0%	0
Food services aids and waiters	12	11	8%	0
General legal administration and related professionals	3	3	0%	0
Head of department / chief executive officer	1	1	0%	0
Human resources and organisational development and related professionals	1	1	0%	0
Human resources clerks	0	0	0%	0
Human resources related	44	43	2%	0
Information technology related	28	28	0%	1
Legal related	17	17	0%	0
Librarians and related professionals	0	0	0%	0
Library, mail and related clerks	20	20	0%	0
Light vehicle drivers	3	3	0%	0
Logistical support personnel	22	21	5%	0
Messengers, porters and deliverers	6	6	0%	0
Other administrative and related clerks and organisers	3	3	0%	14
Other information technology personnel	3	3	0%	0
Other occupations	2	2	0%	0
Risk management and security services	0	0	0%	0
Secretaries and other keyboard operating clerks	138	138	0%	0

Critical occupation (permanent employees)	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Security officers	16	16	0%	0
Senior managers*	235	211	10%	3
Statisticians and related professionals	2	1	50%	0
Trade and industry advisers and other related professionals	492	483	2%	3
Total	1 271	1 225	4%	100

* Note that not all SMS count under SMS due to different occupational classifications: Legal 5; Admin 1 HOO; HOD 1

23.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 23.3.1 SMS post information as at 31 March 2018

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
DG / HOD	1	1	100%	0	0%
Salary level 16	0	0	0%	0	0%
Salary level 15	12	12	100%	0	0%
Salary level 14	64	55	84%	9	16%
Salary level 13	166	154	92%	12	8%
Total	243	222	91%	21	9%

Table 23.3.2 SMS post information as at 30 September 2018

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
DG / HOD	1	1	100%	0	0%
Salary level 16	0	0	0%	0	0%
Salary level 15	14	12	83%	2	14%
Salary level 14	68	65	95%	3	4%
Salary level 13	175	158	89%	17	10%
Total	258	236	91%	22	9%

Table 23.3.3 Advertising and filling of SMS posts for the period 1 April 2017 to 31 March 2018

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised within 6 months of becoming vacant	Number of vacancies per level filled within 6 months after becoming vacant	Number of vacancies per level not filled within 6 months but filled within 12 months
DG / HOD	0	0	0
Salary level 16	0	0	0
Salary level 15	2	2	0
Salary level 14	3	0	0
Salary level 13	4	0	0
Total	9	2	0

Table 23.3.4 Reasons for not having complied with the filling of funded vacant SMS posts advertised within 6 months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised within 6 months
Moratorium on the filling of posts in place as a result of cuts to the Compensation of Employees budget. Posts only advertised after approval was obtained to fill certain priority posts
Reasons for vacancies not filled within 12 months
The only 2 posts filled were within 12 months period

Table 23.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Reasons for vacancies not advertised within 12 months
None
Disciplinary steps taken not complying with the prescribed timeframes from filling of SMS posts within 12 months
None

23.4 Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 23.4.1 Job evaluation by salary band

Salary band	Number of posts	Number of jobs evaluated	Posts evaluated (%)	Number of posts upgraded	Upgraded posts evaluated (%)	Number of posts downgraded	Downgraded posts evaluated (%)
Contract (levels 1-2)	0	0	0	0	0	0	0
Contract (levels 3-5)	0	0	0	0	0	0	0
Contract (levels 6-8)	6	0	0	0	0	0	0
Contract (levels 9-12)	6	0	0	0	0	0	0
Contract (Band A)	4	0	0	0	0	0	0
Contract (Band B)	2	0	0	0	0	0	0
Contract (Band C)	3	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Lower skilled (levels 1-2)	1	0	0	0	0	0	0
Skilled (levels 3-5)	42	0	0	0	0	0	0
Highly skilled production (levels 6-8)	387	5	1.3	2	40	0	0
Highly skilled supervision (levels 9-12)	586	5	0.9	1	20	3	60

Salary band	Number of posts	Number of jobs evaluated	Posts evaluated (%)	Number of posts upgraded	Upgraded posts evaluated (%)	Number of posts downgraded	Downgraded posts evaluated (%)
Senior management service (Band A)	162	5	3.1	0	0	0	0
Senior management service (Band B)	62	0	0	0	0	0	0
Senior management Service (Band C)	9	0	0	0	0	0	0
Senior management Service (Band D)	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	1 271	15	1.2	3	20	3	20

Table 23.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	2	0	0	0	2
Total	4	0	0	0	4
Employees with a disability	0	0	0	0	0

Table 23.4.3 Employees whose salary level exceeded the grade determined by job evaluation by occupation

Beneficiaries	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	Number of employees in department
Female	5	6	7	Out of adjustment (Foreign Economic Officers), JE, grievance settlement and retentions	1325
Female	1	6	8		1325
Female	5	7	8		1325
Female	1	7	9		1325
Female	1	7	10		1325
Female	4	8	9		1325
Female	2	9	10		1325
Female	1	9	11		1325
Female	6	10	11		1325
Female	2	10	12		1325
Female	18	11	12		1325
Female	1	11	13		1325
Female	3	12	13		1325
Female	3	13	14		1325
Female	1	15	16		1325
Male	1	2	3		1325
Male	2	6	7		1325
Male	4	6	8		1325
Male	1	7	8		1325
Male	1	7	9		1325
Male	1	8	9	1325	
Male	2	8	10	1325	
Male	7	9	10	1325	

Beneficiaries	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	Number of employees in department
Male	1	9	12	Out of adjustment (Foreign Economic Officers), JE, grievance settlement and retentions	1325
Male	3	10	11		1325
Male	1	10	12		1325
Male	3	10	13		1325
Male	18	11	12		1325
Male	11	11	13		1325
Male	1	12	13		1325
Male	1	13	14		1325
Male	2	14	15		1325
Total*	114	-	-		1325

Table 23.4.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	African	Asian	Coloured	White	Total
Female	33	6	3	12	54
Male	45	5	4	6	60
Total	78	11	7	18	114
Employees with a disability	2	2	0	2	6

23.5 Employment changes

Table 23.5.1 Annual turnover rate by salary band

Salary band	Employment at beginning of period	Appointments, including transfers in	Terminations, including transfers out	Turnover rate
Unskilled (level 2), permanent	1	0	0	0%
Skilled (levels 3-5), permanent	43	0	1	2%
Highly skilled production (levels 6-8), permanent	396	6	27	7%
Highly skilled supervision (levels 9-12), permanent	590	8	27	5%
Senior management service Band A, permanent	150	1	8	5%
Senior management service Band B, permanent	61	0	6	0%
Senior management service Band C, permanent	9	0	2	0%
Senior management service Band D, permanent	0	0	0	0%
Other, contract	0	0	0	0%
Contract (levels 1-2), permanent	0	1	0	0%
Contract (levels 3-5), permanent	66	101	93	141%
Contract (levels 6-8), permanent	12	3	1	0%
Contract (levels 9-12), permanent	5	4	1	20%
Contract Band A, permanent	5	2	0	0%
Contract Band B, permanent	1	1	0	0%
Contract Band C, permanent	4	0	0	0%
Contract Band D, permanent	1	0	0	0%
Total	1 344	127	166	12%

Table 23.5.2 Annual turnover rate by critical occupation

Critical occupation (permanent employees)	Employment at beginning of period	Appointments, including transfers in	Terminations, including transfers out	Turnover rate
Administrative related	226	111	96	42%
Communication and information related	0	0	0	0%
Economists	5	0	0	0%
Finance and economics related	8	0	3	38%
Financial and related professionals	50	0	0	0%
Financial clerks and credit controllers	5	0	0	0%
Food services aids and waiters	0	1	1	0%
General legal administration and related professionals	12	0	0	0%
Head of department / chief executive officer	3	0	0	0%
Human resources and organisational development and related professionals	1	0	0	0%
Human resources clerks	1	0	0	0%
Human resources related	0	0	3	0%
IT related	45	1	0	0%
Legal related	29	0	0	0%
Librarians and related professionals	15	0	0	0%
Library mail and related clerks	0	0	4	0%
Light vehicle drivers	23	0	1	4%
Logistical support personnel	3	1	2	67%
Messengers, porters and deliverers	20	0	0	0%
Other IT personnel	8	0	0	0%
Other administrative and related clerks and organisers	4	0	0	0%
Other occupations	5	0	0	0%
Risk management and security services	0	0	0	0%
Secretaries and other keyboard-operating clerks	142	6	10	7%
Security officers	16	0	3	19%

Critical occupation (permanent employees)	Employment at beginning of period	Appointments, including transfers in	Terminations, including transfers out	Turnover rate
Senior managers	223	4	16	7%
Statisticians and related professionals	2	0	0	0%
Trade and industry advisers and other related professionals	498	3	27	5%
Total	1 344	127	166	12%

