



the dti

Annual Report
2016/17



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



the dti

Annual Report
2016/17

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1. Abbreviations and acronyms

Term	Definition
AGOA	African Growth and Opportunity Act
AGSA	Auditor General South Africa
AIS	Automotive Investment Scheme
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
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
CFO	Chief Financial Officer
CFTA	Continental Free-Trade Area
CIPC	Companies and Intellectual Property Commission, a public entity reporting to the dti
CKD	Complete Knock-Down
CSIR	Council for Scientific and Industrial Research
CT	Companies Tribunal, a public entity reporting to the dti
CTCP	Clothing and Textiles Competitiveness Programme
DDG	Deputy Director General
DG	Director General
DIRCO	Department of International Relations and Cooperation
DPSA	Department of Public Service and Administration
ECIC	Export Credit Insurance Corporation, a public entity reporting to the dti
EEIP	Equity Equivalent Investment Programme
EIP	Enterprise Investment Programme
EMIA	Export Marketing and Investment Assistance
EMDEs	Emerging Market and Developing Economies
EPA	Economic Partnership Agreement

Term	Definition
EU	European Union
ExBo	Executive Board of the dti
FDI	Foreign Direct Investment
FTA	Free-Trade Agreement
GDP	Gross Domestic Product
GEPP	Global Exporter Passport Programme
GFCF	Gross Fixed Capital Formation
GLP	Good Laboratory Practice
IA	Internal Audit
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDAD	Incentive Development and Administration Division
IDD	Industrial Development Division
IMF	International Monetary Fund
INES	Integrated National Export Strategy
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IPP	Independent Power Producer
IT	Information Technology
ITED	International Trade Economic Development Division
LOGIS	Logistical Information System
LPG	Liquid Petroleum Gas
MCEP	Manufacturing Competitiveness Enhancement Programme
MPAT	Management Performance Assessment Tool
NCC	National Consumer Commission, a public entity reporting to the dti
NCR	National Credit Regulator, a public entity reporting to the dti
NCT	National Consumer Tribunal, a public entity reporting to the dti

Term	Definition
NDP	National Development Plan
NEF	National Empowerment Fund, a public entity reporting to the dti
NEDP	National Exporter Development Programme
Nepad	New Partnership for Africa's Development
NEO	New Engine Option
NGB	National Gambling Board, a public entity reporting to the dti
NLC	National Lotteries Commission, a public entity reporting to the dti
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
NT	National Treasury
OEM	Original Equipment Manufacturer
OPCW	Organisation for the Prohibition of Chemical Weapons
PAIA	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PPP	Public-Private Partnership
Prasa	Passenger Rail Agency of South Africa
PTA	Preferential Trade Agreement
QES	Quarterly Employment Survey
QLFS	Quarterly Labour Force Survey
REIPPPP	Renewal Energy Independent Power Producer Procurement Programme
RIA	Regulatory Impact Assessment
RSA	Republic of South Africa
SAAT	South African Airways Technical
SABS	South African Bureau of Standards, a public entity reporting to the dti
SACU	Southern African Customs Union
SADC	Southern African Development Community

Term	Definition
Sanral	South African National Roads Agency Limited
SEIAS	Socio-Economic Impact Assessment System
SANAS	South African National Accreditation System, a public entity reporting to the dti
SDI	Spatial Development Initiative
SDIP	Service Delivery Improvement Plan
SMS	Senior Management Service
SEZ	Special Economic Zone
TESA	Trade Export South Africa
T-FTA	Tripartite Free-Trade Area
USA	United States of America
the dti	The Department of Trade and Industry
WTO	World Trade Organisation

Part A

General Information



2. Foreword by the Minister

The global economic recovery faltered significantly in 2016 as consumer spending remained constrained amidst heightened uncertainty in key developed economies such as the United States, the United Kingdom and China. The South African economy was affected by these developments but also faced a number of domestic challenges. These challenges took the form of a severe drought, weakening private-sector investment, and, as a result of the increasingly tight fiscal conditions, slowing public investment spending. Government's infrastructure build programme has for a number of years been an important policy intervention, crowding-in critical private-sector investment while business and consumer confidence recovers.

Consequently, although the economy avoided a recession, economic growth remains far below that required to sustainably and substantially alleviate poverty and unemployment. Moreover, even when the economy was growing at about 5% in the mid-2000s, unemployment remained stubbornly high. The past few years of disappointing economic growth has galvanised researchers, analysts, policymakers, and leaders in both organised labour and business to give more attention to matters of inclusivity and equitable growth. This has resulted in an emerging consensus that South Africa needs both higher and more inclusive growth, and which informs government's radical economic transformation imperative.

We define radical economic transformation as changing the structure of the economy in ways that will grow the 'productive sectors' such as agriculture, manufacturing and mining, the latter with a particular emphasis on adding value to our mineral wealth and not just exporting raw minerals. In addition,



South Africa's long-term social and economic stability demands fundamental changes in the institutions and patterns of ownership, management and control of the economy in favour of all South Africans, and more especially the poor, the majority of whom are African and female.

This demand for a more equitable distribution of wealth and resources is not unique to South Africa. The global rise of populism, even in some of the most developed countries, reflects a growing disillusionment with the results of the widely-held economic mantras of the past two to three decades. Perhaps most tellingly of all, even institutions such as the International Monetary Fund (IMF), World Bank and indeed even the US Federal Reserve are now seized with narratives around issues of employment / unemployment and

'equitable' or 'inclusive' growth.

South Africa's deep pockets of poverty, racially skewed unemployment and deprivation, and arguably the highest rate of inequality across the world, necessitate a more interventionist set of policies to achieve inclusivity. The Industrial Policy Action Plan (IPAP) is **the dti's** primary intervention to achieve radical economic transformation.

In 2016/17, we launched the eighth iteration of the IPAP with a much strengthened commitment to support black entrepreneurs through the Black Industrialists Programme. I am pleased to be able to report that, with our support of approximately R1 billion, black industrialists have leveraged investments of more than R3 billion in their companies, thereby creating 7 000 new direct jobs. The level of interest and quality of applications received thus far is testament to the unbowed entrepreneurial spirit of our people and confirm our belief that black entrepreneurs, when adequately resourced, are a critical route to the transformation of the economy.

Across all of the support measures that **the dti** makes available to the private sector, more than 1 400 applications were

Across all support measures that the department makes available to the private sector, more than 1 400 applications were approved in financial year

approved in the financial year. These approvals entail financial support of approximately R7 billion and will leverage total private-sector investment of approximately R30 billion into the South African economy.

Support to the automotive sector continues to encourage substantial foreign direct



Through the Black Industrialists Programme,

R3bn

was leveraged



7 000

jobs



Beijing Automobile International Corporation invested

R11bn

for 50 000-unit auto assembly plant in Coega Industrial Development Zone to create about

2 500

new jobs

investment (FDI). The latest of these is the R11-billion Beijing Automobile International Corporation investment in the Coega Industrial Development Zone for a 50 000-unit auto assembly plant. This substantial investment will create some 2 500 new jobs and is a considerable sign of confidence in the South African economy by Chinese investors.

the dti's support to the agro-processing sector has played an increasingly important role in creating demand for primary agricultural produce. In the course of the year, GWK Farm Foods and Nestlé South Africa launched important projects that demonstrate what we seek to achieve. In April 2016, GWK Farm Foods launched its multimillion-rand wheat mill, pasta plant and biscuit factory near Kimberley, Northern Cape. The investment represents an

important movement up the food-processing value chain by the GWK Group and its new brands will compete in import-intensive industries such as pasta and biscuits while its feedstock will come from farmers primarily in Northern Cape.

In April 2016, Nestlé South Africa launched its new R1.2-billion instant coffee manufacturing facility in Estcourt, KwaZulu-Natal. The facility will in part be supplied by chicory farmers who are being assisted by Nestlé to produce chicory locally and in so doing replace imported chicory.

Currently, on the chicory processing operation, output is 8 tons/day and there are 23 workers employed for both drying and roasting. The proposed expansion of 25 tons/day will lead to the creation of about 72 new direct jobs.

These investments are expected to create value for both farmers and manufacturers and, with appropriate smallholder farmer support, assist in creating demand for smallholder produce.

Domestic and foreign investment in manufacturing has been resilient, in part due to the sterling work by Invest SA, our investment one-shop-stop, and because of South Africa's preferential access to key markets in Africa. This access has been carefully developed over the last decade through our policy interventions, which span trade, industrial and investment policy. In the course of the year, **the dti** continued its programme of work on both the tripartite and continental free trade agreements. It is important to note that while South African firms and products have good access into African markets, this access comes with responsibility. South Africa seeks economic arrangements in Africa that are mutually beneficial and that must, of necessity, encourage industrialisation across the continent.

This is why the Southern African Development Community (SADC) Regional Industrialisation Strategy and Roadmap is crucial to Africa's long-term economic development. I am pleased to report that the costed action

South Africa seeks economic arrangements in Africa that are mutually beneficial and that must, of necessity, encourage industrialisation across the continent

plan to implement the strategy has been developed and was approved in March 2017. Our focus in the next financial year will be on implementation and supporting SADC member states as they embark on this difficult journey. In addition, so as to ensure a coordinated and responsible approach to South African companies' activities in the rest of Africa, we launched the Guidelines for Good Business Practice in July 2016. These consist of a voluntary set of principles consistent with laws

Nestlé South Africa launched a

R1.2bn

instant coffee manufacturing facility in Estcourt, KwaZulu-Natal, which will create

72

jobs



and internationally recognised standards that promote responsible business conduct and sustainable economic development in Africa.

As already noted, economic growth and transformation is required if South Africa is to grow sustainably. Consequently, the Broad-Based Black Economic Empowerment (B-BBEE) regulations were gazetted and the B-BBEE Commission operationalised. The commission is playing an important role in advocacy and enforcement of the B-BBEE Act, 2003 (Act No. 53 of 2003) and its regulations. To support black entrepreneurs more effectively, especially in townships, **the dti** launched the programme to systematically revitalise South Africa's local industrial parks. This has rapidly proven itself to be an important and effective mechanism to support black enterprises. Moreover, given the large number of people dependent on these industrial parks for direct and indirect employment, we are convinced that further support to industrial parks is a critical investment in South Africa's long-term development.

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 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

In 2016/17,
the department
approved more than

1 400

applications
for financial support,
amounting to about

R7bn

to leverage private-sector
investment of about

R30bn

into South Africa's
economy

3. Report of the Accounting Officer

3.1 Overview of the operations of the department

As the custodian of the country's industrial policy, **the dti** is tasked with facilitating industrialisation and broad-based black economic empowerment and development that results in the promotion of trade, inclusive growth and employment creation. The department plays 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 building 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 strategic objectives outlined in the National Development Plan (NDP), the annual Medium Term Budget Policy Statement and the 2014-2019 Medium Term Strategic Framework. During the period under review, the department prioritised providing support to the manufacturing sector; and promoting international trade, investment and B-BBEE.



3.2 Overview of the financial results of the department

3.2.1 Departmental receipts

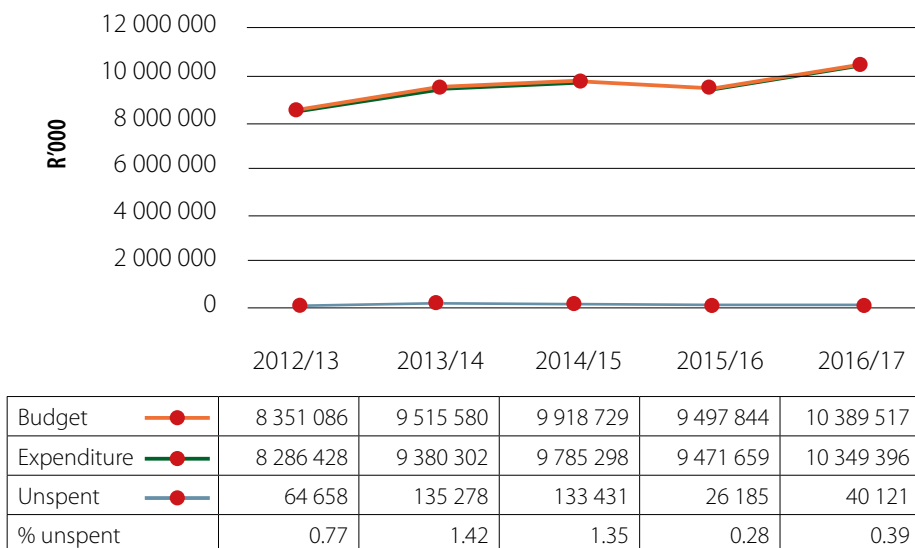
In 2016/17, the department collected R98 million in revenue, an increase of R36 million, from R62 million, in the previous financial year. Revenue is derived mainly from fees paid for liquor licence applications and recoveries on receivables.

Departmental receipts	2016/17			2015/16		
	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
Tax receipts	4 000	4 862	(862)	4 110	2 985	1 125
Liquor licences	4 000	4 862	(862)	4 110	2 985	1 125
Sale of goods and services other than capital assets	621	624	(3)	455	538	(83)
Transfers received	244	–	244	–	–	–
Fines, penalties and forfeits	400	365	35	42	28	14
Interest, dividends and rent on land	3 570	2 708	862	400	3 561	(3 161)
Sale of capital assets	300	–	300	400	360	40
Financial transactions in assets and liabilities	73 020	89 533	(16 513)	76 589	54 507	22 082
Total	82 155	98 092	(15 937)	81 996	61 979	20 017

3.2.2 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. Underspending has been below 2% of the allocated budget for each year. The department was allocated R10.3 billion for 2016/17, of which 99.61% was spent over the period.

Figure 1: Comparison on spending (2012/13 – 2016/17)



The department's main cost drivers over the period under review were:

- R7.7 billion (75.03% of the total budget) transferred to beneficiaries across the various incentive scheme programmes;
- R1 billion (10.17%) for other transfer payments to departmental agencies, foreign governments and international organisations, and others; and
- R1.6 billion (14.8%) for operational expenditure.

The table below reflects the department's expenditure per programme:

Programme name	2016/17			2015/16		
	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	721 505	699 139	22 366	727 578	727 561	17
International Trade and Economic Development	116 070	116 024	46	113 560	113 560	–
Special Economic Zones and Economic Transformation	112 492	97 589	14 903	92 609	92 524	85
Industrial Development	1 722 289	1 722 245	44	1 953 622	1 953 616	6
Consumer and Corporate Regulation	295 763	295 381	382	287 625	287 420	205
Incentive Development and Administration	6 896 306	6 895 186	1 120	5 821 653	5 795 785	25 868
Trade Export South Africa	455 836	454 588	1 248	501 197	501 193	4
Investment South Africa	69 256	69 244	12	–	–	–
Total	10 389 517	10 349 396	40 121	9 497 844	9 471 659	26 185

The table below reflects the department's expenditure categories:

Description	2016/17		2015/16	
	R'000	%	R'000	%
Payments to incentives	7 765 239	75	7 157 693	75.6
Incentives: Capital	1 618 984	15.6	881 119	9.3
Other incentives	6 146 254	59.4	6 276 574	66.3
Payments to departmental agencies	856 034	8.3	591 879	6.2
Other transfer payments	196 835	1.9	186 916	2
Compensation of employees	915 498	8.8	874 175	9.2
Goods and services	589 987	5.7	611 477	6.4
Payments for capital assets	16 103	0.2	37 433	0.4
Payment for financial assets	9 700	0.1	12 086	0.1
Total expenditure	10 349 396	100	9 471 659	100

Programme 1: Administration

Expenditure in this programme decreased from R728 million in 2015/16 to R699 million in 2016/17, a decrease of 4%, which is mainly attributable to the cost-containment measures implemented in line with National Treasury (NT) Instruction No. 2 of 2016/17.

Programme 2: International Trade and Economic Development Division

During the period under review, the programme's expenditure increased by 1.8%, from R114 million in 2015/16 to R116 million in 2016/17, in line with the annual inflationary adjustment.

Programme 3: Special Economic Zones and Economic Transformation Division

The B-BBEE Amendment Act, 2013 (Act No. 46 of 2013), which came into operation on 24 October 2014, calls for the establishment of the B-BBEE Commission to deal with the monitoring, evaluation and enforcement of the B-BBEE regulatory framework. To give effect to this, expenditure in this programme increased by 5.4%, from R93 million in 2015/16 to R98 million in 2016/17.