Table 23.5.3 Reasons for leaving

Termination type	Number	Total resignations (%)	Total employment (%)	Total	Total employment
Death, permanent	5	3%	0%	166	1325
Resignation, permanent	48	29%	4%	166	1325
Expiry of contract, permanent	80	48%	6%	166	1325
Transfers, permanent	17	10%	1%	166	1325
Discharged due to ill health, permanent	4	2%	0%	166	1325
Dismissal – misconduct, permanent	2	1%	0%	166	1325
Retirement, permanent	9	5%	1%	166	1325
Early retirement	1	1%	0%	166	1325
Total	166	-	-	-	-

Table 23.5.4 Promotions by critical occupation

Critical occupation	Employment at beginning of period	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Administrative related	226	32	14%	108	48%
Communication and information related	0	0	0%	4	0%
Economists	5	4	80%	2	40%
Finance and economics related	8	0	0%	3	38%
Financial and related professionals	50	2	4%	38	76%
Financial clerks and credit controllers	5	0	0%	0	0%
Food services aides and waiters	0	0	0%	0	0%
General legal administration and related professionals	12	0	0%	3	25%
Head of department / chief executive officer	3	0	0%	0	0%
Human resources and organisational development and related professionals	1	0	0%	1	100%
Human resources clerks	1	0	0%	0	0%
Human resources related	0	1	0%	28	0%
IT related	45	0	0%	21	47%
Legal related	29	0	0%	9	31%
Librarians and related professionals	15	0	0%	0	0%
Library mail and related clerks	0	0	0%	17	0%
Light vehicle drivers	23	0	0%	3	13%
Logistical support personnel	3	1	33%	0	0%
Messengers, porters and deliverers	20	1	5%	15	75%
Other IT personnel	8	3	0%	3	0%
Other administrative and related clerks and organisers	4	0	0%	1	25%
Other occupations	5	0	0%	0	0%
Risk management and security services	0	0	0%	0	0%
Secretaries and other keyboard-operating clerks	142	2	1%	115	81%
Security officers	16	1	6%	8	50%

Critical occupation	Employment at beginning of period	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Senior managers	223	1	0%	164	74%
Statisticians and related professionals	2	0	0%	0	0%
Trade and industry advisers and other related professionals	498	5	1%	350	70%
Total	1 344	53	4%	893	66%

Table 23.5.5 Promotions by salary band

Salary band (permanent employees)	Employment at beginning of period	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Unskilled (level 2)	1	0	0%	0	0%
Skilled (levels 3-5)	43	1	2%	19	44%
Highly skilled production (levels 6-8)	396	4	1%	308	78%
Highly skilled supervision (levels 9-12)	590	20	3%	384	65%
Senior management (levels 13-16)	220	1	0%	178	81%
Other	0	0	0%	0	0%
Contract (levels 1-2)	0	0	0%	0	0%
Contract (levels 3-5)	66	27	41%	0	0%
Contract (levels 6-8)	12	0	0%	0	0%
Contract (levels 9-12)	5	0	0%	1	20%
Contract (levels 13-16)	11	0	0%	3	27%
Total	1 344	53	4%	893	66%

23.6 Employment equity

Table 23.6.1 Total number of employees (including employees with disabilities) per occupational category

Occupational category	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Senior officials and managers	68	16	9	93	19	66	8	22	96	14	222
Professionals	252	11	8	271	19	278	13	23	314	23	627
Technicians and associate professionals	94	5	2	101	1	132	8	3	143	13	258
Clerks	32	0	0	32	0	128	8	0	136	10	178
Service shop and market sales workers	5	1	2	8	1	7	0	0	7	1	17
Plant and machine operators and assemblers	2	1	0	3	0	0	0	0	0	0	3
Labour and related workers	4	0	0	4	0	15	1	0	16	0	20
Total	457	34	21	512	40	626	38	48	712	61	1 325

Table 23.6.2 Number of employees (including employees with disabilities) per occupational band

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top management, permanent	2	2	2	6	2	3	1	0	4	0	12
Senior management, permanent	68	12	7	87	21	69	9	24	102	14	224
Professionally qualified and experienced specialists and mid-management, permanent	224	14	10	248	13	207	14	18	239	26	526
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	99	4	2	105	3	266	13	6	285	21	414
Semiskilled and discretionary decision-making, permanent	16	1	0	17	0	31	1	0	32	0	49
Not available, permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (top management)	0	1	0	1	0	1	0	0	1	0	2
Contract (senior management)	1	0	0	1	1	0	0	0	0	0	2
Contract (professionally qualified)	2	0	0	2	0	2	0	0	2	0	4
Contract (skilled technical)	0	0	0	0	0	3	0	0	3	0	3
Contract (semiskilled)	45	0	0	45	0	43	0	0	43	0	88
Contract (unskilled)	0	0	0	0	0	1	0	0	1	0	1
Total	457	34	21	512	40	626	38	48	712	61	1 325

Table 23.6.3 Recruitment

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Senior management, permanent	0	0	0	0	0	0	0	0	0	1	1
Professionally qualified and experienced specialists, and mid-management, permanent	5	0	1	6	0	2	0	0	2	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	0	0	0	0	0	5	0	0	5	1	6
Semiskilled and discretionary decision-making, permanent	0	0	0	0	0	0	0	0	0	0	0
Not available, contract	0	0	0	0	0	0	0	0	0	0	0
Contract (top management)	0	0	0	0	0	0	0	0	0	0	0
Contract (senior management)	2	0	0	2	1	0	0	0	0	0	3
Contract (semiskilled)	49	0	0	49	0	52	0	0	52	0	101
Contract (professional)	1	0	0	1	0	3	0	0	3	0	4
Contract (skilled)	0	0	0	0	0	3	0	0	3	0	3
Contract (unskilled)	0	0	0	0	0	1	0	0	1	0	1
Total	57	0	1	58	1	66	0	0	66	2	127

Table 23.6.4 Promotions

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top management, permanent	0	0	0	0	0	0	0	0	0	0	0
Senior management, permanent	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists, and mid-management, permanent	11	0	0	11	0	9	0	0	9	0	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	1	0	0	1	0	2	0	0	2	0	3
Semiskilled and discretionary decision-making, permanent	1	0	0	1	1	0	0	0	0	0	2
Contract (top management)	0	0	0	0	0	0	0	0	0	0	0
Contract (senior management)	0	0	0	0	0	0	0	0	0	0	0
Contract (professionally qualified)	0	0	0	0	0	0	0	0	0	0	0
Contract (semiskilled)	12	0	0	12	0	15	0	0	15	0	27
Contract (unskilled)	0	0	0	0	0	0	0	0	0	0	0
Contract other	0	0	0	0	0	0	0	0	0	0	0
Total	26	0	0	26	1	26	0	0	26	0	53

Table 23.6.5 Terminations

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top management, permanent	0	0	0	0	0	0	0	0	0	0	0
Senior management, permanent	9	0	0	9	3	2	0	0	3	1	16
Professionally qualified and experienced specialists, and mid-management, permanent	14	0	1	15	2	8	1	1	10	3	30
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	4	0	0	4	0	13	1	0	14	4	22
Semiskilled and discretionary decision-making, permanent	0	0	0	0	0	3	0	0	3	0	3
Not available, contract	0	0	0	0	0	0	0	0	0	0	0
Contract (top management)	0	0	0	0	0	0	0	0	0	0	0
Contract (senior management)	0	0	0	0	0	0	0	0	0	0	0
Contract (professionally qualified)	1	0	0	1	0	1	0	0	1	0	2
Contract (skilled technical)	0	0	0	0	0	0	0	0	0	0	0
Contract (semiskilled)	48	0	0	48	0	45	0	0	45	0	93
Total	76	0	1	77	5	72	2	1	76	8	166

Table 23.6.6 Disciplinary action

Disciplinary action	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Corrective counselling	1	0	0	1	0	0	0	0	0	0	1
Verbal warning	3	0	1	4	1	2	0	1	3	0	8
Written warning	2	2	0	4	0	3	1	1	5	1	10
Final written warning	3	0	0	3	0	2	1	0	3	0	6
Not guilty	0	0	0	0	0	0	0	0	0	0	0
Withdrawn	0	1	0	1	0	1	0	0	1	0	2
Dismissal	5	0	0	5	0	1	0	0	1	0	6
Resignation	0	0	0	0	0	0	0	0	0	0	0
Pending	1	2	0	3	0	0	0	0	0	0	3
Total	15	5	1	21	1	9	2	2	13	1	36

Table 23.6.7 Skills development

Occupational category	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Legislators, senior officials and managers	16	2	3	21	3	21	5	10	36	13	73
Professionals	1	3	0	4	0	0	5	1	6	0	10
Technicians and associate professionals	205	12	14	231	4	194	10	16	220	7	462
Clerks	111	0	0	111	0	331	13	7	351	9	471
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary occupations	262	0	0	262	0	312	0	0	312	0	574
Labour and related workers	0	0	0	0	0	0	0	0	0	0	0
Total	595	17	17	629	7	858	33	34	925	29	1 590

23.7 Signing of performance agreements by SMS members

Table 23.7.1 Signing of performance agreements by SMS members

Demographics	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
DG / HOD	1	1	1	100%
Salary Level 16	0	0	0	0%
Salary Level 15	12	12	10	83%
Salary Level 14	66	62	48	77%
Salary Level 13	180	156	136	87%
Total	259	231	195	84%

Table 23.7.2 Reasons for not having concluded performance agreements for all SMS members

Reasons	
DG / HOD	n/a
Salary Level 16 but not DG / HOD	None
Salary Level 15	Not submitted and no reason provided
Salary Level 14	Reasons include employee on suspension, employees seconded and concluding agreements with seconded employer
Salary Level 13	Reasons include employees not required to conclude a performance agreement due to sabbatical leave, late submissions and secondments where agreements were concluded with seconded employers

Table 23.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements

Reasons
No action taken for good cause reason cases. Letters issued by Head of Department to employees who did not submit in time and these were received as late submissions. No performance incentives paid to non-compliance cases

23.8 Performance rewards

Table 23.8.1 Performance rewards by race, gender and disability

Demographics	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R'000)
African female	269	626	43.0%	7902	29
African male	181	457	39.6%	6066	34
Indian female	28	48	58.3%	1620	58
Indian male	9	21	42.9%	578	64
Coloured female	22	38	57.9%	905	41
Coloured male	12	34	35.3%	615	51
Total Black female	319	712	44.8%	10428	33
Total Black male	202	512	39.5%	7260	36
White female	33	61	54.1%	1328	40
White male	15	40	37.5%	825	55
Total	569	1 325	42.9%	19 841	35
Employees with disabilities	14	48	29.2%	342	24

Table 23.8.2 Performance rewards by salary band for personnel below SMS

Salary band	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R'000)
Semiskilled (Level 2)	0	1	0.0%	0	0
Skilled (levels 3-5)	32	40	80.0%	286	9
Highly skilled production (levels 6-8)	209	382	54.7%	3562	17
Highly skilled supervision (levels 9-12)	242	573	42.2%	9813	41
Other	0	0	0.0%	0	0
Contract (levels 1-2)	0	1	0.0%	0	0
Contract (levels 3-5)	0	88	0.0%	0	0
Contract (levels 6-8)	1	9	11.1%	18	18
Contract (levels 9-12)	0	9	0.0%	0	0
Total	484	1 103	43.9%	13 680	28

Table 23.8.3 Performance rewards by critical occupation

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R'000)
Administrative related, permanent	58	229	25.3%	1 474	25
Cleaners in offices, workshops, hospitals etc, permanent	0	1	0.0%	0	0
Communication and information related, permanent	3	5	60.0%	130	43
Economists, permanent	3	6	50.0%	129	43
Finance and economics related, permanent	40	47	85.1%	1 035	26
Financial and related professionals, permanent	3	5	60.0%	99	33
Financial clerks and credit controllers, permanent	0	0	0.0%	0	0
Food services aids and waiters, permanent	11	11	100.0%	96	8
General legal administration and related professionals, permanent	3	3	100.0%	158	53
Head of department / chief executive officer , permanent	0	1	0.0%	0	0
Human resources and organisational development and related professionals, permanent	0	1	0.0%	0	0

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R'000)
Human resources clerks, permanent	0	0	0.0%	0	0
Human resources related, permanent	11	43	25.6%	273	25
IT related, permanent	12	29	41.4%	265	22
Legal related, permanent	13	17	76.5%	661	51
Librarians and related professionals, permanent	0	0	0.0%	0	0
Library mail and related clerks, permanent	19	20	95.0%	298	16
Light vehicle drivers, permanent	2	3	66.7%	17	8
Logistical support personnel, permanent	18	21	85.7%	409	23
Messengers, porters and deliverers, permanent	6	6	100.0%	48	8
Other administrative and related clerks and organisers, permanent	3	17	17.6%	84	28
Other IT personnel	1	3	33.3%	27	27
Other occupations, permanent	2	2	100.0%	16	8
Risk management and security services, permanent	0	0	0.0%	0	0
Secretaries and other keyboard-operating clerks, permanent	83	138	60.1%	1 472	18
Security officers, permanent	5	16	31.3%	155	31
Senior managers, permanent	75	214	35.0%	5 488	73
Statisticians and related professionals, permanent	1	1	100.0%	100	50
Trade and industry advisers and other related professionals, permanent	195	486	40.1%	7 410	38
Total	567	1325	42.9%	19 841	35

Table 23.8.4 Performance-related rewards (cash bonus) by salary band for SMS

SMS band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	56	154	36.4%	3 621	65	1.9%
Band B	21	55	38.2%	1 625	77	2.1%
Band C	7	12	58.3%	715	102	3.6%
Band D	1	1	100.0%	200	200	2.2%
Total	85	222	38.3%	6 161	72	2.1%

23.9 Foreign workers

Table 23.9.1 Foreign workers by salary band

Salary band	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	1	11%	1	14%	0	0%
Highly skilled production (levels 6-8)	4	44%	3	43%	-1	50%
Highly skilled supervision (levels 9-12)	4	44%	3	43%	-1	50%
Contract (levels 9-12)	0	0%	0	0%	0	0%
Contract (levels 13-16)	0	0%	0	0%	0	0%
Total	9	100%	7	100%	-2	100%

Table 23.9.2 Foreign workers by major occupation

Major occupation	Employment at beginning of period	% of total	Employment at end of period	% of total	Change in employment	% of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Administrative office workers	2	22%	1	14%	1	50%	2	1	1
Professionals and managers	7	78%	6	86%	1	50%	7	6	1
Total	9	100%	7	100%	2	100%	9	7	2

23.10 Leave utilisation

Table 23.10.1 Sick leave for 1 January 2017 to 31 December 2018

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Skilled (levels 3-5)	355	78.6%	40	100%	9	267	40	279
Highly skilled production (levels 6-8)	3029	71.4%	360	100%	8	4 183	360	2164
Highly skilled supervision (levels 9-12)	3493	87.2%	495	100%	7	9 528	495	3047
Senior management (levels 13-16)	1180	76.4%	171	100%	7	4 868	171	901
Contract (other)	125	44%	47	100%	3	52	47	55
Contract (levels 3-5)	56	44.6%	12	100%	5	45	12	25
Contract (levels 6-8)	56	33.9%	13	100%	4	80	13	19
Contract (levels 9-12)	24	70.8%	5	100%	5	66	5	17
Contract (levels 13-16)	34	76.5%	7	100%	5	151	7	26
Total	8 352	78.2%	1 150	100%	7	19 240	1 150	6 533

Table 23.10.2 Disability leave (temporary and permanent) for 1 January 2017 to 31 December 2018

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Skilled (levels 3-5)	31	0%	2	0%	0	21	31	2
Highly skilled production (levels 6-8)	256	100%	9	100%	28.44	254	256	9
Highly skilled supervision (levels 9-12)	873	100%	15	100%	58.20	2 653	873	15
Senior management (levels 13-16)	48	100%	3	100%	16.00	191	48	3
Contract (levels 9-12)	0	0%	0	0%	0	0	0	0
Total	1 208	100%	29	100%	23.00	3 119	1 208	29

Table 23.10.3 Annual leave for 1 January 2017 to 31 December 2018

Salary band	Total days taken	Number of employees who took leave	Average days per employee
Lower skilled (levels 1-2)	0	0	0.00
Skilled (levels 3-5)	1 006	46	21.87
Highly skilled production (levels 6-8)	8 697	389	22.36
Highly skilled supervision (levels 9-12)	13 722	596	23.02
Senior management (levels 13-16)	5 942	247	24.06
Contract (levels 1-2)	7	1	0.00
Contract (levels 3-5)	264	22	12.00
Contract (levels 6-8)	259	16	16.19
Contract (levels 9-12)	97	7	13.86
Contract (levels 13-16)	168	13	12.92
Not available	875	135	6.48
Total	31 037	1 472	21.08

Table 23.10.4 Capped leave for 1 January 2017 to 31 December 2018

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped days leave per employee as at 31 December 2017	Number of employees who took capped leave	Total number of capped leave days available at 31 December 2017	Number of employees as at 31 December 2017
Skilled (levels 3-5)	0	0	0	0	478	10
Highly skilled production (levels 6-8)	2	1	14	2	384	28
Highly skilled supervision (levels 9-12)	18	3	31	6	2 388	77
Senior management (levels 13-16)	25	4	27	6	1 807	67
Total	45	3	28	14	5 057	182

Table 23.10.5 Leave payouts

Reason	Total (R'000)	Number of employees	Average payment per employee (R'000)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	1 379	46	1 333
Capped leave payouts on termination of service for 2017/18	346	5	341
Current leave payout on termination of service for 2017/18	1 670	115	1 555
Total	3 395	166	20 452