Programme 4: Industry Development Division

Expenditure in this programme decreased by 10.5%, from R1.9 billion in 2015/16 to R1.7 billion in 2016/17, as a result of the decrease in the transfer payment to the Industrial Development Corporation (IDC) for the Clothing and Textiles Competitiveness Programme.

Programme 5: Consumer and Corporate Regulation Division

The programme's expenditure increased by 2.8%, from R287 million in 2015/16 to R295 million in 2016/17, in line with the annual inflationary adjustment.

Programme 6: Incentive Development and Administration Division

Expenditure in this programme increased by 18.9%, from R5.8 billion in 2015/16 to R6.9 billion in 2016/17. This increase was as a result of the disbursement of development incentives to manufacturing and services sector companies, and incentives supporting industrial infrastructure.

Programme 7: Trade Export South Africa

The programme's expenditure decreased by 9.2% in the period under review, from R501 million in 2015/16 to R455 million in 2016/17, as a result of a delay in receiving foreign vouchers from the Department of International Relations and Cooperation (DIRCO).

Programme 8: Investment South Africa

This programme came into effect at the beginning of 2016/17. It is aimed at supporting FDI flows and domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors. The programme's expenditure for 2016/17 was R69 million.

3.2.3 Virements

Virements from the following programme	Virements to the following programme	R'000	Reasons	Approved by
Programme 1: Administration		(55 584)	<p>Savings resulting from vacant posts that could not be filled due to budget cuts that were effected over the 2017 MTEF following Cabinet's decision to lower the national aggregate expenditure ceiling for compensation of employees</p> <p>Further savings were as a result of cost-containment measures implemented by the department in line with NT Instruction No. 2 of 2016/2017</p> <p>ICT projects (Microsoft migration, backup solution), which were deferred for implementation in the new financial year</p>	NT and Accounting Officer
Programme 2: International Trade and Economic Development		(2 649)	<p>Savings resulting from vacant posts that could not be filled due to budget cuts that were effected over the 2017 MTEF following Cabinet's decision to lower the national aggregate expenditure ceiling for compensation of employees</p> <p>Further savings were as a result of cost-containment measures implemented by the department in line with NT Instruction No. 2 of 2016/2017</p> <p>Saving resulting from forex gains on foreign payments made to the Organisation for the Prohibition of Chemical Weapons (OPCW) and World Trade Organisation (WTO)</p>	NT and Accounting Officer

Virements from the following programme	Virements to the following programme	R'000	Reasons	Approved by
Programme 3: Special Economic Zones and Economic Transformation		(9 400)	Underspending on goods and services as well as payment for capital assets due to the set up related processes for the B-BBEE Commission that are yet to be finalised	NT and Accounting Officer
Programme 4: Industrial Development Division		(4 738)	Savings resulting from vacant posts that could not be filled due to budget cuts that were effected over the 2017 MTEF following Cabinet's decision to lower the national aggregate expenditure ceiling for compensation of employees Further savings were as a result of cost-containment measures implemented by the department in line with NT Instruction No. 2 of 2016/2017 Saving resulting from forex gains on foreign payments made to the United Nations Industrial Development Organisation and various institutions for Treaty Organisation for Metrology	NT and Accounting Officer
	Programme 5: Consumer and Corporate Regulation Division	1 427	Funds identified under Programme 1 to cover legal costs payable to the State Attorney	NT and Accounting Officer
	Programme 6: Incentive Development and Administration Division	4 597	Savings identified from other programmes to cover expected claims under the Film and Television Production Incentive	NT and Accounting Officer
	Programme 7: Trade Export South Africa	44 914	Savings identified from various programmes to cover expected vouchers from foreign mission offices	NT and Accounting Officer
	Programme 8: Investment South Africa	21 433	Savings identified from various programmes to support the establishment of the one-stop shops	NT and Accounting Officer

3.2.4 Unauthorised expenditure

The department did not incur any unauthorised expenditure in 2016/17.

3.2.5 Cost-containment measures

In 2016/17, the department implemented cost-containment measures, as issued by NT, as well as additional cost-containment measures to assist in directing public funds to areas of need.

3.2.6 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 is aligned with government priorities and outcomes over the 2014-2019 electoral period.

3.2.7 Public-private partnerships

the dti has a 25-year public-private partnership (PPP) agreement in place for office accommodation. 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 future expansions in accordance with the original design. The building, located adjacent to the campus, is pre-enabled with the same aesthetics as the main campus and shares the campus infrastructure. A request for approval to extend the PPP agreement will be finalised once the requirements for such, as per NT regulations, have been met.

3.2.8 Discontinued activities / activities to be discontinued

No activities were discontinued in the period under review.

3.2.9 New or proposed activities

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

3.2.10 Supply chain management

The prescribed transversal system Logis (Logistical Information System) is used for the provision of goods and services, record-keeping and reporting thereon. 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 NT.

3.2.11 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.

3.2.12 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.

3.2.13 Events after the reporting date

No events took place after the reporting date of 31 March 2017 that would impact on the financial position of **the dti**.

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

Reporting period: 1 April 2016 to 31 March 2017		Total	Comments
A	Number of Promotion of Access to Information Act (Act No. 2 of 2000) (PAIA) requests received	51	<ul style="list-style-type: none"> • One request is still in process • One request was transferred to another organisation • One request was made using PAIA, although the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) should have been used • For three of the requests, the requested documents do not exist
B	Number of requests granted in full	9	
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	0 26 31	In 5 instances, records were partially released as all the requested records do not exist
E	Number of instances in which the 30-day period to deal with a request was extended	6	
F	Number of internal appeals: lodged with the relevant authority where requests were granted as a result of an internal appeal	1 1	
G	Number of internal appeals lodged on account of a deemed refusal	1	
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	

3.2.15 Donor funds managed by the dti

Employment Creation Fund	
Donor	European Union
Amount	€100 million
Period of commitment	3 years
Purpose of the 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	R295 510 063.38
Amount spent by the dti	R293 140 994.48
Reasons for unspent funds	These projects are expected to be completed in 2017/18 once the funds have been received from the RDP Fund

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 2017

4. 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 D) 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 2017.

Yours faithfully,

A handwritten signature in black ink that reads "L. October". The signature is written in a cursive style with a large, sweeping flourish at the end.

Mr Lionel October

Director-General

4. Economic overview

Global growth

During the period under review, the global economy experienced sluggish recovery and significant structural change in the absence of sufficiently powerful economic drivers. Consumer pessimism spiked owing to rising protectionism and geopolitical tension coupled with the onset of the so-called Fourth Industrial Revolution, which is characterised by the deployment of robotic technology, digitisation and artificial intelligence.

Consequently, the global economy expanded by just 3.1% in 2016, even lower than the modest growth rate of 3.4% registered in 2015. However, there are signs of uptick with a long awaited cyclical recovery in investment, manufacturing, and trade. According to the IMF April 2017 World Economic Outlook report, global gross domestic product (GDP) is expected to accelerate to 3.5% in 2017 and 3.6% in 2018. This growth will be driven largely by emerging market and developing economies (EMDEs), which have been the main drivers of global growth in the last decade. The expected growth in EMDEs is likely to be supported by stronger commodity prices attributable to a recovery in economic activity and expectations of more robust global demand, coupled with agreed restrictions on oil production by the leading oil-producing countries.

However, a more robust global economy with higher growth will face challenges imposed by structural constraints such as low productivity growth and high income inequality, as well as inward-looking policies that jeopardise global economic integration and cooperation.

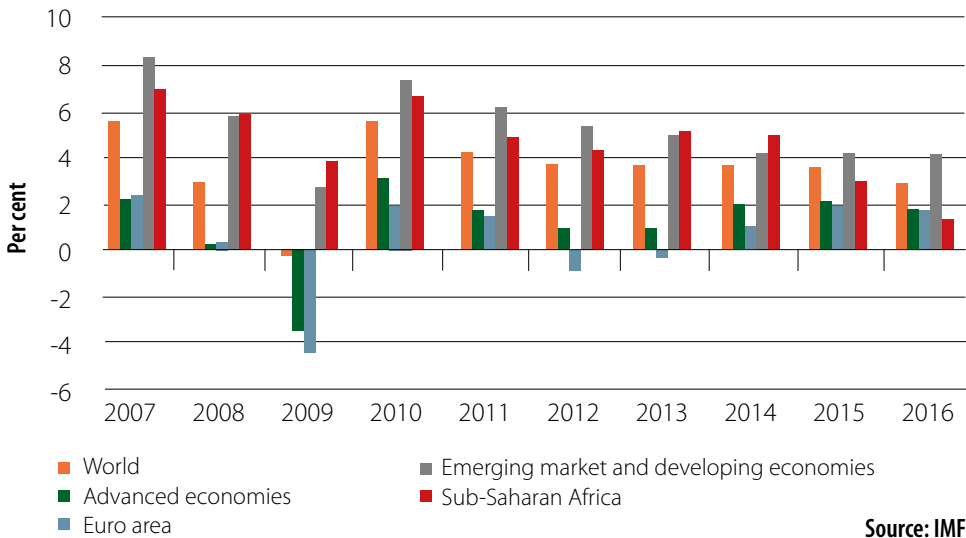
Advanced economies grew by 1.7% in 2016 and are projected to recover to grow by 2% per year in 2017 and 2018. This projected growth will be supported by stronger growth prospects in the US, which is projected to grow by 2.3% in 2017 and 2.5% in 2018.

Weak economic growth was observed in the Euro area in 2016 as growth slowed to just 1.7% and is forecast to continue growing slowly in 2017 and 2018 with forecasts of 1.7% and 1.6% respectively.

Economic growth in EMDEs remained mixed as countries such as Russia and Brazil remained in recession, while growth in China continued to slow: from GDP growth of 6.9% in 2015 to 6.7% in 2016. The growth forecast for China in 2017 and 2018 reflects the expectation that as China undergoes structural change, GDP will continue to grow substantially albeit at the slightly slower rates of 6.6% and 6.2%, respectively.

The economy of the Sub-Saharan African region grew by 3.4% in 2015 before falling to 1.4% in 2016. Nevertheless, economic growth in the region is projected to recover to 2.6% in 2017 and 3.5% in 2018 as the price of commodity prices strengthen.

Figure 2: Global GDP growth rates: Selected regions

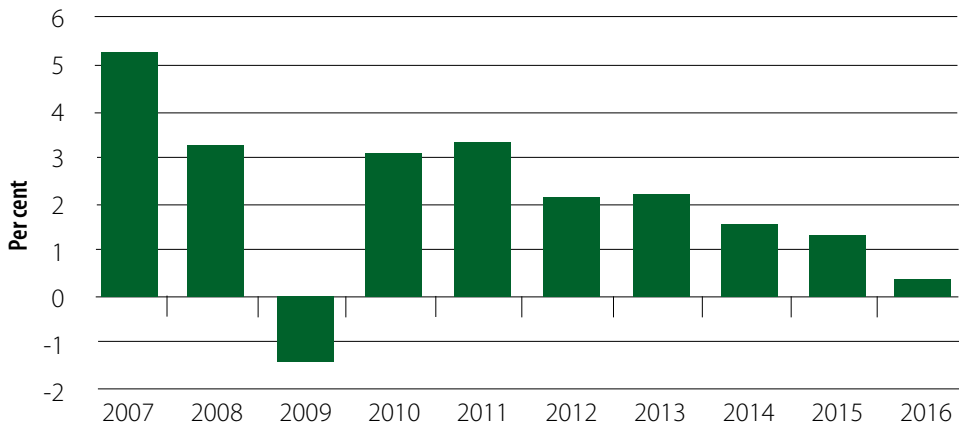


Domestic GDP

South Africa posted an economic growth rate of 1.3% in 2015 and 0.3% in 2016, and is expected to grow at a rate of 0.8% and 1.6% in 2017 and 2018, respectively. However, it is unclear whether these projections will hold given the recent (April 2017) downgrade of the country’s credit rating to sub-investment grade. Nevertheless, the South African economy avoided recession in 2016, largely as a result of the positive growth rate in the tertiary sector which grew by 1.4%. The secondary sector grew by a marginal 0.2% in 2016, while the primary sector contracted by 5.4%.

This negative growth in the primary sector was driven mainly by the decline in agricultural output, which declined by 7.8% as a result of the prolonged drought experienced in the previous two years. Output in the mining sector fell by 4.7% due to weak global demand for minerals and the marginal improvement in commodity prices was not enough to mitigate the decline.

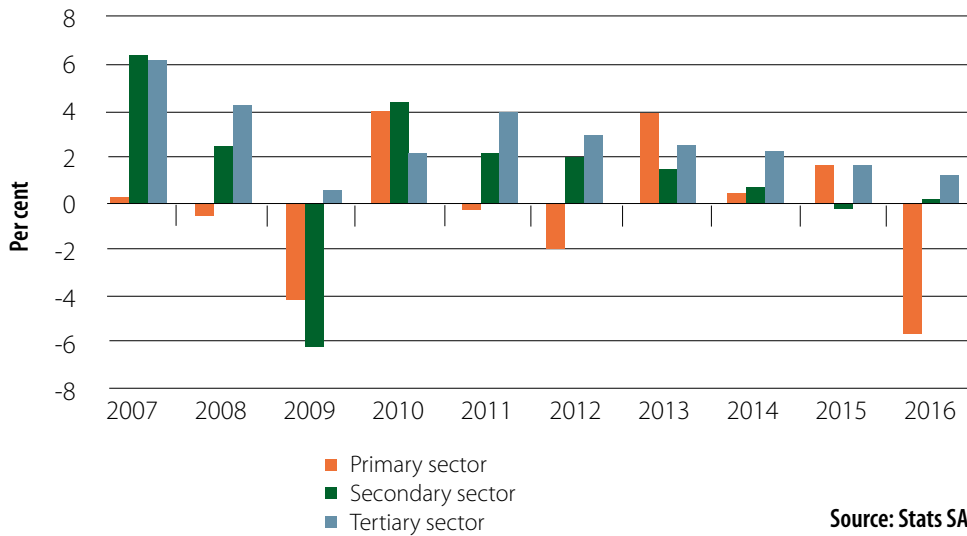
Figure 3: South Africa GDP growth rates



Source: Stats SA

Growth in the secondary sector was driven by positive developments in the following subsectors: food and beverages; petroleum, chemical products, rubber and plastics; electrical machinery and radio, television and communications apparatus; and professional equipment.

Figure 4: South Africa GDP by three main economic sectors

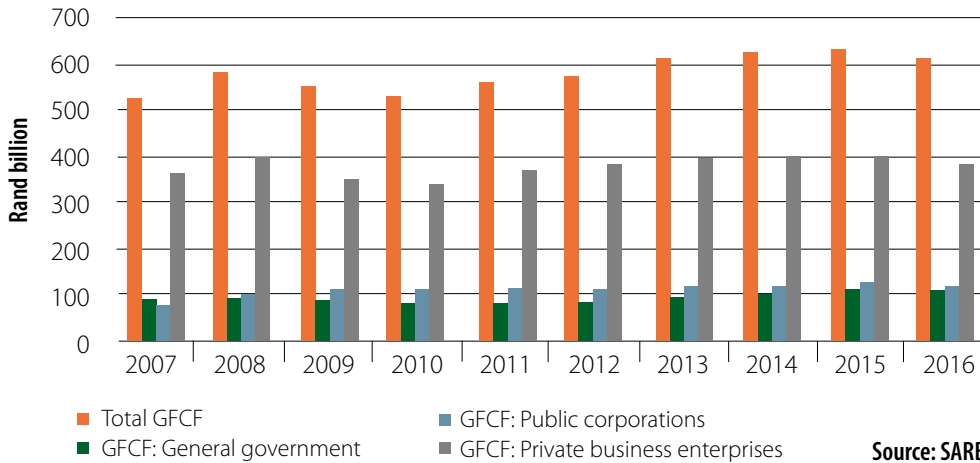


Gross fixed capital formation

Domestic investment maintained an upward trend over the period from 2007 to 2016. Despite the overall upward trend over the period under review, GFCF decreased by 3.9% in 2016. The decrease was a result of the fall in private business enterprise investment which fell by 6% and public corporations' investment, which decreased by 1.6%. The challenging economic and operating environment over the last few years has not been conducive for fixed investment spending by the private sector. Subdued demand, both locally and abroad, resulted in spare production capacity in many industries, thus not justifying investment in additional productive capacity. Supply-side constraints, especially cost pressures and infrastructure-related challenges, have also affected the investment decisions of private business enterprises.

GFCF by public corporations decreased by 1.6%, from R124 billion in 2015 to R122 billion in 2016. The contraction is attributed to a decrease in real capital outlays by the transport sector 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.

GFCF by general government, although the smallest contributor to total GFCF, has been steadily increasing since 2010. In 2010, GFCF by general government stood at R76.2 billion, by 2015 it had reached R111.6 billion before increasing by 1.1% to reach R112.9 billion in 2016. The recent improvement in GFCF by general government has been driven largely by the continued construction of national and provincial roads.

Figure 5: GFCF by organisation type

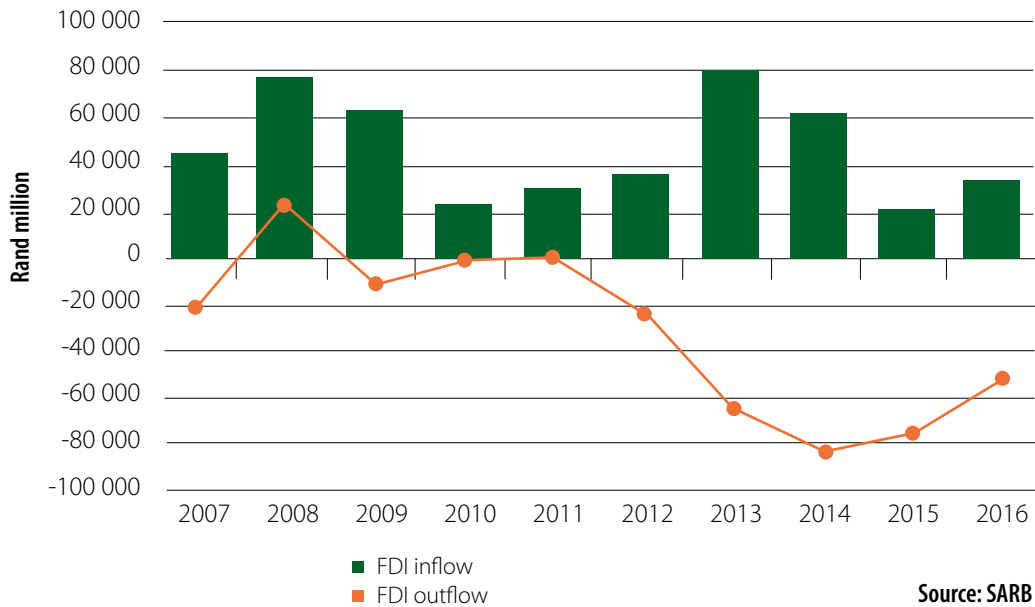
FDI

The Global Investment Trends Monitor, published in February 2017, reported that FDI flows to Africa shrank by 5% in 2016 to US\$51 billion compared to the US\$54 billion recorded in 2015. The low level of commodity prices and sluggish global growth in 2016 continued to have a negative impact on resource-seeking FDI, especially for the African and Latin American regions. In the African region, flows to Angola more than halved after surging in 2015. Mozambique saw its FDI receding by 11%, but the level was still significant at an estimated US\$3 billion.

However, South Africa made a comeback and saw an increase of 38% in FDI inflows in 2016, to an estimated US\$2.4 billion. The 2017 AT Kearney FDI Confidence Index report saw South Africa returning to the top 25 global FDI destinations, the first African country to attain that position. Given the new status, South Africa is expected to attract even more FDI inflows as it improves and builds on its attractiveness as a preferred global FDI destination.

FDI inflows to and outflows from South Africa

Strikingly, the three-year period from 2012 to 2014 saw a number of South African companies investing outside the country. This was accompanied by significant FDI outflows of R24.5 billion (US\$3 billion), R64.2 billion (US\$6.7 billion) and R83.2 billion (US\$7.7 billion) in 2012, 2013 and 2014, respectively. This was driven largely by the need to diversify FDI geographical markets as the domestic economy began to slow. However, from 2015 a reversal of this trend with FDI inflows emanating from dividends and other payments accruing to domestic investors who invested abroad between 2012 and 2014, began to emerge.

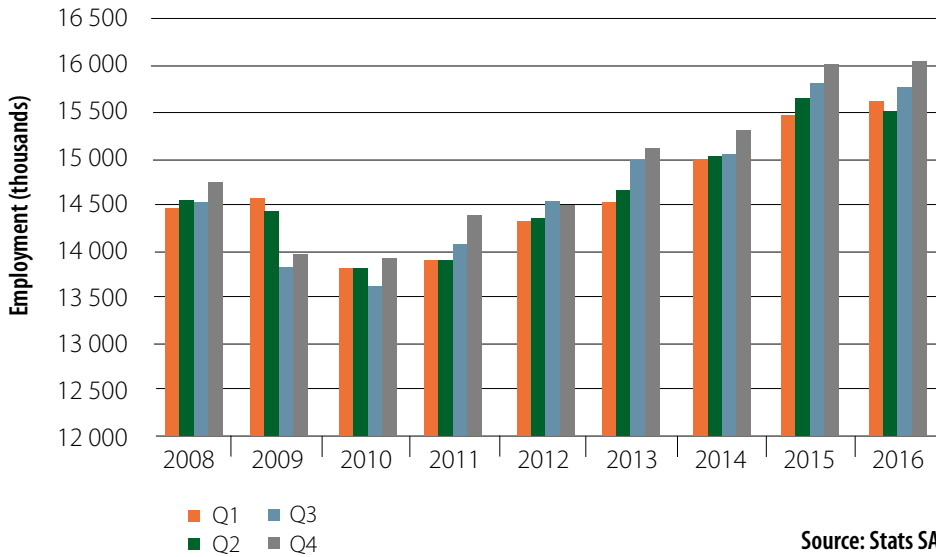
Figure 6: FDI inflows and outflows

Employment

Employment in the formal and informal sectors, as reported in the Quarterly Labour Force Survey (QLFS) for the fourth quarter of 2016, grew by 235 000 resulting in a slight decline of 0.6 percentage points in the unemployment rate to 26%. However, unemployment is still 2% higher compared to the fourth quarter of 2015.

The growth in employment was mainly driven by the community, social and personal services sector, which grew by 73 000 jobs, followed by transport and manufacturing which grew by 46 000 and 44 000 jobs, respectively. However, the mining and construction sectors declined by 17 000 and 9 000 jobs, respectively. The overall increase of 235 000 jobs took the number of employed people in South Africa to just more than 16 million.

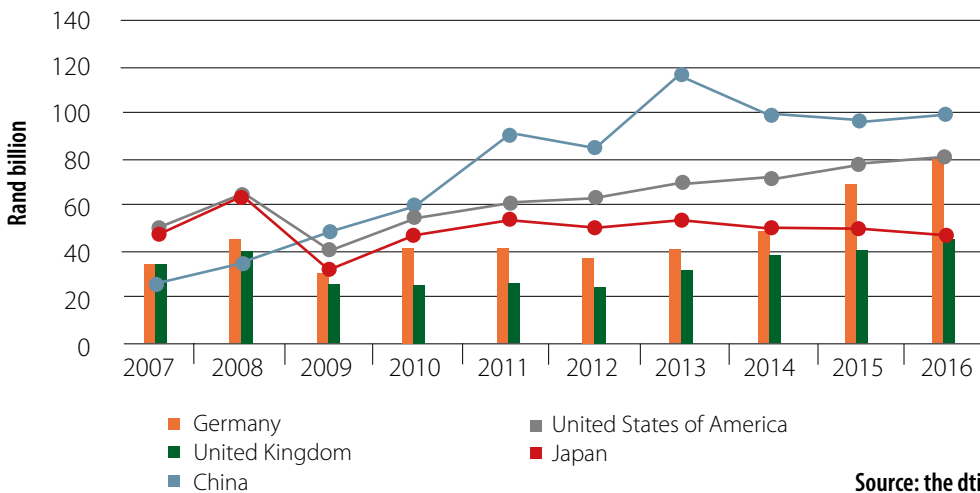
Figure 7: Total employed: QLFS (2008 – 2016)



World trade performance

Markets for goods and services have experienced greater integration owing to openness in trade, with technology a driving force behind lower trade costs. Global market integration has contributed significantly to employment and economic growth in many countries. In the period from 2007 to 2016, world trade grew at an average of 11%. However, in 2016, global trade decreased by 0.7%, partly as a result of the gradual rise in protectionism by countries such as the US and contracting imports in China, among others. In 2016, South Africa’s exports and imports of goods ranked 34th and 35th, respectively, in the world out of 204 countries.

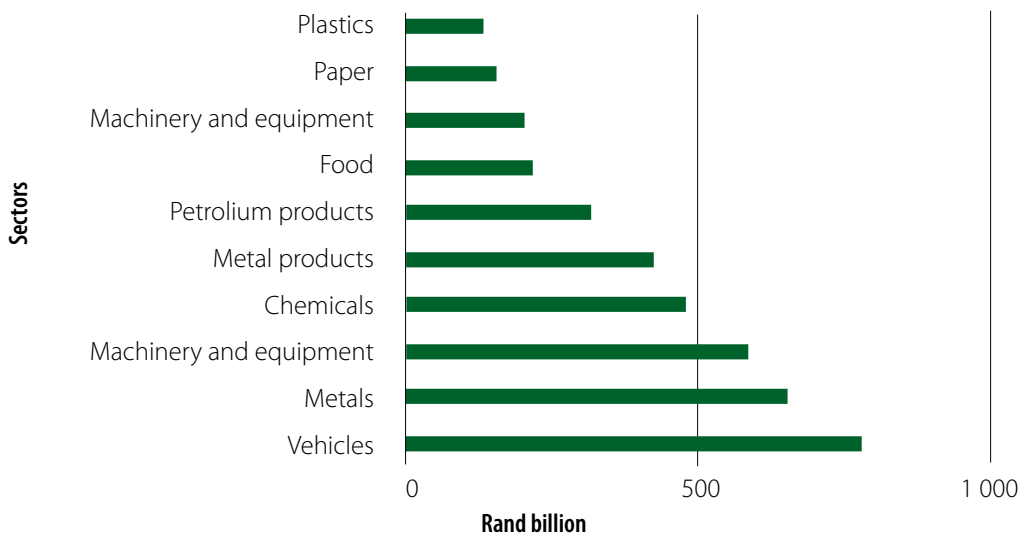
Figure 8: Top 5 export destinations (2007 – 2016)



Top 10 manufactured export products

From 2007 to 2016, vehicles topped the list of the exported manufactured goods, reaching R772 billion. The Americas and Europe were the top export destinations of South African-manufactured motor vehicles for transport of persons. Metals were South Africa's second largest manufactured export product to the world. The top three export destinations for this commodity were Asia (R291 billion), Europe (R159 billion) and Africa (R97 billion). Machinery and equipment ranked the third-largest manufactured export, with exports totaling R588 billion in the past decade (2007 to 2016). Exports to Africa accounted for 44% and Europe 35% of total machinery exports.

Figure 9: South Africa's Top 10 manufactured export products (2007 – 2016)

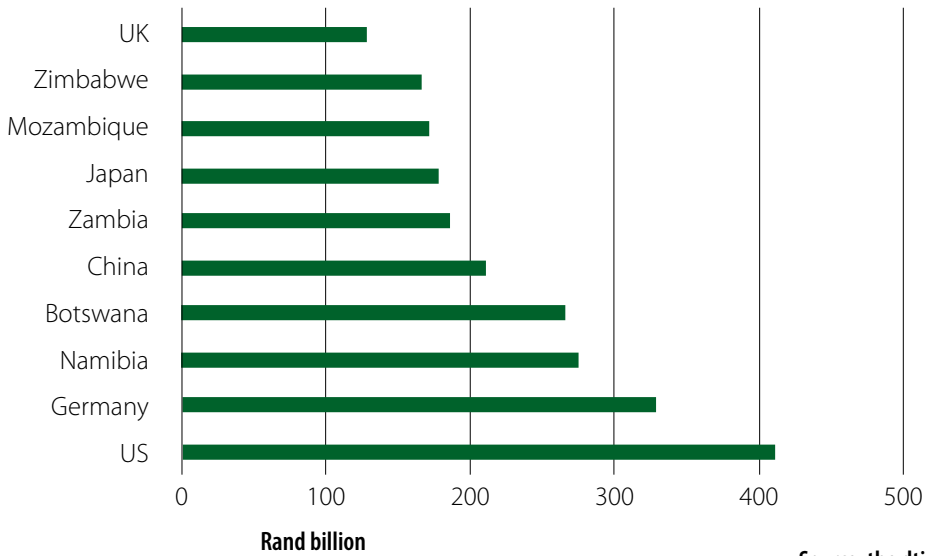


Source: the dti

Top 10 export destinations for manufactured goods

From 2007 to 2016, most of South Africa's manufactured goods were exported to the US, cumulatively adding up to R407 billion. Germany was the second-largest importer of South African-manufactured goods, totalling R327 billion, with South Africa's exports to Germany largely comprising vehicles, machinery and equipment, and metals. Namibia was the third-largest export destination for South African-manufactured exports, comprising mainly vehicles, machinery and equipment, and chemicals.

Figure 10: Top 10 export destinations for manufacturing (2007 – 2016)

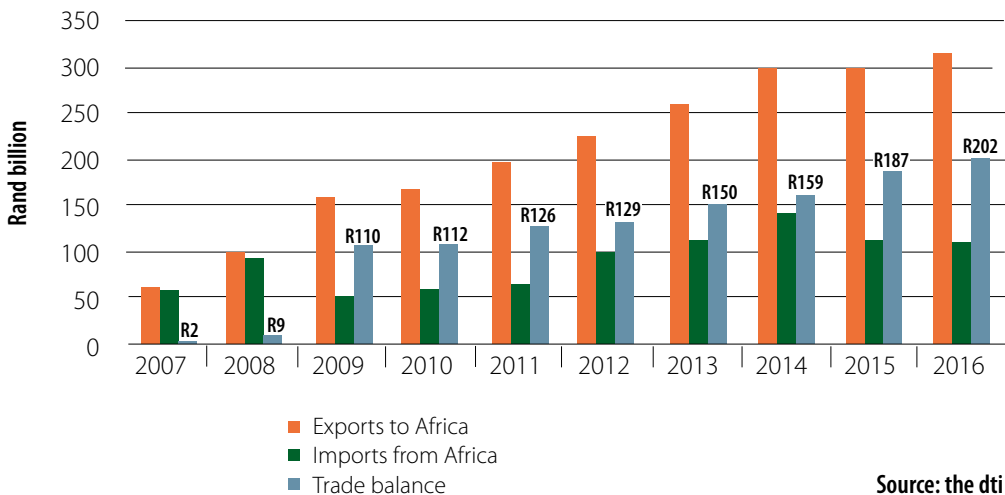


Source: the dti

Overall trade with Africa

In 2010, Africa was the fourth-largest export destination for South African products. However, in 2016, Africa became the second largest destination for South African products. Cumulatively, in the past 10 years, South Africa’s exports to Africa were mainly from the manufacturing sector (88%), followed by mining (5%) and the remaining 7% were from the agriculture, forestry and fisheries sector and other sectors. In 2016, South Africa’s imports from Africa decreased by 1.6% to reach R113 billion, leading to a substantial trade surplus of R202 billion.