23.11 HIV/AIDS and health-promotion programmes

Table 23.11.1 Steps taken to reduce risk of occupational exposure

Units / categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A

Table 23.11.2 Details of health-promotion and HIV/AIDS programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	Yes		Ms T Lebuso, Director: Organisational Development and Transformation
2. Does the department have a dedicated unit or have you designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	Yes		Sub-Directorate: Quality of Worklife with designated staff members (Deputy Director: QWL , ASD: Occupational Nurse & Admin Assistant)
3. Has the department introduced an employee-assistance or health-promotion programme for employees? If so, indicate the key elements / services of the programme	Yes		Counselling; Primary and Occupational Health Care; Awareness and Education; Managerial Support; Peer Coaching
4. Has the department established a committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) they represent	Yes		Divisional reps: Balebogeng Berend: IDD Chantel Martin: IDD Connie Madidimalo: GSSSD Elizabeth Sebata: GSSSD Maureen Mahlangu: IDAD Nana Mkhwanazi: ISA Ntombi Chaane: ODG Nxalati Mashele: TISA Paula Makgabutlane: SEZ&ET Pauline Sema: ODG Refilwe Manaka: GSSSD Simphiwe Kondleka: CCRD Yolande Madubela: Ministry Zandi Mtetwa: ITED Hessa Ely: Internal Disability Management Maryjane Makatola: Internal Gender Mainstreaming Nompumelelo Maisela: Organised Labour
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies / practices so reviewed	Yes		All employment policies within the Department do not unfairly discriminate against employees on the basis of their HIV status. The following policies were reviewed within the reporting period:HIV and AIDS Policy; Employment Equity Barriers
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	Yes		Awareness on Discrimination; Grievance procedure; Employee Assistance Programme; Peer coaching and counselling
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results you have achieved	Yes		211 employees participated in the VCT Programme
8. Has the department developed measures / indicators to monitor and evaluate the impact of your health-promotion programme? If so, list these measures / indicators	Yes		Quarterly and Annual reports produced.

23.12 Labour relations

Table 23.12.1 Collective agreements

Total number of collective agreements	None
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Table 23.12.2 Misconduct and disciplinary hearings finalised

Outcome of disciplinary hearings	Number	% of total
Correctional counselling	1	4%
Verbal warning	2	8%
Written warning	6	25%
Final written warning	4	17%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	1	4%
Not guilty	0	0%
Case withdrawn	1	4%
Pending	7	29%
Abscondments	2	8%
Total	24	100%

Table 23.12.3 Types of misconduct addressed and disciplinary hearings

Outcome of disciplinary hearings	Number	% of total
Abscondment	2	8%
Fraud	1	4%
Failure to disclose financial interests	5	21%
Unprofessional conduct	1	4%
Insubordination	3	13%
Bringing the departments name into disrepute	1	4%
Misuse of state property	2	8%
Gross negligence and dishonesty	2	8%
Late coming	2	8%
Absence without permission	1	4%
Dereliction of duties	2	8%
Disgraceful conduct / Assault	1	4%
Gross dishonesty and insubordination	1	4%
Total	24	100%

Table 23.12.4 Grievances lodged

Number of grievances addressed	Number	% of total
Not resolved	76	82%
Resolved	17	18%
Total	93	100%

Table 23.12.5 Disputes logged with councils

Number of disputes addressed	Number	% of total
Disputes upheld	5	20%
Disputes dismissed	9	36%
Disputes pending	11	44%
Total	25	100%

Table 23.12.6 Strikes

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

Table 23.12.7 Precautionary suspensions

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	597
Cost of suspension (R'000)	2 178

23.13 Skills development

Table 23.13.1 Training needs identified

Occupational categories	Gender	Number of employees as at 1 April 2017	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	120	0	32	89	121
	Male	111	0	6	48	54
Professionals	Female	296	0	13	5	18
	Male	299	0	3	1	4
Technicians and associate professionals	Female	302	0	40	191	231
	Male	106	0	15	159	174
Clerks	Female	13	0	37	296	333
	Male	14	0	19	115	134
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators, and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	50	0	1	3	4
	Male	33	0	3	9	12
Subtotals	Female	781	0	123	584	707
	Male	563	0	46	332	378
Total		1 344	0	169	916	1 085

Table 23.13.2 Training provided

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	120	0	20	28	48
	Male	111	0	12	10	22
Professionals	Female	296	0	12	8	20
	Male	299	0	2	3	5
Technicians and associate professionals	Female	302	0	97	122	219
	Male	106	0	135	104	239
Clerks	Female	13	0	141	174	315
	Male	14	0	38	55	93
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators, and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	50	0	188	164	352
	Male	33	0	148	129	277
Subtotals	Female	781	0	458	496	954
	Male	563	0	335	301	636
Total		1 344	0	793	797	1 590

23.14 Injury on duty

Table 23.14.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
Total	5	100%

23.15 Use of consultants

Table 23.15.1 Consultant appointments using appropriated funds

Project title	Total number of consultants who worked on the project	Duration (work days)	Contract value (R)
Consulting services to conduct project due diligence, site inspections and verifications of claims	4	720	1 666 666.66
Consulting services to conduct project due diligence, site inspections and verifications of claims	9	720	1 666 666.66
Consulting services to conduct project due diligence, site inspections and verifications of claims	4	720	1 666 666.66
Conducting an evaluation of the effectiveness of the Companies Act, no. 71 of 2008 in reducing the regulatory burden on doing business in South Africa	6	110	590 901.90
Consulting services to perform quality assessments on incentive grants performance information and incentive grants reconciliations	5	60	450 350.00

Project title	Total number of consultants who worked on the project	Duration (work days)	Contract value (R)
Testimonial marketing and communication services for the black industrialist programme	4	240	490 168.08
Evaluation study of the film and television production incentives	10	160	480 863.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	5	720	289 800.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	6	720	700 740.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	2	720	515 520.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	8	720	1 607 313.60
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	1	720	42 180.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	2	720	65 550.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	1	720	425 250.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	1	720	324 000.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	4	720	163 800.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	3	720	113 040.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	5	720	102 600.00
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	3	720	580 500.00
Conducting a review in accordance with Chapter 8, Section 211(1) of the Companies Act no.71 of 2008	4	70	313 500.00
Conducting a review in accordance with Chapter 8, Section 211(1) of the Companies Act no.71 of 2008.	6	80	375 865.00
Research into the economic and financial implications of introducing a prescribed maximum contribution to the national lottery distribution trust fund	6	197	462 644.00
Configuration of the CA helpdesk software to accommodate additional business units	2	320	346 560.00
Auditing services of the monyetla work readiness programme	6	56	495 000.00
Analysis of the national state of black economic transformation and trends	5	18	243 960.00
Establish and facilitating the collective bargaining forum for enteties reporting to the dti	6	360	1 556 109.00
Appointment of strategic research partners to the dti	4	720	831 002.00

Project title	Total number of consultants who worked on the project	Duration (work days)	Contract value (R)
Conducting an incentive design review for the South African film and television production incentive programme	8	80	495 300,00
Multi-year research projects on strategic industrial development and policy matters	19	720	15 000 000,00
Conducting an aquaculture development enhancement programme	2	100	399 615,60
Conducting investigations on behalf of the broad-based economic empowerment commission	1	720	486 080,00
Conducting investigations on behalf of the broad-based economic empowerment commission	2	720	522 160,00
Conducting investigations on behalf of the broad-based economic empowerment commission	5	720	445 204,00
Facilitator to a dispute settlement	1	10	200 460,00
Project management company to implement phase 5 of the monyetla work readiness programme	13	240	5 943 200,00
Total number of projects	Total individual consultants	Total duration (work days)	Total contract value (R)
	35	173	16 501
			40 059 236,16

Table 23.15.2 Analysis of consultant appointments using appropriated funds, in terms of HDIs

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups who worked on the project
Consulting services to conduct project due diligence, site inspections and verifications of claims	51	51	0
Consulting services to conduct project due diligence, site inspections and verifications of claims	78	78	5
Consulting services to conduct project due diligence, site inspections and verifications of claims	100	100	0
Conducting an evaluation of the effectiveness of the Companies Act, no. 71 of 2008 in reducing the regulatory burden on doing business in South Africa	51	51	4
Consulting services to perform quality assessments on incentive grants performance information and incentive grants reconciliations	46	46	4
Testimonial marketing and communication services for the black industrialist programme	100	100	4
Evaluation study of the film and television production incentives	70	70	8
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	3
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	5