Figure 11: South Africa’s trade with Africa (2007 – 2016)

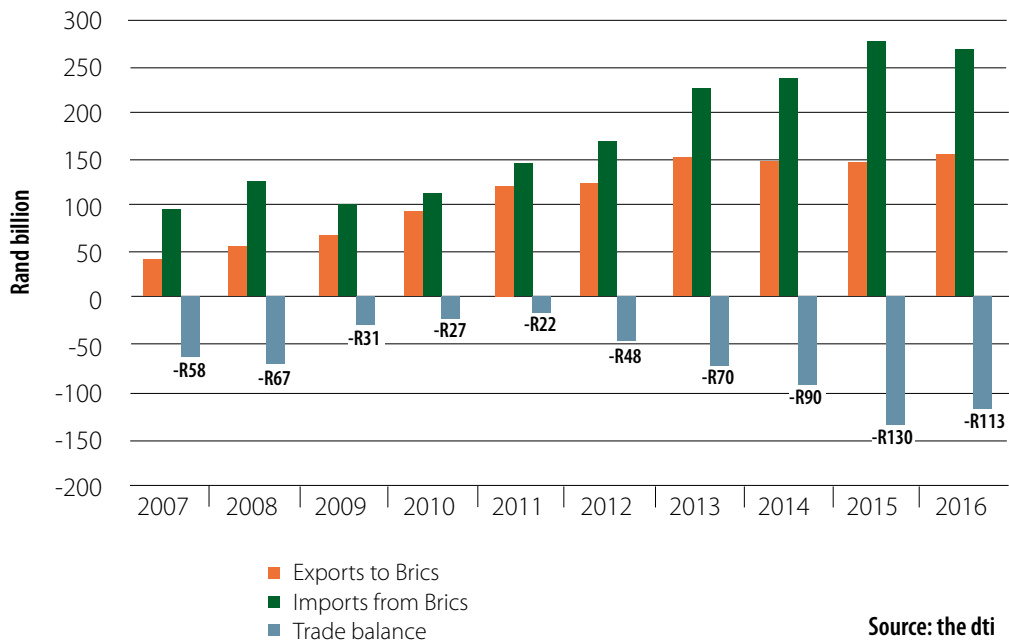


Source: the dti

Trade with Brazil-Russia-India-China group of countries

South Africa has been trading in a deficit with Brics countries in the past 10 years (2007 to 2016). In 2016, the negative trade balance narrowed to R113 billion from R130 billion in 2015. This was ascribed to a rise in exports by 6.7% alongside imports decreasing by 2.9%. India and China are still the biggest importers of the South African products. Post the global financial crisis, South Africa's demand for goods from Brics grew persistently until it reached its highest level of R277 billion in 2015, thereafter dropping to R269 billion in 2016.

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



6. Strategic overview

While South Africa's economy grew at 0.3% in 2016 (1% less than in 2015), the above zero growth rate averted negative growth for the year. This was largely due to the positive growth rate in manufacturing (0.7%); finance, real estate and business services (1.9%); general government (1.4%); and personal services (1.2%).

Employment in the formal and informal sectors, as reported in Stats SA's Q4 2016 QLFS, increased by 235 000, while the number of job seekers decreased by 92 000, resulting in a slight decrease in the unemployment rate by 0.6 percentage points, leaving the official unemployment rate at 26.5%.

In the period under review, the food and beverages sector had the highest average growth rate compared to the other sectors. It was followed by the textiles, clothing, footwear and leather sector, which recorded average year-on-year growth of 1.4%.

Investments and other successes registered in 2016/17 show continuing significant international confidence in the South African economy. Progress has been made in supporting several local companies to improve their competitiveness and increase their export capabilities. Through the technology localisation programme, the Department of Science and Technology has provided R9 million for the

Bombardier locomotive building project, with Swedish robotics company ABB Group co-investing R6 million.

Industrial financing interventions have significantly contributed to the rescue, revival and growth of several sectors. The IDC was a major source of dedicated industrial financing, having disbursed R9.1 billion between April 2016 and February 2017 across various IPAP sectors.

Since the inception of the Clothing and Textiles Competitiveness Programme, a partnership between **the dti** and the IDC, support for the clothing and textiles sector has totalled R4.2 billion in the form of incentives, while 70 000 jobs were saved and an estimated 9 550 new jobs were created.

the dti approved R824 million under a production incentive to establish, in partnership with local institutions, one national and four sub-national clusters. This resulted in capacity expansions by many manufacturers, the establishment of 28 new companies, the creation of 2 200 sustainable jobs, growth in exports and a reduction of the trade deficit.

A new economic partnership agreement was concluded with the EU and will lead to improved market access for some agricultural products such as seafood, wine, canned fruit, sugar and ethanol.

Two agri-parks are now operating, while six others are under construction. Large companies such as Clover, Tiger Brands, McCain and Distell are involved in initiatives to improve market access for small farmers.

There has been improved market access to the EU for wines of South African origin, with the current duty-free quota of 48 million litres increasing to 110 million litres. There was a R1-billion investment by AB Inbev in South Africa to realise localisation as part of its offer to acquire rival brewer SABMiller.

By October 2016, under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), 6 376 megawatts of electricity had been procured from 102 renewable energy independent power producers (IPPs) over six rounds of bidding. This created 28 484 job years, and generated R256.2 million in socioeconomic development contributions and R80.5 million in enterprise development contributions.

During the period under review, the department embarked on the first phase to revitalise 10 identified industrial parks. Six industrial parks – Phuthaditjhaba, Garankuwa, Seshego, Nkowankowa, Ekandustrial, and Bodirelo – were approved for refurbishment under the Critical Infrastructure Programme, and 13 special economic zone (SEZ) projects were approved for top structure infrastructure.

Regional economic integration remains an overriding priority. South Africa is committed to a coordinated strategy to boost intra-Africa trade, and build an integrated market in Africa that will see a market of more than a billion people valued at an estimated US\$2.6 trillion.

In 2016, **the dti** led a process to secure South Africa's continued participation in the African Growth and Opportunity Act (AGOA), a unilateral preferential programme that offers duty-free market access to 5 235 tariff lines into the US.

The EU remains South Africa's main trading partner. South African exports to the EU realised annual growth of about 8% between 2012 and 2016, and imports realised annual growth of about 15% over the same period. South African exports to the EU increased from R143 billion in 2012 to R250 billion in 2016.

A compact and more nuanced Integrated National Export Strategy (INES) was launched in March 2016. The development of this INES, titled Export 2030, aligns with a concerted market diversification strategy and contributes to increasing South Africa's exporter base and promoting trade.

To date, **the dti**, through its support to black industrialists, has contributed to leveraged investments of more than R3 billion, creating about 7 000 jobs mainly in IPAP sectors such as agro-processing; renewable energy; electronics; pulp, paper and furniture; clothing and textiles; plastic; automotive components; and pharmaceutical, electro equipment and metals.

In the legislative and regulatory area, the department has made notable progress, including the tabling of five Bills: Gambling, Liquor, Copyright, Performers Protection and Companies Amendment. The National Liquor Amendment Bill was published for broader consultation.

The Portfolio Committee on Trade and Industry is preparing legislation to deal with over-

indebtedness. The Committee invited stakeholders such as the banks, experts, government departments to comment on the debt relief proposal. Terms of reference have been developed and submitted to National Treasury for data research.

the dti has employed 50% women in senior management positions and has a 3.4% representation of people with disabilities. The vacancy rate is 7% against the background of cost-cutting measures and a moratorium on filling of vacancies. All eligible creditors' payments were made within 30 days.

6.1 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.

6.2 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.

6.3 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.

6.4 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.

7. 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
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

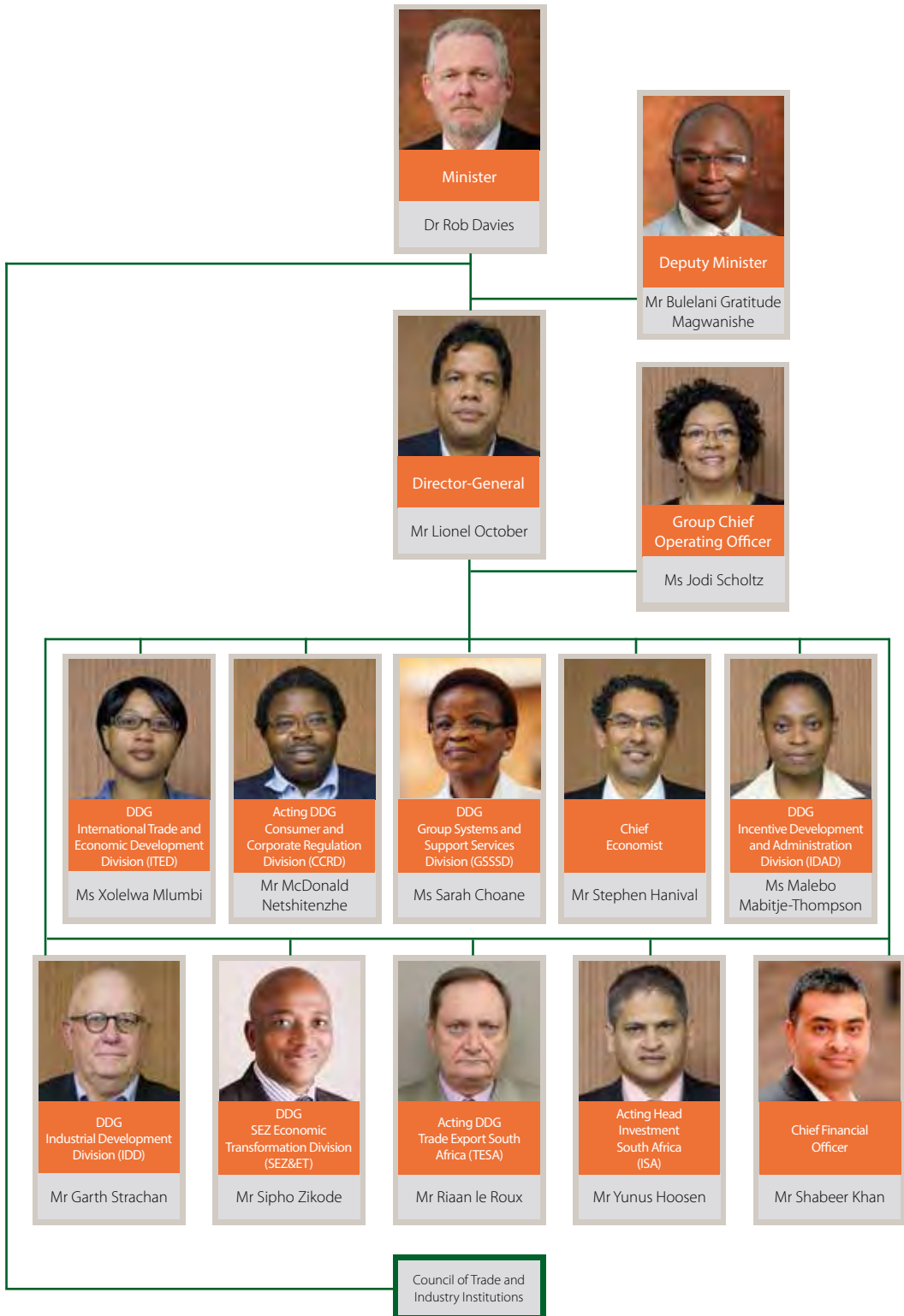
Name of Act	Purpose
Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Establish the Export Credit Insurance Corporation (ECIC) and promote trade with countries outside South Africa by providing for the insurance, on behalf of the South African government, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions
Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	Provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance
Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	Regulate the alienation of certain interests in housing development schemes for retired persons, and provide for matters connected therewith
Intellectual Property Laws Rationalisation Act, 1996 (Act No. 107 of 1996)	Provide for the integration of intellectual property (IP) rights subsisting in the former homelands (Transkei, Bophuthatswana, Venda and Ciskei) into the national system; extend South African IP rights legislation throughout South Africa; and repeal certain IP laws
International Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	Provide for the application in South Africa of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers
Legal Metrology Act, 2014 (Act No. 9 of 2014)	Provide for the administration and maintenance of legal metrology technical regulations in order to promote fair trade and protect public health and safety and the environment, and provide for matters connected therewith
Liquor Act, 2003 (Act No. 59 of 2003)	Establish national norms and standards to maintain economic unity within the liquor industry, provide for essential national standards and minimum standards required for the rendering of services, provide for measures to promote cooperative governance in the area of liquor regulation, and provide for matters connected therewith
Lotteries Act, 1997 (Act No. 57 of 1997)	Establish the National Lotteries Commission (NLC), and regulate and prohibit lotteries and sports pools
Manufacturing Development Act, 1993 (Act No. 187 of 1993)	Establish the Manufacturing Development Board, provide for the establishment of programmes for manufacturing development, and provide for matters incidental thereto
Measurement Units and Measurement Standards Act, 2006 (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

Name of Act	Purpose
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
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





Name of Act	Purpose
Patents Act, 1978 (Act No. 57 of 1978)	Provide for the registration and granting of letters, patents for inventions, and for the rights of a patentee
Performers' Protection Act, 1967 (Act No. 11 of 1967)	Provide for the protection of the rights of performers of literary and artistic works
Property Time-Sharing Control Act, 1983 (Act No. 75 of 1983)	Regulate the alienation of time-sharing interests pursuant to property time-sharing schemes
Protection of Businesses Act, 1978 (Act No. 99 of 1978)	Restrict the enforcement in South Africa of certain foreign judgments, orders, directions, arbitration awards and letters of request; and prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request
Protection of Investment Act, 2015 (Act No. 22 of 2015) [Assented to by the President on 15 December 2015 but has not yet commenced]	Provide for the protection of investors and their investments; achieve a balance of rights and obligations that apply to all investors; and provide for matters connected therewith
Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	Provide that certain corporate laws shall apply throughout South Africa; repeal certain corporate laws; and provide for the retrospective incorporation of certain putative close corporations
Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	Provide for the registration of copyright in cinematograph films and for matters connected therewith
Share Blocks Control Act, 1980 (Act No. 59 of 1980)	Control the operation of share block schemes – any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property
Space Affairs Act, 1993 (Act No. 84 of 1993)	Provide for the establishment of a council to manage and control certain space affairs in South Africa, determine its objects and functions, and prescribe the manner in which it is to be managed and controlled
Special Economic Zones Act, 2014 (Act No. 16 of 2014)	Provide for the designation, development and management of 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

Name of Act	Purpose
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




8. Organisational structure



9. 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 080001-11191-8811 2010</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 the 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>	<p>Companies Act, 2008 (Act No. 71 of 2008), as amended</p>	<p>Transfer payment</p>	<p>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>
 <p>National Credit Regulator</p>	<p>National Credit Act, 2005 (Act No. 34 of 2005), as amended</p>	<p>Transfer payment</p>	<p>The NCR promotes a fair and non-discriminatory marketplace for 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>
 <p>National Empowerment Fund</p>	<p>National Empowerment Fund Act, 1995 (Act No. 105 of 1995)</p>	<p>Transfer payment</p>	<p>The NEF's focus is to promote and facilitate black economic equality and transformation. The NEF provides finance and financial solutions to black 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>
 <p>National Gambling Board South Africa <small>a member of the dti group</small></p>	<p>National Gambling Act, 2004 (Act No. 7 of 2004)</p>	<p>Transfer payment</p>	<p>The NGB was established to monitor and investigate, when necessary, the issuing of national licences by provincial licensing authorities. It establishes and maintains national registers regarding various gambling activities</p>
 <p>National Lotteries Commission <small>a member of the dti group</small></p>	<p>National Lotteries Act, 1997 (Act No. 57 of 1997)</p>	<p>Self-funded</p>	<p>The NLC monitors and enforces the implementation of the national lottery. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of the lottery sales to worthy causes</p>
 <p>National Metrology Institute of South Africa <small>the pillars of Excellence</small></p>	<p>Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)</p>	<p>Transfer payment</p>	<p>NMISA is responsible for realising, maintaining and disseminating the International System of Units. It maintains and develops primary scientific standards of physical quantities for South Africa, and compares those standards with other national standards to ensure global measurement equivalence</p>

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

The B-BBEE Commission is established in terms of Section 13B of the B-BBEE Amendment Act, 2013 (Act No. 46 of 2013). The purpose of the Act, among other things, is to facilitate B-BBEE by promoting economic transformation to enable the meaningful participation of black people, women, youth and people living with disabilities and rural or underdeveloped communities in the mainstream economy, in a manner that has a positive impact on employment, income redistribution, structural readjustment and economic growth. The listing of the B-BEE Commission will be undertaken in 2017/18. The commission was incubated under the Special Economic Zones and Economic Transformation division during the period under review.

Part B

Performance Information



10. 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.

11. Overview of departmental performance

There has been improved market access to the EU for wines of South African origin, with the current duty-free quota of 48 million litres increasing to 110 million litres. In the period under review, AB Inbev, the world's largest brewer, invested R1 billion in South Africa to realise its localisation as part of its offer to acquire rival brewer SABMiller.