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups who worked on the project
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	2
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	6
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	0	0	0
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	2
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	1
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	100	100	1
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	30	30	4
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	52	52	1
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	33	33	0
Conducting a review in accordance with Chapter 8, Section 211(1) of the Companies Act no.71 of 2008	33	33	3
Conducting science and engineering due diligence on pre-production projects under the incentive programmes	51	51	3
Conducting a review in accordance with Chapter 8, Section 211(1) of the Companies Act no.71 of 2008	51	51	4
Research into the economic and financial implications of introducing a prescribed maximum contribution to the national lottery distribution trust fund	100	100	3
Configuration of the ca helpdesk software to accommodate additional business units	30	30	0
Auditing services of the monyetla work readiness programme	100	100	6
Analysis of the national state of black economic transformation and trends	51	51	2
Establish and facilitating the collective bargaining forum for enteties reporting to the dti	100	100	5
Appointment of strategic research partners to the dti	100	100	0
Conducting an incentive design review for the South African film and television production incentive programme	100	100	4
Multi-year research projects on strategic industrial development and policy matters	-	-	14
Conducting an aquaculture development enhancement programme	0	0	2
Conducting investigations on behalf of the broad-based economic empowerment commission	81	81	1

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups who worked on the project
Conducting investigations on behalf of the broad-based economic empowerment commission	40	40	1
Conducting investigations on behalf of the broad-based economic empowerment commission	30	30	4
Facilitator to a dispute settlement	19	19	1
Project management company to implement phase 5 of the Monyetla Work Readiness Programme	100	100	13

Table 23.15.3 Consultant appointments using donor funds

Project title	Total number of consultants that worked on the project	Duration (work days)	Donor and contract value (R)
Project management company to implement phase 5 of the Monyetla Work Readiness Programme	13	240	5 943 200,00

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value (R)
1	13	240	5 943 200,00

Table 23.15.4 Analysis of HDI consultant appointments using donor funds

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups who worked on the project
Project management company to implement phase 5 of the Monyetla Work Readiness Programme	100	100	13

23.16 Severance packages

Table 23.16.1 Granting of employee-initiated severance packages

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

Part F

Foreign Economic Offices



East Africa and SADC		
Mission	Economic office staff	Telephone / Fax / E-mail
Addis Ababa South African Embassy, Higher 23, Kebele 10, House No 1885, Addis Ababa, Ethiopia PO Box 1091, Addis Ababa, Ethiopia +1 hour	Mr Thabo Chauke Counsellor (economic) Vacant Marketing officer	T 00251 11 371 1002 M 00251 922 73 9017 (Thabo) F 00251 11 371 3035 E ChaukeJ@dirco.gov.za
Harare South African High Commission, 7 Elcombe Road, Belgravia, Harare, Zimbabwe PO Box A1654, Avondale, Harare, Zimbabwe 0 hours	Mr Frank Stevens Counsellor (economic) Mr Keith Goto Marketing officer Vacant Secretary	T 00263 4 251 849 00263 4 251 853 M 00263 78 270 3972 (Frank) 00263 772 135 344 (Keith) F 00263 4 753 185 00263 4 749 657 E fstevens@saembassy.co.zw trade@saembassy.co.zw trademarketing@saembassy.co.zw
Kampala South African High Commission, 15A Nakasero Road, Kampala, Uganda PO Box 22667, Kampala +1 hour	Vacant Counsellor (economic) Vacant Marketing officer	T 00256 41 770 2100 M 00256 782 161 541 (Andrew) F 00256 41 434 8216 E ByaruhangaA@dirco.gov.za
Kinshasa South African Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, Democratic Republic of the Congo Boite Postale 7829, Kinshasa 1, Democratic Republic of the Congo -1 hour	Vacant Counsellor (economic) Ms Vanessa Kasongo Marketing officer Mr Victor M Mulenda Driver	T 00243 81 556 6597 M 00243 82 000 4993 (Louisa) 00243 82 850 2631 (Vanessa) F 00243 E KasongoV@dirco.gov.za l_buthelezi@yahoo.com
Luanda South African Embassy, Condominio Ouro Verde II, Premio Dubai Road, Municipio da Samba Sector ZRGA, Talatona, Luanda, Angola -1 hour	Vacant Counsellor (economic) Mr Antonio Coutinho dos Santos Marketing officer Vacant Driver	T 00244 22 33 9126 M 00244 93 778 2753 (Antonio) F 00244 222 39 8730 E coutinhosantossaembassy@gmail.com
Maputo South African High Commission, Avenida Eduardo Mondlane 41, Caixa Postal 1120, Maputo, Mozambique 0 hours	Mr Matome Kgowedi Counsellor (economic) Mr Luis Labo Marketing officer Ms Nadia Babar Secretary	T 00258 21 243000 x 52262 M 00258 84 311 5946 (Matome) 00258 84 398 7120 (Luis) 00258 84 737 6870 (Nadia) F 00258 21 488896 E saeconomic@tropical.co.mz satrade@tropical.co.mz saeconomic.mail@tropical.co.mz

Nairobi South African High Commission, 5th floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, Kenya PO Box 42441, Nairobi, Kenya +1 hour	Njabulo Mbewe Counsellor (economic)	T	00254 20 282 7000/7218 (direct)
	Mr Gerald Ockotch Marketing officer	M	00254 71 460 6812 00254 70 037 9951 (Njabulo)
	Vacant Secretary	F	00254 20 282 7219 / 7236
		E	gockotch@thedti.gov.za selebwa@dirco.gov.za MbeweN@dirco.gov.za
Juba South African Embassy, House 873, Southern Block K-3-K, South Tongping Area, Juba, South Sudan +1 hour	Dr Julius Nyalunga Counsellor (economic)	T	00211
		M	00211 923 00 4783
		E	NyalungaJ@dirco.gov.za

West Africa and Middle East			
Mission	Economic office staff	Telephone / Fax / E-mail	
Abuja South African High Commission, 371 Diplomatic Drive, Central Business District, Abuja, Nigeria - 1 hour	Mr Calvin Phume Counsellor (economic)	T	00234 9 782 2852
	Mr Abdul-Muizz Momodu Marketing officer	M	00234 70 6410 7878 (Calvin) 00234 70 3408 9962 (Abdul)
		F	00234 9 413 3829
		E	CPhume@thedti.gov.za muizzmomodu@gmail.com
Accra South African High Commission, 10 Klotey Crescent, North Labone, Accra, Ghana PO Box 298, Trade Fair, Accra, Ghana -2 hours	Ms Nompumelelo Hlela Counsellor (economic)	T	00233 302 740465
	Mr Stephen Nii Kotey Marketing officer	M	00233 244 340 200 (Nompumelelo) 00233 249 113 750 (Stephen)
		F	00233 302 764460
		E	hlelan@dirco.gov.za kotey@dirco.gov.za
Cairo South African Embassy, Building 11, Intersection Road 200 & 203, Digla-Maadi, Cairo, Egypt +1 hour Work week is from Sunday – Thursday	Vacant Counsellor (economic)	T	00 202 253 53000 / 53019 00 202 253 53018 (direct)
	Ms Abeer Aboul Enein Marketing officer	M	00 201 00 545 1355 (Abeer) 00 201 00 148 6148
	Ms Dina Omar Nosseir Secretary	F	00 202 2521 3261
	Vacant Driver	E	essaemb@idsc.net.eg southafr@idsc.net.eg
Algiers South African Embassy, 21 Rue du Stade, Hydra, Algiers 16000, Algeria +2 hours	Ms Manone Madyo Counsellor (economic)	T	00213 2148 4418
		M	00213 7968 53548
		E	madyom@dirco.gov.za

<p>Dakar</p> <p>South African Embassy, Mermoz Sud, Lotissement Ecole de Police, Lot No. 5, Dakar, Senegal</p> <p>BP 21010, Dakar-Ponty, Dakar, Senegal No. 5, Dakar, Senegal</p> <p>-2 hours</p>	<p>Mr Freddie Herselman Counsellor (economic)</p> <p>Mr Macoumba Dieng Marketing officer</p> <p>Ms Rokhaya Diop Trade secretary</p>	<p>T 00221 33 864 6055 (direct) 00221 33 865 1959</p> <p>M 00221 77 819 6113</p> <p>F 00221 33 824 2125</p> <p>E fherselman38@gmail.com tradeafsud@orange.sn investafsud@orange.sn FHerselman@thedti.gov.za tradesa@orange.sn</p> <p>W www.saesenegal.info</p>
<p>Dubai</p> <p>South African Consulate, Khalid Bin Waleed Street, Al Karama, Bur Dubai, United Arab Emirates</p> <p>PO Box 34800, Dubai, United Arab Emirates</p> <p>+2 hours</p> <p>Work week is from Sunday – Thursday</p>	<p>Mr Sake van der Wal Consul (economic)</p> <p>Mr Sidharth Mehta Marketing officer</p> <p>Ms Joy Marie Buensalido Trade assistant</p>	<p>T 00971 4 370 9901 (direct) 00971 4 397 5222 (switchboard)</p> <p>M 00971 50 558 3491 (Sidharth)</p> <p>F 00971 4 397 9602</p> <p>E SvdWal@thedti.gov.za satrade@thedti.ae tradeassistant@thedti.ae marketingofficer@thedti.ae</p>
<p>Riyadh</p> <p>South African Embassy, 150 King Kalid Street, Um Al-Hammam District East, Riyadh, Kingdom of Saudi Arabia</p> <p>PO Box 94006, Riyadh 11693, Kingdom of Saudi Arabia</p> <p>+1 hour</p> <p>Work week is from Saturday – Wednesday</p>	<p>Mr Jardine Omar Counsellor (economic)</p> <p>Vacant Marketing officer</p>	<p>T 00 966 1 442 9716</p> <p>M 00 966 5 5882 6556 (Jardine) 00 966 5 0565 8611 (Raza)</p> <p>F 00 966 1 442 9708</p> <p>E Jardineo@thedti.gov.za rahumayun@thedti.gov.za</p>
<p>Tehran</p> <p>South African Embassy, No. 5 Yekta Street, Bagh-e-Ferdows, Vali-e-Asr Avenue, Tajrish Square, Tehran, Islamic Republic of Iran</p> <p>PO Box 11365-7476, Tehran, Iran</p> <p>+2.5 hours</p> <p>Work week is from Sunday – Thursday</p>	<p>Ms Sara Dien Counsellor (economic)</p> <p>Mr Fariborz Farzaneh Marketing officer</p> <p>Vacant Secretary</p>	<p>T 0098 21 2270 2866 – 9 x 304</p> <p>M 0098 912 114 8474 (Sara)</p> <p>F 0098 21 2271 6192</p> <p>E ffarzaneh@satrade.ir msamari@satrade.ir SDien@satrade.ir</p>

Asia (east region)		
Mission	Economic office staff	Telephone / Fax / E-mail
<p>Beijing</p> <p>South African Embassy, 5 Dongzhimenwai Dajie, Sanlitun, Chaoyang District, Beijing, People's Republic of China</p> <p>+6 hours</p>	<p>Mr Charles Manuel Minister (economic)</p> <p>Vacant Marketing officer</p> <p>Ms Michelle Liu Mo Secretary</p>	<p>T 0086 10 6532 0171 – 5 0086 10 6532 7320 / 1 / 3 0086 10 8532 0054 (direct) 0086 10 6532 7315 (direct)</p> <p>M 0086 136 0116 9744 (Charles)</p> <p>F 0086 10 6532 0182</p> <p>E CManuel@saembassy.org.cn michelle@saembassy.org.cn Carol@saembassy.org.cn</p>
<p>Hong Kong (also Macau)</p> <p>South African Consulate General, Hong Kong SAR and Macau SAR, room 1906-8, 19th floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong</p> <p>+6 hours</p>	<p>Vacant Marketing officer</p>	<p>T 00 852 3926 4300</p> <p>M 00 852 6906 7383</p> <p>F 00 852 2577 4532</p> <p>E satrade@dtihk.org.hk davychiu@dtihk.org.hk</p>
<p>Seoul</p> <p>South African Embassy, 104 Dokseodang, Hannam-dong, Yongsan-ku, Seoul, Republic of Korea</p> <p>+7 hours</p>	<p>Mr Harold Manamela Counsellor (economic)</p> <p>Mr Kwangsu Jin Marketing officer</p> <p>Mr Sung-Wan Im Trade secretary</p>	<p>T 0082 2 795 0948 / 792 4855</p> <p>M 0082 10 9038 0948 (Harold) 0082 10 3467 9668 (Kwangsu)</p> <p>F 0082 2 795 0949</p> <p>E satrade@korea.com hmanamela@southafrica- embassy.or.kr</p>
<p>Shanghai</p> <p>South African Consulate-General, 222 Yan An Road East, 27th floor, room 2705/6, Shanghai, People's Republic of China</p> <p>+6 hours</p>	<p>Mr Thulani Mpetsheni Consul (economic) (x114)</p> <p>Mr Jonathan Ni Wen Xiang Marketing officer (x103)</p>	<p>T 0086 21 5359 4977</p> <p>M 0086 136 7183 3084 (Thulane) 0086 139 0189 2719 (Jonathan)</p> <p>F 0086 21 6335 2820</p> <p>E dtishanghai@rsaconsulate.com Jonathan.ni@rsaconsulate.com sacg_marketing@yahoo.com TMpetsheni@thedti.gov.za MpetsheniT@dirco.gov.za</p>
<p>Tokyo</p> <p>South African Embassy, 4th floor, Hanzomon First Building, 1-4 Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan</p> <p>+7 hours</p>	<p>Vacant Counsellor (economic)</p> <p>Vacant Marketing officer</p> <p>Ms Tomoko Yamaguchi Marketing officer</p> <p>Ms Keiko Ishihara Administrative officer</p>	<p>T 0081 3 3265 2126 / 3366</p> <p>M 0081 90 1429 3880</p> <p>F 0081 3 3261 6445</p> <p>E counsellor@sajapan.org mbarnard@thedti.gov.za ishihara@sajapan.org yamaguchi@sajapan.org</p>

Asia (west region)		
Mission	Economic office staff	Telephone / Fax / E-mail
<p>Bangkok (also Vietnam, Cambodia, Myanmar and Laos)</p> <p>South African Embassy, 12th A floor, M-Thai Tower, All Seasons Place, 87 Wireless Road, Pathumwan, Bangkok 10330, Thailand</p> <p>+5 hours</p>	<p>Ms Phaopha-nga Auyyanon Marketing officer</p> <p>Mr Kanapich Nildamon Driver</p>	<p>T 0066 2 659 2900 0066 2 659 2906 (direct)</p> <p>M 0066 81 808 5400</p> <p>F 0066 2 250 1065</p> <p>E satrade@loxinfo.co.th</p>
<p>Canberra (also New Zealand)</p> <p>South African High Commission, Rhodes Place, State Circle, Yarralumla, Canberra, ACT 2600, Australia</p> <p>+8 hours</p>	<p>Mr Syed M H Jaffry Marketing officer</p> <p>Kala Govind Trade assistant</p>	<p>T 0061 2 6272 7300 (switchboard) 0061 2 6272 7328 (direct)</p> <p>M 0061 416 197 460</p> <p>F 0061 2 6273 4995</p> <p>E samarket@optusnet.com.au satrade@optusnet.com.au</p>
<p>Jakarta</p> <p>South African Embassy, 7th floor, Wisma GKBI, Site 705, JL. Jend. Sudiman No. 28 Jakarta 10210, Indonesia</p> <p>+5 hours</p>	<p>Vacant Marketing officer</p>	<p>T 0062 21 574 0660</p> <p>M 0062 861 137 7339</p> <p>F 0062 21 572 2206 0062 21 574 0661 / 0655</p> <p>E satrade2@indo.net.id</p>
<p>Kuala Lumpur (also Philippines and Brunei)</p> <p>South African High Commission, Suite 22-01, Level 22, Menara HLA, No. 3 Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia</p> <p>+6 hours</p>	<p>Ms Chang Hou Yea Marketing officer</p>	<p>T 0060 3 2170 2400</p> <p>M 0060 12 636 6573</p> <p>F 0060 3 2168 8591</p> <p>E changh@dirco.gov.za changh@sahckl.net</p>
<p>Mumbai</p> <p>South African Consulate General, Gandhi Mansion, 20 Altamount Road, Cumballa Hill, Mumbai 400026, India</p> <p>+3.5 hours</p>	<p>Vacant Consul (economic)</p> <p>Mr Rajan Kumar Marketing officer</p> <p>Mr Ravi Ramaiah Driver</p>	<p>T 0091 22 2351 3725 0091 22 2352 8900</p> <p>M 0091 998 7346 622 (Phillip) 0091 998 7345 599 (Rajan) 0091 998 7590 967 (Ravi)</p> <p>F 0091 22 2352 1158</p> <p>E pmtsweni@dtimumbai.com rajan@dtimumbai.com</p>
<p>New Delhi</p> <p>South African High Commission, B-18 Vasant Marg, Vasant Vihar, New Delhi, 110045, India</p> <p>+3.5 hours</p>	<p>Mr Recado Andrews Minister counsellor (economic)</p> <p>Vacant Marketing officer</p> <p>Mr Ravi Issar Marketing officer</p> <p>Ms Sonu Batra Secretary</p>	<p>T 0091 11 2614 8606</p> <p>M 0091 98 1817 5505 (Recado) 0091 98 1817 5507 (Ravi)</p> <p>F 0091 11 2614 3605</p> <p>E RAndrews@thedti.gov.za rissar@thedti.gov.za SBatra@thedti.gov.za</p>

Singapore South African High Commission, 15th floor, Odeon Towers, 331 North Bridge Road, Singapore, 188720 +6 hours	Vacant Marketing officer	T 0065 6 339 3319
	Ms Zahara Md Salleh Trade secretary	F 0065 6339 6658
		E Zahara@dirco.gov.za