By October 2016, under the REIPPPP, 6 376 MW of electricity had been procured from 102 renewable energy IPPs over six rounds of bidding. This led to the creation of 28 484 job years and generated contributions of R256.2 million in socioeconomic development, and R80.5 million in enterprise development.

In 2016/17, the department embarked on the first phase to revitalise 10 identified industrial parks. The first phase of the revitalisation programme included security infrastructure upgrades, the replacement of top structure, and wastewater treatment plant repairs.

Regional economic integration remains an overriding priority. South Africa is committed to a coordinated strategy to boost intra-Africa trade, and build an integrated market in Africa that will create a market of more than 1 billion people valued at an estimated US\$2.6 trillion.

In 2016, **the dti** led a process to secure South Africa's continued participation in AGOA, a unilateral preferential programme that offers duty-free market access to 5 235 tariff lines into the US.

The EU remains South Africa's main trading partner. South African exports to the region realised an annual growth of about 8% between 2012 and 2016, and imports realised an annual growth of about 15% over the same period. South African exports to the EU increased from R143 billion in 2012 to R250 billion in 2016.

R250bn
VALUE OF SOUTH AFRICAN EXPORTS TO THE EUROPEAN UNION IN 2016, UP FROM R143 BILLION IN 2012

A compact and more nuanced INES was launched in March 2016. The development of this INES, or Export 2030, in alignment with a concerted

market diversification strategy, contributed to increasing South Africa's exporter base and promoting trade.

The department has, to date, supported 36 black industrialists to the value R3 billion, creating about 7 000 jobs mainly in IPAP sectors such as agro-processing; renewable energy; electronics; pulp, paper and furniture; clothing and textiles; plastic; automotive components; and pharmaceutical, electro equipment and metals.

For the period under review, 50% of the

department's senior management positions were occupied by women, and 3.4% of the department's total staff complement comprised people with disabilities. The vacancy rate was 7%

against the backdrop of cost-cutting measures and a moratorium on filling vacancies. All eligible creditors' payments were made within 30 days.

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

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

The highlights of the period under review have been extracted from the eighth iteration of the IPAP (2017 to 2020), and reflect relationships between the private and public sectors. Investments and other successes registered in 2016/17 show continuing, significant international confidence in the South African economy.

Instruction notes issued for designations during 2016/17 were for steel and steel products to ensure the maximum utilisation of existing steel fabrication capacity across the infrastructure build programme. This to improve competitiveness, resulting in increased investments and the creation of jobs in the rail signalling sector; transformers and associated equipment; as well as wheelie bins.

the dti invoked provisions of Section 9.3 of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) to engage the South African National Roads Agency Limited to secure the localisation of steelworks in the Mtentu and Msikaba bridge projects in Eastern Cape, and mandated the local purchase of stationery procured by state-owned companies and municipalities.

Progress has been made in supporting several local companies to improve their competitiveness and increase their export capabilities. This has been done either through funding, technology transfer or linking local players with global original equipment manufacturer (OEM) value supply chains. Highlights include an agreement between **the dti**, South African Airways Technical (SAAT),

and an obligor to revive the aircraft engine maintenance, repair and overhaul capabilities of SAAT. The first phase of the project involved transferring equipment, tools and technological process know-how from the obligor. The following stage involves installing equipment and certifying SAAT to meet European standards, which is required to repair European-registered aircraft.

Airbus awarded a contract to a South African manufacturer, Cobham Satcom, to supply the Light Inmarsat Satcom package for the A320 NEO (new engine option) and the A330 NEO aircraft. This package comprises an enhanced low gain antenna, a multichannel, high-power amplifier and a compact satellite data unit configuration module. It is expected that the certification of the systems will commence in 2017, and installation in 2019.

An agreement has been reached with a Chinese telecommunications equipment company Huawei to establish a joint innovation centre in South Africa. In collaboration with other Huawei centres across the world, this centre will focus on the development of technologies and software modules for both the domestic and international markets. The envisaged technologies include 4.5G/5G for the mobile phone sector, smart home solutions (a household management and business communications system), mobile money technologies and application platforms for high-end smartphones. The project is expected to create 118 highly skilled jobs and generate about R5 billion in revenue over a seven-year

period, of which 60% will be for export markets.

Industrial financing interventions have significantly contributed to rescue, revival and growth in several sectors. The IDC was the major source of dedicated industrial financing, having disbursed R9.1 billion between April 2016 and February 2017 across various IPAP sectors.

In a joint investment project with the IDC, Beijing Automobile International Corporation began building its new R11-billion vehicle manufacturing plant, which is set to create 2 500 direct jobs. The plant will manufacture pickup trucks, SUVs and sedans for the African market. The plant will have an initial capacity to produce about 50 000 cars, trucks and SUVs.

Toyota South Africa opened a R6.1-billion assembly line to produce its Fortuner and Hilux models, R1.9 billion of which will go towards supplier tooling, R1.4 billion to in-house tooling, and the remainder to in-house facilities and buildings to cater for new press machines. The project attracted five new international suppliers and created about 2 000 new jobs in the supply chain.

Ford South Africa invested R11.5 million in the construction and operation of a new job-training and entrepreneurial-development centre, which opened in October 2016.

Volkswagen South Africa invested R120 million in a new 21 000 try-out press to improve manufacturing capabilities. The new facility can produce close to 10 000 parts per day for Volkswagen's Polo, Cross Polo and Polo Vivo models. Volkswagen is also to supply Kenya with up to 5 000 Polo Vivos a year in a move that could extend the manufacturing of the car in South Africa beyond 2018. Volkswagen South Africa's German parent company signed a deal with the Kenyan government to build the Polo Vivo at a new joint-venture plant in Kenya, beginning early 2017. The cars will be exported in kit form from Volkswagen South Africa's Uitenhage, Eastern Cape, assembly plant and re-assembled in Kenya.

Mercedes-Benz South Africa awarded a

tender to Great North Transport for the supply, maintenance and financing of 150 commuter buses, with Marcopolo South Africa as the bus body builder. The approved total bid price, including repairs and maintenance, is R511.6 million over a five-year period. BMW South Africa unveiled a purpose-built solar carport that allows its electric vehicle range to charge using solar energy. BMW is also set to expand its shared services centre and IT operations centre, which is one of only two specialist hubs globally, with the aim of increasing personnel in both operations by 220 people.

Footwear manufacturing increased by 2 million pairs in the first quarter of 2016 and employment creation continued. Exports in the leather and footwear sector have begun to increase as well.

Bombardier Transportation launched its

propulsion and control facility in Elandsfontein, eastern Gauteng, in July 2016. The new, 6 000m² facility will produce Bombardier Mitrac high-power propulsion equipment for use in Transnet's

2 500

NUMBER OF DIRECT JOBS SET TO BE CREATED THROUGH THE NEW VEHICLE MANUFACTURING PLANT

locomotives project. The site will also house a testing centre for high-power traction converters and electrical cubicles.

In September 2016, AVK Valves officially launched its new R200-million plant in Benoni, eastern Gauteng, in partnership with Premier Valves. The plant features improved engineering processes, computer numeric-controlled machines and a training facility.

MTU South Africa unveiled its newly upgraded workshop facility in Cape Town in October 2016. It will assemble diesel engines for 232 diesel locomotives that China North Rail is to deliver to Transnet as part of the locomotive build programme.

China North Rail delivered two complete knock down (CKD) diesel locomotives for final assembly at Transnet Engineering's Durban facility. Transnet Engineering unveiled its locally manufactured trans-Africa diesel-powered locomotive, which is particularly suitable for use

on branch lines and in shunting yards. Transnet Engineering is an OEM in freight wagons and a major exporter of rolling stock equipment to the African market. In June 2016, Transnet supplied fuel tanker wagons and container wagons to Swaziland Railway, and passenger coaches to Botswana.

Efforts to diversify the agricultural base continued, with exports of apples to China, for example, up by 70%. The South African Table Grape Industry and the Department of Agriculture, Forestry and Fisheries have successfully negotiated a friendlier protocol with China, which is expected to lead to significant growth in table grape exports to that country.

the dti launched a R100-million tomato processing plant in Tzaneen, Limpopo, by Dürsots-All Joy. The factory is expected to assist in addressing the increased demand for tomato paste in South Africa while ensuring business for 15 commercial farmers in the area. The plan is to ultimately employ 300 people.

In partnership with NT and the deciduous fruit industry, the Western Cape provincial government has established the Deciduous Fruit Development Chamber commercialisation programme. This will disburse R120 million in funding to emerging fruit farmers to grow their businesses to fully commercial status. The grant money will be used to renew and expand orchards, procure production equipment and upgrade farming infrastructure.

Nestlé South Africa inaugurated its instant coffee manufacturing plant in KwaZulu-Natal after a R1.2-billion investment into the expansion of its factory. The investment formed part of the company's cumulative R2.9-billion investment over the past five years. The expansion

included the construction of a wastewater treatment plant, a state-of-the-art coffee drying plant and a new coffee processing plant.

There has been improved market access to the EU for South Africa's wines, with the current duty-free quota of 48 million litres increasing to 110 million litres. Koopmanskloof Wines

secured a deal with a Russian company to start shipping more than 60 000 bottles of wine. The winery is also working on a long-term strategic partnership aimed at providing 500 000 bottles by 2020.

The year under review saw a R1-billion investment by AB Inbev in South Africa to realise localisation as part of its offer to acquire rival brewer SABMiller. Of the R1-billion investment, R610 million will be used to support new emerging farmers and commercial farmers to enable South Africa to change from a net importer of hops to a net exporter of hops and value-added malt.

GWK Farm Foods unveiled a technologically advanced wheat mill, pasta plant and biscuit factory, one of the most modern and technologically advanced new food production facilities in Africa. Of the R400-million investment, R60 million went towards

expanding silo capacity at the plant to service the new facility. More than 400 temporary employment opportunities were created during construction, while more than 100

permanent jobs were created at the new plant.

By October 2016, under the REIPPPP, 6 376 MW of electricity had been procured from 102 renewable energy IPPs in six bid rounds. All projects from the first two bid windows were operational and a total of 2 738 MW of electricity generation capacity from 51 IPP projects were connected to the national grid.

In 2016/17, the REIPPPP attracted investments valued at R194.1 billion, including R53 billion (27%) from foreign sources, creating 28 484 jobs and generating R256.2 million in socioeconomic development contributions, and R80.5 million in enterprise development contributions.

Mpact opened a R350-million polyethylene terephthalate recycling plant that created 1 000 indirect jobs. The operation has resulted in South Africa, becoming the 24th country overall and the first in Africa to meet Coca-Cola's certification requirements to package their soft drinks.

R194bn

VALUE OF INVESTMENTS ATTRACTED THROUGH THE REIPPPP IN 2016/17, CREATING MORE THAN 28 000 JOBS

Armcor announced preferred bidders to supply ships for the South African Navy's projects Biro and Hotel: Southern African Shipyards and Damen Shipyards. The estimated combined value of the tenders is about R5 billion.

A new R290-million Durban floating dock was launched with the assistance of a R160-million Section 12I tax incentive.

Fabrication of liquefied petroleum gas (LPG) vessels (bullets) for an open-access LPG terminal at Saldanha Bay was completed and will provide 5 500t of LPG storage capacity.

The National Research Foundation's research vessel tender, valued R1.8 million, was awarded to NautiTech.

There have been some very important OEM investments in South Africa in the television and white goods markets (including manufacturers such as HiSense, Defy and Samsung).

Government incentives and tariff reviews have contributed to enhancing South Africa's value proposition as an investment destination for these companies.

Yangtze Optics Africa Company launched its R150-million investment in a 15 000m² fibre optic plant at Dube Trade Port in May 2016. The investment is expected to create about 150 new jobs for the Chinese company to supply fibre optic cables and fibre-to-home solutions and local telecommunications players including Telkom, Neotel, Vodacom, MTN, Cell C and Vumatel. The plant will have an estimated manufacturing capacity of more than 1 million fibre kilometres.

Automation technology group ABB commissioned an integrated solar-diesel microgrid installation, the group's first microgrid in South Africa, at its 96 000m² Longmeadow facility in Johannesburg. The microgrid makes use of power fed from the national grid and a solar photovoltaic installation, as well as a backup feed from four diesel generator sets.

Tronox opened its new, R3.3-billion Fairbreeze mineral sands mine in KwaZulu-Natal, its main product titanium dioxide. 250 direct jobs and 1 000 indirect jobs have been created. The first phase of the operation, valued at R2.6 billion,

has begun and will be followed by a second six-year phase, at a total cost of R3.3 billion.

Nyanza Light Metals (in collaboration with New Zealand's Avertana) has completed pilot plant testing of the Highveld Steel and Vanadium waste slag to produce titanium pigment in the Richards Bay industrial development zone. This plant will be the only titanium pigment producer in Africa after the closure of Huntsman's Umbogontwini plant in 2015, and will create 1 300 jobs. Construction is expected to commence in 2018.

In 2016/17, the department embarked on the first phase to revitalise 10 identified industrial parks, with an approved allocated budget of R278 million. Botshabelo Industrial Park in Free State was the first to be launched by the Minister in June 2016, followed by Seshego Industrial Park in Limpopo in July 2016, Isithebe Industrial Park in KwaZulu-Natal in October

2016 and Queendustria Industrial Park in Eastern Cape in November 2016 at a cost of R24 million, R21 million, R49 million and R22.5 million, respectively. The first phase of the revitalisation programme included,

among other things, security infrastructure upgrades, the replacement of top structure, and wastewater treatment plant repairs.

The first phase of revitalisation for the Vulindlela Industrial Park in Mthatha and Babelegi Industrial Park in Tshwane were completed, however, the department is planning to launch them in 2017/18. Thus far, R22 million and R40 million, respectively, has been spent on the revitalisation of these industrial parks.

A number of investment projects, such as the upgrade of the Ford assembly plant in Silverton, Tshwane, were launched. Ford invested R2 billion and the project is expected to create 1 200 jobs. Nestlé expanded its coffee production in Estcourt, KwaZulu-Natal, and has invested R1.2 billion. The plant currently employs 20 people.

A total of 1 491 applications have been approved across all incentives. More than

R30bn

VALUE OF PRIVATE-SECTOR INVESTMENT
LEVERAGED ACROSS ALL INCENTIVES

R30 billion in private-sector investment was leveraged across all incentives. Some of the approved projects are: a titanium dioxide project by Siyanda Chrome Smelting, Goodyear South Africa, Bell Equipment and Nokeng Fluorspar Mine. More than 37 000 jobs are expected to be retained and 11 662 new jobs are to be created through these approvals. The Minister

relaunched the Manufacturing Competitiveness Enhancement Programme (MCEP), which is intended to provide working capital and capital equipment loans to manufacturers across all sectors controlled by black industrialists. The Strategic Partnerships Programme, that replaced the Incubation Support Programme, was approved.

11.12 Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives

The department plays 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; and development cooperation in line with the New Partnership for Africa's Development (Nepad) and the African Union's Agenda 2063.

In broad terms, this requires ongoing efforts to shape the terms and conditions of integration into the global economy in a manner that supports South Africa's national economic developmental objectives and Africa's development agenda.

Regional economic integration remains South Africa's overriding priority. The aim is to pursue a broadening of integration across existing regional communities within a development integration framework. Practically, this means taking steps to enlarge existing free-trade areas (FTAs) into larger, more expansive FTAs, and to complement this with active cooperation to promote industrial and infrastructure development. The key objective of these initiatives is to promote increased 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 move up the value chain. This approach is compatible with trends in successful emerging economies.

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 union. In addition, SACU continues to adopt a unified engagement in trade negotiations with third parties, ensuring that the common external tariff is preserved.

In the SADC region, **the dti's** key objective has been to consolidate the trade protocol through the implementation of an agreed programme aimed at facilitating trade. Substantial progress has been made in the negotiations with member states, which have exchanged 12 offers to date.

SADC adopted the Regional Industrialisation Strategy and Roadmap in April 2015. The strategy emphasises the need for industrial development within the SADC region that is fully aligned with the developmental integration approach South Africa has been advocating for in its bilateral and multilateral engagements. Subsequently, a costed action plan to implement the strategy was developed and approved in March 2017. Member states will now develop detailed annual operational plans to facilitate the implementation of the action plan. The focus will be to fast track the implementation of the SADC Industrial Strategy and Action Plan. The primary orientation of the industrialisation work programme is to promote the structural transformation of the SADC region through industrialisation, modernisation, and the upgrading and leveraging of the FTA to lock in regional value chains.

the dti continued to lead the process of

coordinating a unified SACU position in the Tripartite Free-Trade Area (T-FTA) negotiations. In June 2015, the third Tripartite Summit launched the FTA and committed to continue the work on the built-in agenda, the finalisation of the annexes to the agreement, and the commencement of the second phase of negotiations. The negotiations are aimed at liberalising trade in services across the region, as well as other trade-related matters such as investment, competition policy and intellectual property rights. Negotiations have been finalised on the legal text, including the annexes. This will facilitate the signing of the agreement by all T-FTA member states. Substantial progress has also been made with the East African Community and Egypt on the tariff negotiations.

Building on the positive developments at SADC and T-FTA levels, the Continental Free-Trade Area (CFTA) negotiations were launched in June 2015 in

South Africa, with negotiations on trade in goods and services under way. The envisaged CFTA offers an opportunity to create larger economies of scale

and a larger market. South Africa is, therefore, committed to a coordinated strategy to boost intra-Africa trade, and build an integrated market in Africa that creates a market of 1 billion people valued at about US\$2.6 trillion.

Noting the importance of a coordinated approach between government and the South African private sector in the rest of Africa, Cabinet approved the Guidelines for Good Business Practice, which were launched in July 2016. The guidelines are a voluntary set of principles consistent with laws and internationally recognised standards that promote responsible business conduct and sustainable economic development in Africa, in accordance with government's integration and development objectives.

In May 2016, South Africa ratified the WTO Trade Facilitation Agreement, which was one of the key outcomes of the 9th Ministerial Conference held in Bali, Indonesia, in December

2013. South Africa is now in the process of finalising its categorisation list for the agreement.

In February 2016, **the dti** also led a process to secure South Africa's continued participation in AGOA, a unilateral preferential programme that offers duty-free market access to 5 235 tariff lines into the US. South Africa's top AGOA exports include automobiles worth R18 billion in 2015 (\$1.3 billion); ferromanganese worth R1.2 billion (\$89 million); macadamia nuts worth R704 million (\$50 million); oranges worth R650 million (\$46 million); and wine worth R483 million (\$34.5 million).

South Africa signed the economic partnership agreement (EPA) with the EU in June 2016, which provisionally took effect in October 2016. The EPA replaced the trade chapter of the Trade Development Cooperation Agreement. This new agreement with the EU has been negotiated as part of the SADC EPA group, which includes

Botswana, Lesotho, Namibia and Swaziland (all SACU affiliates) and Mozambique, with Angola participating as an observer.

The EU remains South Africa's main trading partner.

R588bn

VALUE OF TOTAL TRADE BETWEEN SOUTH AFRICA AND THE EUROPEAN UNION IN 2015

Total trade increased from R382 billion in 2012 to R588 billion in 2015, an increase of 54%. South African exports to the EU realised an annual growth of about 8% between 2012 and 2016, and imports realised an annual growth of about 15% over the same period. South African exports to the EU increased from R143 billion in 2012 to R250 billion in 2016.

The Protection of Investment Act, 2015 (Act No. 22 of 2015) is crucial to strengthening the legislative environment to modernise the South African investment regime. The Act continues to provide protection to foreign investors in a manner that is consistent with the Constitution, and that is in accordance with international best practice and international customary law.

The draft regulations on mediation rules in terms of Section 13 of the Act were in the finalisation stage, and will be brought before the various government committees for approval then submission to Cabinet. **the dti** has initiated

a review of all first-generation bilateral investment treaties (BITs) in force, and has terminated 15 out of the 22 treaties.

Two countries received notices of intention to terminate the BITs, and discussions on terminating the remaining BITs are ongoing at various forums. **the dti** has also finalised the Model BIT, which is aligned with the Act and regulations. The Model BIT will be submitted for consideration to the Interministerial Committee on Investment, after which it will be submitted to Cabinet for approval.

Since 2016, **the dti** has been working towards developing a new IP policy for South Africa. The aim of this policy is to ensure a balanced and coordinated intragovernmental approach to IP that protects IP rights and is responsive to South Africa's socioeconomic dynamics and development objectives, as encapsulated in policy instruments such as the NDP, the New Growth Path and IPAP. The draft IP Policy has been developed and once approved by Cabinet, will be published for public comment in the Government Gazette.

It is crucial to ensure that South Africa's engagement in international IP forums is consistent with the objectives of the IP policy and does not unduly constrain domestic policy to intervene in the public interest. To this end, **the dti** leads engagements in international IP forums such as the WTO and World Intellectual Property Organisation, as well as regional forums such as the African Regional Intellectual Property Organisation, in which South Africa has observer status.

the dti continued to play a significant role in international discussions related to the nonproliferation of weapons of mass destruction and the control of dual-use goods and technologies, which have a 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 nonproliferation conventions 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.

A compact and more nuanced INES was launched in March 2016. The development of this INES, or Export 2030, in alignment with a concerted market diversification strategy, contributed to increasing South Africa's exporter base and promoting trade by developing a sustainable, long-term competitive market positioning and international profile for the country. Certain high-level and strategic initiatives for government were leveraged in addition to the export promotion and development activities identified.

These strategic engagements include, among others, those related to the Brics Summit and Brics Business Council, and engagement with the New Development Bank and the St Petersburg International Economic Forum. The department continues to profile South African industries,

participate in work programmes, launch projects that advance the country's economic objectives, and coordinate the participation of the South African private sector. In the domestic environment, the implementation of the INES also included engagements with export councils, industry associations, state-owned enterprises and Team Export SA, which brings together South African stakeholders involved in developing and

promoting exports and exporters.

The implementation of the INES has been undertaken along with the strategic actions of the IPAP, and ensures that the economy is supported by competitive measures to enhance productive capabilities in order to strengthen industrial competitiveness, which will translate into international competitiveness for exporters. The department intends to develop concerted export development and promotion support packages for companies within SEZs and industrial parks. The strategy strives to achieve export-promoting industrialisation supported by export-oriented FDI, while creating import substitution through the localisation programme to support economic growth and export-oriented employment.

To ensure coordination and alignment

15

**NUMBER OF FIRST-
GENERATION BILATERAL
TREATIES THE DEPARTMENT
HAS TERMINATED AFTER
REVIEW**

throughout the export value chain, work was undertaken to operationalise the National Export Advisory Council, which is tasked with enhancing coordination across government in the implementation of the INES to improve competitiveness and remove unnecessary barriers faced by exporters. The council serves in advisory and advocacy capacities by representing and promoting the interests of exporters, potential exporters and export service enterprises. It advises the various spheres of government on social and economic policy that promotes exports, and the development of exporters and potential exporters.

The department facilitated export sales through the increased sales of manufactured value-added exports from IPAP priority sectors directed towards emerging and traditional markets through the product and market diversification strategy. The implementation of the INES focused on product, market and supplier diversification within the exporter base, including national export champions and OEMs. These exporters were supported by financial measures such as Export Marketing and Investment Assistance (EMIA) and ECIC export instruments to contribute to export-oriented employment.

A recent review of regional target markets highlighted the necessity for South Africa to leverage its unique value propositions to retain or improve current trade in 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 proved. South Africa's value proposition is unique in that its proximity to African and Middle Eastern markets is uncontested, that it is the only African country with a sustained and effective membership to Brics, and that it can leverage off trade agreements to which it is a signatory. These elements continue to be teased out to maintain South Africa's lead position as a supplier of choice in several emerging high-growth markets, while increasing its share of high-value exports and locally manufactured products in markets where its position is currently less than optimal.

The department is conducting a study

towards the elaboration of a services export strategy that is aimed at assisting South African firms to integrate into the regional and global supply chains of multinational firms by actively promoting subcontracting in power, infrastructure programmes and the built environment.

With regards to Brics, the department participated in and contributed to various internal South African government processes, including the various Brics Interdepartmental Technical Senior Officials and Interministerial Committee meetings. It contributed to events related to the Brics Summit, including the Contact Group on Economic and Trade Issues meetings, the Brics Trade Fair, the Brics Trade Ministers Meeting, the Brics Business Forum, and engagement with Brics leaders.

The summit's outcomes included coordinating the development of key Brics projects of interest

to South Africa and the continent by the South African chapter of the Brics Business Council. The Brics Trade Fair included 32 leading South African companies with anticipated six-month sales as per the exhibitor questionnaires, in excess of R36 million with 171 trade leads registered.

The effective implementation of the INES, which is closely linked to the main transversal focus areas of IPAP such as regional efforts to increase

trade, diversify exports, maximise linkages with the domestic economy and increase adjustment capacity, resulted in:

- R4.2 billion in export sales facilitated; and
- 574 companies supported through the EMIA scheme to gain market access to various markets through nine trade missions and participation at 21 national pavilions.

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 mobilising established enterprises to become exporters.

32

**NUMBER OF LEADING
SOUTH AFRICAN
COMPANIES THAT
PARTICIPATED IN THE
BRICS TRADE FAIR**

Similar to previous proposals for export villages, special focus will be given to building capacity for companies located within SEZs and industrial parks by using a revised GEPP that incorporates an assessment of export readiness. International experience has proved that clustering export-development activities around the SEZs and industrial parks can enable companies' readiness for export markets. In rolling out the GEPP, **the dti** will partner with the SEZs and industrial parks to provide training to companies located in these facilities.

the dti aims to expand its awareness and engagement campaign on the benefits of an export-oriented economy. The campaign will be intensified in direct-export workshops and use new forms of media to increase its reach to South African enterprises. In addition, a colloquium on enhancing exports will be considered for 2017/18. The department will also finalise the review of the export council model with the aim of contributing to growing exports and intensifying economic transformation.

The following activities in 2016/17 positioned South Africa as a reliable trade partner by expanding the country's exporter base:

- assisted 822 customers by providing export advice and trade information to emerging and established exporters through the export help desk;
- participated in 45 outreach programmes and export awareness workshops to enhance South Africa's export culture and showcase **the dti's** offerings;
- provided support, including financial support, to 19 export councils, and 12 industrial associations, joint action groups and other export formations; and
- provided capacity building through the GEPP, reaching 2 126 companies.

In support of greater participation of South African products and services in international markets, particularly in Africa, **the dti** tasked the ECIC to pursue new approaches and develop innovative offerings in line with an eximbank to

effectively support investors and exporters. An amended and restated export credit insurance agreement between the institution and the shareholder was completed in October 2016, allowing for the ECIC to assume the liabilities associated with the interest make-up scheme. The review process of the ECIC's enabling legislation is continuing towards the institution developing new approaches and innovative offerings, including the consideration of a South African eximbank. Legislative review visits were undertaken to India and China to engage with their eximbanks and similar institutions to understand their offerings and institutional arrangements.

A number of investment projects were launched in 2016/17, resulting in job creation.

- May 2016: New polyethylene terephthalate production plant established in Wadeville, Ekurhuleni.

Mpact invested R350 million, and the project is expected to employ 1 085 people by completion. Dürsots launched its new tomato paste plant in Tzaneen and Musina, Limpopo. Toyota launched its new Hilux

and Fortuner models.

- June 2016: Cipla signed a memorandum of understanding with Dube Trade Port to establish a R1.5-billion biologics facility.
- July 2016: HBM-SA launched a R60-million latex condom facility at Dube Trade Port, creating 145 jobs.
- August 2016: The Dormac Dry Dock facility at Durban Port was launched. International IT giant IBM launched a research laboratory at Wits University in Johannesburg.
- October 2016: 3M launched an expanded facility in Ekurhuleni.
- November 2016: Hitachi planned to build a pilot seawater desalination and water reuse integrated system in Durban.
- December 2016: Yangtze Optics Africa Cable launched its plant at Dube Trade Port.

R4.2bn

VALUE OF EXPORT SALES FACILITATED THROUGH THE
INTEGRATED NATIONAL EXPORT STRATEGY

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

The department implemented the Broad-Based Black Economic Empowerment Amendment Act, 2013 (Act No. 46 of 2013) regulations and code of good practice. The B-BBEE regulations were gazetted in June 2016. The finalisation of the regulations gave effect to the operationalisation of the B-BBEE Commission, and provided an allowance for the implementation of Section 10 of the Act, which includes deviation or exemption from a code of good practice. During this process, the department incorporated public comments and proposed a threshold for major B-BBEE transactions.

The Equity Equivalent Investment Programme (EEIP) has, to date, made provision for the approval of seven multinational companies, including a company approved in January 2017. Two-thirds of the existing programmes are in the ICT sector, with the rest in the engineering sector. The total investment value of the initial six programmes is R980 million, including research and skills and enterprise development, and has led to the creation of 241 job opportunities. The largest EEIP

approved in 2016/17, totalling R1.3 billion for supplier development, was Caterpillar (Pty) Ltd. It is expected that 2 300 jobs will be created through this investment. The total investment of the EEIP is expected to amount to R2.2 billion. Other applications under review are from the agriculture and engineering sectors.

the dti and IBM South Africa signed

a memorandum of understanding in August 2016 for developing digital platforms aimed at creating an interactive electronic environment for black industrialists. The department and Trade Invest Africa led trade missions to Nigeria, Ghana and Madagascar to seek

trade and investment opportunities. Seven black industrialists participated in these missions in the period under review.

To date, the department has supported 36 black industrialists to the value R3 billion, creating about 7 000 jobs in IPAP sectors such as agro-processing; renewable energy; electronics; pulp, paper and furniture; clothing and textiles; plastic; automotive components; and pharmaceutical, electro equipment.

7 000
**NUMBER OF JOBS CREATED THROUGH
 THE DEPARTMENT'S SUPPORT OF BLACK
 INDUSTRIALISTS**

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

Five bills on gambling, liquor, copyright, performers' protection and companies were tabled in 2016/17. Both the performers' protection and copyright amendment bills were introduced in Parliament by the end of July 2016. The Performers' Protection Bill prioritises royalty payments whenever the work of performers is played or broadcast, as well as the protection and promotion of the moral and economic rights of performers in audiovisual fixations. The Copyright Amendment Bill

provides for, among other things:

- the protection of copyright in craft work;
- the accreditation and registration of collecting societies;
- an IP Tribunal to settle disputes efficiently;
- easy access to copyright for persons with disabilities;
- fair use of copyright works;
- the protection of orphan works by the state;

- resale rights from artwork (royalties for the artist whenever there is a resale);
- prohibited conduct in respect of technological protection measures;
- the management of digital rights; and
- the prescription of broadcasting local content (radio).

The National Liquor Amendment Bill was published on 30 September 2016 for public consultation. The Bill seeks to reduce socioeconomic harms associated with liquor abuse, restructure the liquor industry to promote wider participation and encourage transformation, and address the issue of collaboration among all spheres of government. The department engaged with members of the public to solicit their views on the matter and provided clarity on conflicting issues.

Three communities per province were consulted. Six provinces and their communities supported the Bill, which addresses issues relating to civil liability, the minimum drinking age and liquor advertising. A Liquor Indaba was convened in November 2016 and the Bill was presented to the Eastern Cape Provincial Liquor Summit.

Other government departments such as the Department of Agriculture, Forestry and Fisheries; the Department of Sports and Recreation; the Department of Basic Education; the Department of Social Development; the Department of Health; and the Department of Cooperative Governance and Traditional Affairs were consulted on the Bill and supported it. Non-governmental organisations also supported the Bill. However, the Bill was not widely accepted in the business sector in its current form. The Bill was also presented to the Forum for South African Directors-General and submitted to the National Liquor Policy Council.

Cabinet approved the National Gambling Bill for public consultation. The Bill seeks to improve the regulation of casinos, limited payout machines, bingo, and betting (horseracing and bookmakers) to ensure adequate protection of the public in terms of the controlled access and accessibility of gambling venues. Enforcement measures against illegal operators and the restructuring of the NGB are among

other amendments proposed by the Bill. The department embarked on a national roadshow to conduct public consultation and three communities per province were visited. The Bill was presented and discussed with various stakeholders such as Ithuba National Lottery, the NGB, the Association of Limited Payout Machines, Lotto Star, the Competition Commission and the Forum for South African Directors-General. The Bill is widely supported.