Europe region 1		
Mission	Economic office staff	Telephone / Fax / E-mail
Brussels (also Luxembourg) South African Embassy to Belgium and Luxembourg and the South African Mission to the EU, Rue Montoyer 17-19 (B-1000), 1040 Brussels, Belgium -1 hour	Mr Sudhir Sooklal Minister (economic) Mr Julian van Hille Marketing officer Vacant Marketing officer Ms Marcia Kennof Secretary	T 0032 2 285 4400 0032 2 285 4441 (secretary) M 0032 472 29 5529 (Sudhir) 0032 473 864 436 F 0032 2 502 01 24 E ssooklal@thedti.be trade@thedti.be jvanhille@thedti.be mkennof@thedti.be
London South African High Commission, South Africa House, Trafalgar Square, London WC2N 5DP, United Kingdom -2 hours	Ms Thobile Mazibuko Minister (economic) Mr Jacob Mothopeng Marketing officer Vacant Marketing officer Vacant Secretary	T 0044 20 7451 / 7243 / 7248 / 7251 M 0044 77 1448 7143 0044 77 3062 2304 (Thobile) F 0044 20 7839 0634 E mazibukol@dirco.gov.za Mothopengj@dirco.gov.za W www.southafricahouse.com
Milan South African Consulate-General, Vicolo San Giovanni, Sul Muro 4, 20121, Milano, Italy Casella Postale 1468, 20101 Milano, Italy -1 hour	Ms Marcella Uttaro Marketing officer Mr Anwar Majal Secretary	T 0039 02 885 8581 M 0039 3483 333043 F 0039 02 7200 2834 E muttaro@thedti.gov.za dtimilan@thedti.gov.za majala@dirco.gov.za
Moscow (also Belarus, Ukraine, Georgia, Armenia and Kazakhstan) South African Embassy, Granatny Per1, Building 9, Moscow 123001, Russia +1 hour	Mr Moloko Leshaba Minister (economic) Mr Vladislav Krivosheev Marketing officer Ms Irina Cheburkova Secretary	T 007 495 926 1177 M 007 985 182 8765 E vladislav@econsa.ru tradesa@econsa.ru irina.thedti@gmail.com mleshaba@thedti.ru W www.econsa.ru
Stockholm (also Denmark, Norway, Finland, Iceland and Baltic states) South African Embassy, Flemmeggatan 20, S – 112 26 Stockholm, Sweden -1 hour	Vacant Marketing officer Ms Alyce Frisk	T 0046 8 783 7743 (trade) 0046 8 243950 (switchboard) F 0046 8 660 2837 E friska@dirco.gov.za W www.southafrica.se

The Hague South African Embassy, Wassenaarseweg 40, 2596 CJ, The Hague, Netherlands -1 hour	Mr Herman van der Kroef Marketing officer	T	0031 70 3924501
		M	0031 614600714
		F	0031 70 361 7862
		E	hvdkroef@thedti.nl

Europe region 2			
Mission	Economic office staff	Telephone / Fax / E-mail	
Berlin South African Embassy, Economic Section, Tiergartenstrasse 18, 10785 Berlin, Germany -1 hour	Mr Jacob Moatshe Consul (economic) Mr Hans-Friedrich Schmeding Marketing officer	T	0049 30 22073152
		M	0049 17 2906 4917 (Jacob)
		F	0049 30 22073207
		E	hfschmeding@suedafrika.org schmedingf@dirco.gov.za Moatshe@suedafrika.org
Berne South African Embassy, Alpenstrasse 29, 3006 Berne, Switzerland Postfach, 3000 Berne 6, Switzerland -1 hour	Vacant Marketing officer	T	0041 31 350 1313
		M	0041 79 822 8371
		F	0041 31 368 1750
Madrid (also Portugal) South African Embassy, Calle Claudio Coello 91, 6th floor, Madrid, 28006, Spain -1 hour	Ms Alicia Segura Marketing officer Ms Eva Gomez Assistant: Trade section	T	0034 91 436 3780 (switchboard) 0034 91 436 3781 (Alicia) 0034 91 436 3786 (Eva)
		M	0034 60 765 0952 (Alicia)
		F	0034 91 575 5389
		E	alicia_segura@sudafrica.com econ@sudafrica.com
Munich South African Consulate-General, Sendlinger-Tor-Platz 5, 80336 Munich, Germany -1 hour	Vacant Consul (economic) Mr Marc Mueller Marketing officer Vacant Trade secretary	T	0049 89 2311 6354
		M	0049 17 2906 4917 (Jacob) 0049 17 5864 4571 (Marc)
		F	0049 89 2311 6350
		E	mueller@suedafrika.org
Ankara South African Embassy, Filistin Sokak No. 27, Gaziosmanpasa, Ankara 06700, Turkey -1 hour	Ms Sultan Onacak Marketing officer	T	0090 312 405 6863
		F	0090 312 446 6434
		E	OnacakS@dirco.gov.za
		W	www.southafrica.org.tr
Paris South African Embassy, 59 Quai d'Orsay, 75343, Paris, France -1 hour	Vacant Counsellor (economic) Vacant Marketing officer Mr Mustapha Adams Marketing officer	T	0033 1 5359 2323
		M	0033 6 1820 0114
		F	0033 1 4555 4867
		E	satrade@wanadoo.fr mustapha.adams@orange.fr

Vienna South African Embassy, Sandgasse 33, A-1190 Vienna, Austria -1 hour	Ms Andrijana Ruzic Marketing officer	T	0043 1 320 649333
		M	0043 664 4204 999
		F	0043 132 0649 351
		E	vienna.trade@dirco.gov.za ruzic-terglava@dirco.gov.za

Americas		
Mission	Economic office staff	Telephone / Fax / E-mail
Buenos Aires (also other Latin American countries except Brazil) South African Embassy, Marcelo T de Alvear 590, 8th floor, Capital Federal, 1058 Buenos Aires, Argentina -5 hours	Ms Florencia Achcar Marketing officer	T 0054 11 43172900 0054 11 43172923 (direct) M 0054 911 4171 5685 F 0054 11 4311 8991 E achcarf@dirco.gov.za W www.sudafrica.org.ar
Chicago South African Consulate-General, 200 South Michigan Ave, Suite 600, Chicago, Illinois 60604, US -7/8 hours	Ms Shakira Motan Consul (economic) Mr Ignatius Masebe Marketing officer Vacant Trade and investment promotion	T 001 312 939 9230 (Ignatius) 001 312 939 6529 M 001 312 515 5501 (Shakira) F 001 312 939 2588 E satradechicago@gmail.com ignatiusmasebe@gmail.com
New York South African Consulate-General, 333 East 38th Street, 9th floor, New York, New York 10016, US -7/8 hours	Mr Jeffrey Govan Marketing officer Ms Bing Alo-Villareal Marketing officer Myrna x2427 Sandra x2494	T 001 212 692 2428/27 M 001 917 496 5007 (Jeff) 001 917 496 5006 (Bing) F 001 212 856 1576 E govanj@dirco.gov.za alo-villarealb@dirco.gov.za peraltam@dirco.gov.za nwes@dirco.gov.za
Sao Paulo South African Consulate-General, Avenida Paulista 1754, 17th floor, 01310-920, Sao Paulo, SP, Brazil -5 hours	Ms Shanaaz Ebrahim Consul (economic) Mr Mark T Rabbitts Marketing officer	T 0055 11 3265 0441 / 2 / 3 0055 11 3284 6533 M 0055 11 98579 1964 (Shanaaz) 055 11 97140 7741 (Mark) F 0055 11 3288 3742 E shanaazbrazil@gmail.com sa.trade@hotmail.com safrica@terra.com.br
Toronto South African Consulate-General, Toronto, 110 Sheppard Avenue East, Suite 600, Toronto, Ontario, Canada, M2N 6Y8 -6/7 hours	Vacant Marketing officer Vacant Marketing officer Ms Sybil Miller Assistant: Trade section (x23)	T 001 416 944 8825 (switchboard) 001 416 730 7283 001 416 730 7284 (Sybil) F 001 416 944 2761 E satrade@thedti.org smiller@thedti.org

Washington South African Embassy, 3051 Massachusetts Avenue, NW Washington, DC, 20008, US -6/7 hours	Mr Malose Letsoalo Minister (economic)	T	001 202 232 4400 001 202 274 7975 (Cheong) 001 202 274 7977 (Nomsa)
	Ms Jennifer Cheong Marketing officer	M	001 202 390 6402 (Malose)
	Ms Sandi Simon Secretary	F	001 202 966 5919
	Ms Nomsa Dlamini Secretary	E	MALetsoalo@thedti.gov.za ssimon@saembassy.org jcheong@saembassy.org gndlamini@saembassy.org

International Trade and Economic Development Division			
Mission	Economic office staff	Telephone / Fax / E-mail	
Geneva South Africa Permanent Mission, 65 Rue du Rhone, 1204 Geneva, Switzerland -1 hour	Mr Xavier Carim Ambassador to WTO (economic)	T	0041 22 849 5401 / 2 0041 22 849 5404 (Thembi) 00411 22 849 5405 (Mustaqeem) 0041 22 849 5403 (Miguel) 0041 22 849 5450 (Vahini)
	Ms Thembi Mlangeni Counsellor (economic)	M	0041 79 786 6024 (Xavier) 0041 79 273 4124 (Vahini) 0041 79 288 5175 (Thembi) 0041 79 812 5339 (Mustaqeem)
	Mr Mustaqeem De Gama Counsellor (economic)		
	Ms Vahini Naidu Counsellor (Economic)	F	0041 22 735 7365
	Mr Miguel Ghannam Secretary	E	Xavier.CARIM@sawtomission.com vahini.naidu@sawtomission.com Miguel.Ghannam@ sawtomission.com thembekile.mlangeni@ sawtomission.com mustaqeem.degama@ sawtomission.com
	Mr Federico Tolentino Driver		

Annexures

Annexure A: B-BBEE initiatives

This annual report is aimed at presenting to the Minister the progress of implementation of the B-BBEE Act 46 of 2013 as amended, the Codes and the Regulations, monitored by the B-BBEE Policy Unit through the various directorates, institutional support measures as well as the instruments that support the promotion of B-BBEE objectives.