The Companies Amendment Bill was developed and will be processed in 2017/18.

The Bill seeks to address issues relating to the social and ethics committee, the disclosure of beneficial ownership, the rotation of audit firms, and public interest score. Key stakeholders such as the Independent Regulatory Board for Auditors, the South African Institute of Chartered Accountants and the Banking Association of South Africa were consulted on various issues

relating to the Bill, including the issues of the rotation of mandatory audit firms, public interest score, and financial distress.

The Portfolio Committee on Trade and Industry is preparing legislation to deal with over-indebtedness. The Committee invited stakeholders such as the banks, experts, government departments to comment on the debt relief proposal. Terms of reference have been developed and submitted to National Treasury for data research. All six bills will be processed in Parliament during 2017/18.

The final credit life insurance regulations were published in February 2017.

In November 2016, the FRSC hosted the 12th biannual plenary meeting of the Emerging Economies Group of the International Accounting Standards Board. The meeting in Johannesburg provided a platform for discussing specific accounting issues from the perspective of emerging economies. This will be helpful in supporting the mission of the board to develop standards that bring transparency, accountability and efficiency to financial markets across the world. Attendees included board members and delegates from China, India, Indonesia, Malaysia, Russia, South Korea and South Africa.

Six socioeconomic impact assessment system reports were developed for the Copyright Bill,

6

**NUMBER OF BILLS
TABLED IN 2016/17**

Performers’ Protection Bill, Credit Bill, Liquor Bill, Gambling Bill and Companies Amendment Bill.

A study focusing on how companies apply business rescue in South Africa was concluded, and a workshop on business rescue in South Africa was held with the University of Pretoria.

During the period under review, the President launched the One-Stop Shop at **the dti** campus in March 2017, to improve efficiencies and ease the burden of doing business in South Africa. It will also serve as the intergovernmental clearing house for all investors.

11.1.5 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, and operational and intellectual excellence are 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

In order for the department to make a meaningful contribution to growing and transforming the South African economy, it must create a shared culture that finds its roots in building quality relationships across all levels of staff. Operational excellence is premised on the continual improvement and cultivation of the habit of doing things well. **the dti** prides itself on prioritising the development of its staff, and recognises that it can receive a return based only on its investment in the development of human resources. To assess the effectiveness of the Rea Aga interventions of the 2012 employee survey, a follow-up survey was conducted in 2016. Improvements have been noted in the majority of the areas assessed.

The Director-General received a silver award for Best Director-General at the 2016 National *Batho Pele* Excellence Awards.

As a knowledge-based department, **the dti** sees its employees as an invaluable resource, and it is for this reason that the department not only recruits the right people with the right skills, but retains them. In the spirit of Rea Aga, **the dti** espouses the belief that its employees should be recognised as people with lives outside of their careers, and that they should be respected and recognised accordingly. The department has continued with its women empowerment programme in its efforts to develop its women employees at junior and middle management level for progression to higher levels through corporate visits to women chief executive officers in large companies, as well as through the informal mentoring programme where women employees are coached by women in senior management in areas such as quality of work life, conflict management, and being a woman leader.

the dti's wellness programmes complemented this focus on gender equality. Activities included:

- information sessions on health and wellness;
- Government Employees Medical Scheme screening days;
- blood donation drives;
- workshops and awareness sessions on wellness trends; and
- articles on health and wellness.

Part of **the dti's** progressive and interactive

wellness programmes include a flexible working hours policy, a nearby early learning centre, an on-site medical clinic with an occupational nursing sister, and 24/7 counselling services for staff and family members.

Divisional workplace forums are another platform **the dti** uses to create a conducive working environment for staff. Various workplace forum committees tabled eight matters for resolution by management, and the number of matters tabled has reduced significantly since 2015/16, during which 26 matters were tabled.

The Office of the Director-General continued to provide support to the Director-General and public entities reporting to **the dti** in an effort to improve the department's effectiveness. The division continued to ensure that legislation, policies and strategies emanating from the National Economic Development and Labour Council (Nedlac) that have an impact on the economy are aligned with government's broader economic plans.

Through its financial management unit, the financial management division monitored its budget and implemented a clean audit plan. The unit ensured that 98% of all eligible payments were processed within 21 days, well within the legislated turnaround time of 30 days. In compliance with the department's principles of corporate governance, the division monitored both strategic and operational risks.

In an effort to promote a professional, ethical, dynamic, competitive and customer-focused working environment, the division facilitated the disclosure of financial interest by members of the senior management service (SMS), and achieved 99% compliance for 2015/16. The corporate governance unit, through the work of the ethics committee, continued to promote ethical conduct through an internal awareness campaign.

The financial year was not without challenges, as the moratorium on filling vacancies led to capacity constraints and resulted in officials taking on additional responsibilities. Other dependencies in respect of media buying and the sourcing of a recovery site for business continuity posed challenges in the implementation of these plans.

11.2 Service delivery improvement plan

11.2.1 Main services and standards

Main services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievement
Provide financial support through Business Process Services (BPS) incentive	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 30 working days
Provide financial support through film and TV production incentive	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	External clients: Prospective National Liquor Authority registrants	Issue liquor licences 140 days after receipt of a complete application	Issue liquor licences 130 days after receipt of a complete application	Liquor licences issued 130 days after receipt of a completed application

11.2.2 Batho Pele arrangements with beneficiaries

Current/Actual arrangements	Desired arrangements	Actual achievements
75 information-sharing consultative sessions with strategic stakeholders annually	80 information-sharing consultative sessions with strategic stakeholders annually	87 information-sharing consultative sessions with strategic stakeholders held annually
3 meetings with registrants quarterly in selected provinces	4 meetings with registrants quarterly in selected provinces	4 meetings held with registrants quarterly in selected provinces

11.2.3 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
Update information on the website (brochures, guidelines and practice notes)	Update information on the website (brochures, guidelines and practice notes)	Information made available on the dti website and online case management system, and in practice notes and guidelines

11.2.4 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 2 working days 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 2 days 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 proces is delayed	10-day turnaround time for resolving queries and complaints. Apologised when process was delayed

11.3 Organisational environment

the dti recruited 94 employees in 2016/17, of which 89 were new employees and five were internal promotions. The 89 new employees include 73 intern appointments, four transfers from other departments and 12 appointments from outside government. However, the vacancy rate of 13% (including funded and unfunded posts) did not decrease as expected, owing to budget cut considerations. The vacancy rate in respect of funded posts is 7%, an area the department intends improving on in the coming years.

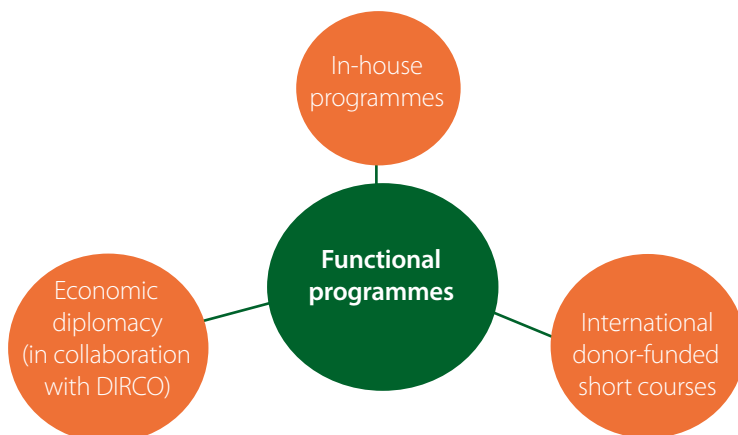
The turnover rate of 3% as at 31 March 2017 compares favourably with labour trends. The converse of this is the retention rate of 97%. Succession plans have been developed and implemented in 15 areas, and 519 jobs were reviewed for retention purposes across eight divisions.

Lifelong learning, the development of **the dti** employees and the nurturing of talent are of paramount importance to the department as without these interventions, there would be no way to make meaningful strides in providing intellectual leadership on policy and regulatory matters pertaining to the economy, as well as the pursuit of service excellence.

The following provides a synopsis of efforts in terms of the various programmes and the number of participants:

- Functional training programmes – 406 participants
- Transversal training programmes – 757 participants
- Management development programmes – 337 participants

The following functional programmes were offered:



The suite of management development programmes includes:

Accelerated development programme	Advanced management development programme	Emerging management development programme	Executive development programme	Project Khaedu
This programme aims to fast-track middle managers in the public service by equipping them with the skills and competencies required for SMS positions, particularly women and people with disabilities	This programme provides middle managers with cutting-edge competencies and prepares them for the challenges of SMS positions	This programme targets junior managers (levels 8-9) and provides them with effective management skills	This programme is offered to SMS members and based on the applicable competency framework. It consists of 6 compulsory and 4 elective modules	This is an innovative action learning programme aimed at middle management and SMS members

The bursary and scholarship programmes are other key interventions that aim to enhance the department's management and operational capabilities. Financial assistance is offered to serving department officials completing part-time studies; and prospective department employees completing full-time studies (usually for undergraduate and postgraduate studies).

There are 219 bursary holders who are officials from **the dti**, while five non-department officials benefitted. International scholarships were awarded to two officials from the department.

Scholarships are mainly offered by foreign donor countries, and can include financial assistance for full-time postgraduate studies or short courses ranging in duration from five days to three months. Educational outreach programmes were also delivered by means of career fairs, visits to schools, community outreach events and radio coverage.

The Youth Development Flagship Programme is **the dti's** internship programme. During 2016/17, **the dti** recruited and placed 73 interns (67 in **the dti** and six in the B-BBEE Commission) to provide opportunities to gain practical experience in the workplace and enhance their potential for productivity. For the 2017/18 intern intake, 16 160 applications were received, indicating a keen interest in **the dti** as an employer of choice.

Great strides were made in the period under review to appoint women in SMS positions, with female representation now at 50%.

The department will continue focusing on maintaining this target.

With regards to the employment of people with disabilities in the department, **the dti's** representation stood at 3.4% of the total staff complement, exceeding the annual target. The aim is to continue to achieve a fair distribution across salary levels.

the dti continues to maintain a healthy working relationship with organised labour with a view to promote good relations between employers and employees. Some of the matters of common interest discussed at the departmental bargaining chamber were:

- various HR policies;
- the recognition of improved qualifications;
- the rollout of the integrated electronic management system (automation of incentive administration); and
- the optimisation of resources.

Fourteen formal disciplinary matters were recorded. This number has remained stable over the past few financial years, and no specific trend is emerging.

The department has seen a sharp increase in the number of grievances handled. The majority of cases centred on unfair labour practices that related to job evaluation and Resolution 1 of 2012 (28 cases) and recruitment (14 cases) for non-shortlisting, mainly ascribed to the freeze on the filling of vacancies, which has resulted in additional work for staff and fewer posts being available for promotion.

11.1.4 Key policy developments and legislative changes

the dti, with the support of the National Working Group on Localisation, Skills Development and Transformation met with the nuclear procurement transaction advisers, and shared research and experience to assist with the procurement process.

The new preferential procurement regulations were promulgated in January 2017, effective 1 April 2017. Local content and production is now under Section 8 (previously Section 9) of the regulations.

Roles and responsibilities are clearly stated regarding non-compliance. Section 14 (remedies) indicates that organs of state must act (disqualify or terminate the contract) upon detecting that a tenderer submitted false information regarding local content or any other matter required by the regulations.

The draft Reviewed Mining Charter was issued for public comment in April 2016. Since its introduction in 2004 and assessments in 2009 and 2015, it is the first time “local content” is being included.

In June 2016, high-level bilateral consultations were held with Botswana, Lesotho, Namibia and Swaziland in preparation for the SACU retreat, in which agreement was reached to review the 2002 SACU agreement and amend the architecture proposed in the Agreement on the Tariff Board.

An IP consultative framework was approved by Cabinet that broadly outlines the policy approach to be followed in the development of the IP policy for stakeholder consultations.

A Cabinet memo was prepared to define South Africa’s position for the G20 meeting. South Africa’s position was that principles for investment could be agreed if they are non-binding and in conformity with the Investment Act.

The INES, which is currently being implemented, will have a positive impact on South Africa’s exports as a result of market, product and supplier diversification given the global economic forecasts.

With regards to the ECIC, the signing of an amended and restated export credit insurance agreement between the institution and the shareholder (represented by the Minister of Trade and Industry) was completed in October 2016. It allows the ECIC to assume the liabilities associated with the interest make-up scheme.

The review process of the ECIC’s enabling legislation is continuing, and the institution is developing new approaches and innovative offerings that support investors and exporters more effectively, including assessing the establishment of an eximbank.

B-BBEE regulations were gazetted on 6 June 2016 after the 60-day window period for public comment. The regulations provide procedures to be followed in administering, monitoring and reporting on the principles of the B-BBEE

Act, 2003 (Act No. 53 of 2003) and the amended codes, and provide further clarity on the functions of the B-BBEE Commission, including the handling of fronting cases.

The media, advertisement and communication sector

code was published for implementation in May 2016, resulting in entities in the sector no longer using generic codes.

In terms of the amendment of the Copyright Act, 1978 (Act No. 98 of 1978) and the Performers’ Protection Act, 1967 (Act No. 11 of 1967), the focus will be on education and creating awareness of legislation, as well as monitoring the implementation of legislation.

The Minister approved the Strategic Partnerships Programme, which replaced the Incubation Support Programme. The B-BBEE interpretation codes for the Enterprise Investment Programme and Automotive Investment Scheme (AIS) were developed and published on **the dti** website. NT granted approval for the extension of the Economic Competitiveness Support Package with an additional budget of R1.3 billion.

R1.3bn

**VALUE OF THE ADDITIONAL BUDGET FOR THE
EXTENSION OF THE ECONOMIC COMPETITIVENESS
SUPPORT PACKAGE APPROVED BY NATIONAL TREASURY**

12. Performance information by programme



12.1 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.

c) Outputs, performance indicators, planned targets and actual achievements

Strategic objective: Strengthen capacity to deliver on the dti's mandate					
Strategic goal: Create a professional, competitive and customer-focused environment that ensures effective and efficient service delivery					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Percentage (%) of vacancy rate	8.9%	5%	7% (funded posts only) ¹	2% under-achievement	Delays owing to increase in grievances resulting from moratorium on filling posts
Percentage (%) of staff turnover (unexpected)	7%	6.8%	3%	3.8% over-achievement	Fewer terminations than projected
Percentage (%) of people with disability employed	3%	3.1%	3.4%	0.3% over-achievement	Increase in percentage of people with disabilities
Percentage (%) of women employed in SMS positions	49%	50%	50%	N/A	N/A
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	N/A	N/A
Implementation report for SDIP submitted to Department of Public Service and Administration (DPSA) by 30 June 2016	2014/15 implementation report for SDIP produced and submitted to DPSA on 28 July 2015	2015/16 implementation report for SDIP submitted to DPSA by 30 June 2016	2015/16 implementation report for SDIP submitted to DPSA by 1 August 2016	SDIP submitted to DPSA by 1 August 2016	Delay in receiving revised inputs
Number of multimedia awareness campaigns on key sectors of IPAP and the dti strategic projects	27	22	18	4	Media buying challenges experienced
Number of events, outreach engagements and exhibitions	89	32 outreach engagements	67	35 additional	High volume requests from divisions to execute additional exhibitions and outreach programmes
	54	30 exhibitions	56	26 additional	High volume requests from divisions to execute additional exhibitions and outreach programmes

d) Strategy to overcome areas of underperformance

The department was unable to reduce the vacancy rate to 5% as anticipated owing to budget cuts, resulting in positions being frozen from previous financial years (2014/15 and 2015/16). Efforts to address the backlog and fill prioritised vacancies continued during 2016/17. However, because of an increase in grievances filed by employees for not being shortlisted, posts were not filled by the targeted dates.

e) Changes to planned targets

No changes were made to planned targets.

f) Linking performance with budgets

The programme had a total expenditure of R699 million, of which 39% was for compensation of employees, 60% for goods and services, and the remainder for the payment of capital assets.