Critical to the work of the B-BBEE Policy Unit is the advocacy on policy so as to ensure policy certainty and consistent implementation by the market. For the year under review, various policy advocacy measures have been instituted to promote B-BBEE, these included collaboration with the public and private sector as well as strengthening the support measures to all spheres of government with a strong focus on the State-Owned Enterprises and the Provincial Economic Development departments. Engagement with the private sector has been through primarily engagements with the various transformation sector charter councils and member based organisations.

During the 2017/2018 financial year, the B-BBEE Policy Unit amongst other things, published the gazette on the B-BBEE Verification Professional Regulator as per Section 1 of the Act. In the next financial year, the B-BBEE Policy Unit will embark on consultations to review the draft B-BBEE Strategy and other critical elements of the policy framework.

Sector Codes Development

During the year under review the Minister approved four (4) sector transformation charters (sector codes) for implementation. These are Agriculture, Financial Services, Property and Construction Sector Codes. The four sectors are key contributors to the Gross Domestic Product of the country. In addition, they are critical and bedrock for the industrialisation and accelerated growth of the country. Overall these sector codes aim to mainstream black people in the respective sectors as owners and managers. In an effort to promote economic transformation, the department fully implemented the requirements of the B-BBEE Amendment Act and its regulations for all procurement requirements within **the dti**.

Management of Equity Equivalent Investment Programmes

Multinational companies that cannot sell their equity to black South Africans and have never sold equity outside their country of origin are allowed make contributions towards EEIP in return be awarded full B-BBEE Ownership points for an agreed period of time based on the investment amount. The value of the EEIP contribution may be measured against 25% of the business value of the South African operation or against 4% of the Total Revenue from its South African operations annually over the period of continued measurement. These investments are focused on Enterprise and Supplier Development, Critical Skills Development and Research and Development. The beneficiaries of the Programme are black South Africans and black owned South African companies

To date, nine (9) Multinational companies have been approved to participate in the EEIP. Two thirds of the participants are in the ICT Sector with the balance falling within the Engineering Sector and Agricultural Sector. To date the total investment value is more than R 2.2 billion.

- Skills Development Focus: More than 100 (hundred) students are benefitting from skills development across all Programmes.
- Enterprise and Supplier Development Focus: More than 20 (twenty) emerging enterprises are benefitting from Enterprise and Supplier Development Programmes.
- Jobs Created: More than 3000 jobs will be created across all approved Programmes.
- Research and Development Focus: Through this programme in terms of Research and Development initiatives has successfully registered patents that have been developed here in South Africa such as: Method of tangential clustering, System and method for context – driven displaying of shortcuts and command on cognitive touch pad, Online estimation of a diffusion model from an evolving data stream, Radio frequency identification in fast wideband spectrograms, Successive density equalisation for constrained memory devices and a System and method for interactive labelling of observation. These patents have been developed through the IBM EEIP investment.
- Research Collaborations: The Research Scientists/Engineers provide meaningful contribution to SA's Research agenda pertaining to challenges in areas of health, cognitive computing for astronomy (SKA) and digital urban ecosystems. Three thematic areas have been identified. Within each thematic area several research projects / initiatives are conducted. These initiatives are aligned to South Africa's Research, Development and Innovation road map, as defined by the Department of Science and Technology.

The thematic areas are:

- Digital Urban Ecosystems: Building on IBM's global Green Horizons initiative, Researchers are working closely with experts from South Africa's Council for Scientific and Industrial Research to analyse historical and real-time data from environmental monitoring station from the region. Using machine learning and cognitive models, the data collected will help provide more insight about air pollution, ground level ozone and model and effectiveness of intervention strategies.
- Healthcare: IBM Researchers are tackling the challenge with data-driven approaches, with the intent to design more effective tuberculosis prevention and control strategies. Using inexpensive radio frequency tags, the team piloting the deployment of two dozen devices in a specific area in Johannesburg to anonymously trace transmission of the disease.
- Cognitive Computing for Astronomy: In 2018 the Square Kilometer Array (SKA), the world's largest radio telescope, will be built in South Africa and Australia. IBM scientists are collaborating with SKA South Africa (SKA-SA) on the development of unsupervised algorithms which can make ground-breaking astronomical discoveries. The team is also collaborating with NASA, the SETI Institute and Swinburne University to develop an Apache Spark application to analyse the 168 million radio events detected over the past 10 years.
- There is continued interest in the EEIP programme. However, some applications failed to meet the criteria specified in the legislation and had to be declined. Declined entities include applications from Samsung SA (ICT Electronics), Nova Nordisk (Pharmaceuticals), Maersk (Shipping), Phoenix (Equipment Manufacturing) and Reinhausen (Transformer Component Manufacturer). The reasons for the rejections vary from compliance with statutory requirements to failure to meet the objectives of Statement 103. There are applications of significant multinationals in the Auto Sector and Green Industry (VolksWagen SA, Sims SA; and BMW SA) under way.

- Youth Employment Service (Y.E.S) Initiative: The Y.E.S initiative seeks to address the issue and place Black Unemployed Youth into Job Positions to gain experience by offering a first chance of quality work experience for one million young work seekers over the next three years. It is a business-led collaboration with government to create one million quality work experiences over and above existing hiring plans, to young, unemployed black youth which in turn should improve their chances of finding a job or starting their own business. This initiative is in line with the objectives of the B-BBEE Policy that ensures economic inclusion of Black South Africans through active participation in the world of work.

The B-BBEE Policy Unit has advised and proposed a BEE recognition for entities participating in Y.E.S. On 14 March 2018, Cabinet approved the initiative and the Gazette for public commentary the B-BBEE recognition for a 60 days' period. During the 60 days, the B-BBEE Policy Unit together with the Y.E.S team intend conducting public hearings for active engagement with key stakeholders.

Black Industrialist Programme

the dti through the Black Industrialist Programme has established a Steering Committee on Market Access and Procurement Opportunities. The steering committee is comprised of representatives from State Owned Companies (SOCs) and Government Departments. The Black Industrialist Programme calls for active participation and defines a strategic role to be played by SOCs as tools of Government delivery across strategic sectors of the economy through their procurement and supplier development mechanisms. As per the Cabinet resolutions, **the dti** and SOCs must work together to explore market opportunities within Government, SOCs and Private Sector. Market Access under this programme refers to the state's intervention in facilitating the entry of Black Business as major players in the domestic and international markets, which have eluded this target group due to systematic and/or structural exclusion.

The key objectives of the steering committee are as outlined below:

- Facilitate business opportunities for BIs in the SOCs
- Leveraging state procurement and targeted procurement for local production;
- Encouraging SOCs to publish long-term procurement opportunities as per SOC's demand management strategies to assist black industrialists to position themselves for such opportunities;
- Export market support, including export-readiness measures and export marketing;
- Recommend to the Minister of **the dti** any proposed amendments or adjustments of any element of the BI programme for procurement opportunities and access to markets;
- The Steering Committee is expected to execute any instruction from the Minister of Trade and Industry, the Deputy Minister of Trade and Industry, the Director-General and/or the Deputy Director-General SEZ&ET in respect of the BI programme for market access and procurement opportunities;
- Monitoring and evaluation of the Black Industrialist Programme; and
- Progress reports to the executive board (EXBO) of **the dti**.

The Black Industrialist Scheme announced in 2016 has exceeded expectations. The Minister had set the target of supporting 100 Black Industrialists by the end of the 2018/19 financial year. As of 15 May 2018, **the dti** had already approved 102 Black Industrialists for financial support and 48 companies received market access support. This leveraged R8 billion in investment and jobs created and retained are projected to exceed 18, 484 jobs. Building on the success of the inaugural rollout of the Black Industrialist Programme, the Minister has set the new target to support a further 100 Black Industrialists over the next two years. The Black Industrialist Programme remains vital to rebuild, remove trade barriers, modernise and improve prospects of growth for majority black owned and managed manufacturing companies in the economy.

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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