g) Subprogramme expenditure

Subprogramme name	2016/17			2015/16		
	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	29 890	26 170	3 720	32 112	32 109	3
Office of the Director-General	96 043	95 955	88	93 585	93 585	-
Corporate Services	460 628	443 702	16 926	478 658	478 647	11
Financial Management	61 852	60 571	1 281	51 424	51 422	2
Media Relations and Public Relations	9 075	9 065	10	10 153	10 153	-
Marketing Communication and Stakeholder Relations	61 148	61 087	61	59 213	59 212	1
Office Accommodation	2 869	2 589	280	2 433	2 433	-
Total	721 505	699 139	22 366	727 578	727 561	17



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.

c) **Outputs, performance indicators, planned targets and actual achievements**

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Status report on negotiations aimed at enhancing preferential market access	Status report prepared on progress towards conclusion of trade negotiations	Status reports produced on progress towards conclusion of trade negotiations	Status reports prepared towards conclusion of EPA, SACU-India PTA and T-FTA negotiations	N/A	N/A
Progress reports on 5 priority development areas in SACU, SADC, FTA	Progress reports produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC, FTA and SDI infrastructure projects	Progress reports produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC, FTA	Progress reports prepared on implementation of agreed work programme in SACU, SADC, FTA	N/A	N/A
Status reports on bilateral engagements with rest of world	-	Status reports produced on bilateral engagements with rest of world	Status reports prepared on bilateral engagements with rest of world	N/A	N/A
Status reports on global fora (e.g. Brics, G20, AGOA)	-	Status reports produced on engagements in global fora	Status reports prepared on engagements in global fora	N/A	N/A

d) **Strategy to overcome areas of underperformance**

No areas of underperformance.

e) **Changes to planned targets**

No changes were made to planned targets.

f) **Linking performance with budgets**

The programme had a total expenditure of R116 million. Of this amount, 20% was used for transfer payments to the international bodies for South Africa's membership fees (WTO and OPCW), followed by 64% for compensation of employees and 16% for goods and services.

g) Subprogramme expenditure

Subprogramme name	2016/17			2015/16		
	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	98 943	98 934	9	98 575	98 575	-
African Multilateral Economic Development	17 127	17 090	37	14 985	14 985	-
Total	116 070	116 024	46	113 560	113 560	-



12.3 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.

c) Outputs, performance indicators, planned targets and actual achievements

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Number of implementation reports on of the B-BBEE Amendment Act and Regulations submitted for Minister's approval	1	1	1 implementation report on B-BBEE Amendment Act and regulations submitted for Minister's approval	N/A	N/A
Number of new black industrialists supported in IPAP sectors and report produced	New indicator	25 new black industrialists supported in IPAP sectors	29 new black industrialists supported in IPAP sectors	4	Advocacy and awareness conducted throughout South Africa
		Report produced	Report produced	N/A	N/A
Number of implementation reports on the identified industrial parks submitted for Minister's approval	New indicator	2	2 reports submitted to Minister	N/A	N/A

d) Strategy to overcome areas of underperformance

No areas of underperformance.

e) Changes to planned targets

No changes were made to planned targets.

f) Linking performance with budgets

In pursuit of driving economic transformation and increased participation in industrialisation, the programme expended R98 million of its allocated budget. Of the R98 million, 12% was used for transfer payments to the National Productivity Institute, the CSIR: Fibre and Textile Centre of Excellence, and the Black Business Council. Operational expenditure, which includes compensation of employees; goods and services and payment for capital assets accounted for the remaining 88%.

g) Subprogramme expenditure

Subprogramme name	2016/17			2015/16		
	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	26 687	24 942	1 745	23 329	23 327	2
Equity and Empowerment	40 709	32 166	8 543	30 970	30 888	82
Spatial Industrial Economic Development (Special Economic Zones)	45 096	40 481	4 615	38 310	38 309	1
Total	112 492	97 589	14 903	92 609	92 524	85



12.4 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.

c) Outputs, performance indicators, planned targets and actual achievements

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
New iteration of IPAP submitted to Minister for tabling in Cabinet annually	Annual rolling IPAP 2016/17 finalised and submitted to Minister for approval and tabling in Cabinet	Annual rolling IPAP 2017/18 submitted to Minister for tabling in Cabinet by March 2017	IPAP 2017/18 submitted to Minister for tabling in Cabinet by March 2017	N/A	N/A
Number of quarterly implementation reports on IPAP tabled at Minister's Review meetings per year	Three implementation reports on IPAP tabled at Minister's Review meetings on 17 July, 17 September and 1 December 2015.	Four implementation reports on IPAP tabled at Minister's Review meetings per year	3 implementation reports on IPAP tabled at Minister's review meetings on 22 August 2016, 10 October 2016 and 5 December 2016	1	First quarter IPAP meeting did not take place owing to preparation of IPAP 2016/17
Number of designation requests submitted to Minister per year	Two designation requests submitted to Minister for approval, i.e. solar photovoltaic system components; and rail signalling system and components	Four designation requests submitted to Minister per year	4 designation requests submitted to Minister: fire engine/truck; and steel products and components for construction; water metres and wheelie bins	N/A	Additional 2 designations: water metres and wheelie bins, approved on 5 April 2016 and fell short of deadline for 2015/16

d) Strategy to overcome areas of underperformance

Areas in which targets were not achieved in 2016/17 were acknowledged, however, these were as a result of external factors. Going forward, more stringent monitoring of designation processes will be put in place and resources will be reorganised to speed up processes.

e) Changes to planned targets

The division amended the 2016/17 annual and fourth quarter targets for the performance indicator that read "New iteration of IPAP tabled in Cabinet annually". The revised indicator and targets refer to "New iteration of IPAP submitted to the Minister for tabling in Cabinet annually".

f) Linking performance with budgets

The programme had a total expenditure of R1.7 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 for the tool making apprentice programme and the industrial skills upgrading programme; NMISA; NRCS; SANAS; SABS; and 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.

g) Subprogramme expenditure

Subprogramme name	2016/17			2015/16		
	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	685 218	685 193	25	682 755	682 754	1
Customised Sector Programme	1 037 071	1 037 052	19	1 270 867	1 270 862	5
Total	1 722 289	1 722 245	44	1 953 622	1 953 616	6



12.5 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 Board, 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.

c) Outputs, performance indicators, planned targets and actual achievements

Strategic objective: Improved conditions for consumers, artists and opening up of markets for new patent players					
Strategic goal: Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval	<p>RIA report on Companies Amendment Bill not developed</p> <p>7 IP bills (Trade Marks Act, Designs Act, Merchandise Act, Unauthorised Use of Emblems Act, Counterfeit Goods Acts, and Patents Act) not developed</p> <p>1 RIA report (post) on National Credit Act exemptions developed for Minister's approval</p>	Three SEIAS reports on companies and copyright/Performers' Protection Amendment Acts 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 additional SEIAS reports on Credit, Liquor and Gambling Amendment bills developed for Minister's approval	Input received on bills from Cabinet and Parliament required SEIAS reports to be updated
Number of Evaluation reports developed for Ministers approval	New indicator	Two evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) developed for Minister's approval	2 evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) not developed for Minister's approval	2 evaluation reports on Consumer Protection Act (exemptions and industry codes) and Companies Act (cost of doing business) not developed for Minister's approval	Number of issues on terms of reference for Consumer Protection Act (exemptions and industry codes) and delays in conclusion of service-level agreement for project on Companies Act (cost of doing business)
Number of monitoring reports on implementation of legislation developed for Minister's approval	1 monitoring report on impact of CCRD agencies developed for Minister's approval	1 monitoring report on implementation of legislation developed for Minister's approval	1 monitoring report on implementation of legislation developed for Minister's approval	N/A	N/A
Number of bills developed for Minister's approval	<p>Draft Bill on Companies Amendment Act still under development</p> <p>7 IP bills not developed</p>	3 bills on Companies Amendment and Copyright/Performers' Protection Act developed for Minister's approval	5 bills on Companies, Copyright, Performers' Protection, Liquor and Gambling Amendment bills developed for Minister's approval	2 additional bills, Liquor and Gambling Amendment bills, developed for Minister's approval. These bills were referred back by Parliament for further consultation	Input received on Bills from Cabinet and Parliament required Gambling and Liquor Amendment Bills to be updated

Strategic objective: Improved conditions for consumers, artists and opening up of markets for new patent players					
Strategic goal: Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Number of business cases developed for approval by Minister	New indicator	2 business cases (National Liquor and Gambling Trading Entities) developed for approval by Minister	2 draft business cases (National Liquor and Gambling Trading Entities) developed but not sent to Minister for approval	Business cases not approved due to the delays in the finalisation of Gambling and Liquor bills	Delays in finalisation of Gambling and Liquor Amendment bills
Number of institutions / entities repositioned and established (National Liquor and Gambling Trading Entities)	New indicator	2 institutions / entities repositioned and established (National Liquor and Gambling Trading Entities)	2 institutions / entities not repositioned nor established (National Liquor and Gambling Trading Entities)	2 institutions / entities not repositioned or established (National Liquor and Gambling Trading Entities)	Delays in finalisation of Gambling and Liquor Amendment bills

d) Strategy to overcome areas of underperformance

The projects on the evaluation reports on the Consumer Protection Act, 2008 (Act No. 68 of 2008) regarding exemptions and industry codes, and the Companies Act, 2008 (Act No. 71 of 2008) regarding the cost of doing business will be fast-tracked once service-level agreements have been concluded with service providers. Once the Gambling Amendment Bill and Liquor Amendment Bill become law, the finalisation of the business cases will be fast-tracked, and the two institutions will be established and/or repositioned.

e) Changes to planned targets

The target for the performance indicator "Number of regulations developed for the Minister's approval and published", was deferred to an outer year, thus making the target for the year under review zero. As such, it is not addressed in the table above. The policy framework on legislative audit (policy position on policies to retain or migrate) had to be removed from the plan because some of the acts were migrated to the Department of Human Settlements in 2012, and other acts are in the process of being amended by the department.

f) Linking performance with budgets

As at 31 March 2017, the programme's expenditure was at R295 million. Of the R295 million expenditure, 75% was spent on regulatory services through regulatory agencies (NCT, NCR, NGB, NCC and CT). The remaining 25% was for operational expenses relating to compensation of employees (20%), and goods and services (5%), which are the drivers in developing and implementing transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

g) **Subprogramme expenditure**

Subprogramme name	2016/17			2015/16		
	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	17 177	17 168	9	14 741	14 741	-
Enforcement and Compliance	40 281	40 273	8	39 320	39 319	1
Regulatory Services	238 305	237 940	365	233 564	233 360	204
Total	295 763	295 381	382	287 625	287 420	205



12.6 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.

c) Outputs, performance indicators, planned targets and actual achievements

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Value (rand) of projected investments to be leveraged from projects / enterprises approved	R14.4bn	R20bn	R33bn	R13bn	8 projects projected over R1 billion each in investment at time of approval
Projected number of new jobs supported from projects / enterprises approved	6 850	3 600	11 659	8 059	Incentives such as BPS which each reported over 6 000 projected new jobs to be realised over 3 years
Projected number of jobs to be retained from approved enterprises	28 000	3 600	38 192	34 592	Projected jobs to be retained has far exceeded target primarily due to AIS OEMs approvals collectively contributing more than 90% of projected jobs to be retained as reported by projects at time of approval
Value (rand) of support provided to upgrade industrial skills from approved projects	New indicator	R100m	R239m	R139m	THRIP approvals account for 65% of reported achievement
Number of strategic infrastructure projects approved for SEZs / industrial parks	New indicator	15	19	4	Infrastructure projects are viewed as imperative due to its potential to broaden economic and industrial development

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Value (rand) of greener investment approved	New indicator	R800m	R14bn	R13.2bn	121 projects contributed more than R1 billion each to green investment at time of approval
Value (rand) of projected export revenue from projects approved	R6bn	R800m	R7bn	R6.2bn	3 projects contributed largely to projected export revenue of more than R1.5 billion each at time of approval
Value (rand) of innovative venture supported from approved enterprises	New indicator	R50m	R278m	R228m	Approved THRIP projects collectively contributed to 90% of the R278 million

d) Strategy to overcome areas of underperformance

During 2016/17, 1 491 applications with a grant value of more than R7 billion were approved for the incentives administered by the Incentive Development and Administration Division (IDAD). In the period under review, eight indicators (four existing and four new) were used to measure the achievement of the division's objectives. All indicators outperformed the targets set, with the actual performance figures significantly increasing from the baseline figures reported in 2015/16.

e) Changes to planned targets

No changes were made to planned targets.

f) Linking performance with budgets

In pursuit of the programme's focus on stimulating and facilitating the development of sustainable, competitive enterprises, 98% of the total expenditure of R6.9 billion was disbursed to companies through the various incentive programmes. This includes, among others, the services investment incentives (BPO and film and TV production), manufacturing development incentives (MCEP, EIP, AIS) as well as industrial infrastructure incentives (SEZs and Critical Infrastructure Programme). Operational expenditure comprising compensation of employees and goods and services accounted for the remaining 2% of expenditure in the programme.

g) **Subprogramme expenditure**

Subprogramme name	2016/17			2015/16		
	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	25 670	25 536	134	26 649	26 648	1
Manufacturing Incentives	4 361 549	4 361 494	55	3 983 534	3 983 465	69
Services Investment Incentives	814 227	814 209	18	803 171	803 171	-
Infrastructure Investment Support	1 661 069	1 660 170	899	975 519	949 722	25 797
Product and Systems Development	15 405	15 400	5	14 874	14 873	1
Strategic Partnership and Customer Care	18 386	18 377	9	17 906	17 906	-
Total	6 896 306	6 895 186	1 120	5 821 653	5 795 785	25 868



12.7 Programme 7: Trade Export 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.

c) **Outputs, performance indicators, planned targets and actual achievements**

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Value (rand) of exports facilitated	Cumulative total of R5.5bn made up as follows: R4.135bn (export sales) R1.376bn (on the spot / event questionnaire)	R3.5bn	On the spot sales: R322m After 6 months sales: R3.845bn Total R4.167bn	R667m	Increased sales from agro-processing national pavilions, which yielded higher than average export sales

d) **Strategy to overcome areas of underperformance**

No changes were made to planned targets. However, because of the resource-constrained environment, limited support was provided to exporters and allocations to projects were reduced in line with available budgets. A proposed solution is to review Trade and Investment South Africa's operational plan in alignment with the available budget.

e) **Changes to planned targets**

No changes were made to planned targets.

f) **Linking performance with budgets**

The programme's total expenditure in 2016/17 was R455 million, of which 38% was used as 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. The remaining 62% was spent on compensation of employees (43%), and goods and services (19%).

g) **Subprogramme expenditure**

Subprogramme name	2016/17			2015/16		
	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	20 081	20 073	8	37 959	37 958	1
Export Promotion and Marketing	40 834	40 820	14	41 481	41 480	1
Trade Export South Africa Executive Management Unit	378 923	377 713	1 210	404 802	404 800	2
Export Development and Support	15 998	15 982	16	16 955	16 955	-
Total	455 836	454 588	1 248	501 197	501 193	4



12.8 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.

c) Outputs, performance indicators, planned targets and actual achievements

Strategic objective: Grow the manufacturing sector to promote industrial development, job creation, investment and export					
Strategic goal: Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives					
Performance measure / indicator	Baseline (2015/16)	Actual performance against target		Deviation from planned target	Comment on variance
		Target	Actual		
Value (rand) of investment projects facilitated in pipeline	R92.812bn	R50bn	R58.63bn	R8.63bn	Large infrastructure manufacturing projects

d) Strategy to overcome areas of underperformance

No changes were made to planned targets. However, the division will monitor ratings downgrades and the economic outlook, and engage in collaborative planning and performance monitoring with **the dti's** foreign economic offices. There are also plans to source technical skills for the division.

e) Changes to planned targets

No changes were made to planned targets.

f) Linking performance with budgets

The programme's total expenditure as at 31 March 2017 was R69 million, which was spent on investment promotion activities to generate the pipeline and market the country as an investment destination.

g) **Subprogramme expenditure**

Subprogramme name	2016/17			2015/16		
	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	45 256	45 244	12	-	-	-
Investment and Interdepartmental Clearing House	24 000	24 000	-	-	-	-
Investment Support and Aftercare	-	-	-	-	-	-
Total	69 256	69 244	12	-	-	-

13. Transfer payments

13.1 Transfer payments to public entities

The amount spent by the entity and the achievements will be provided in the annual reports to be tabled by the respective 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
NEF	Promote savings and investments among historically disadvantaged persons through its retail activities, and fund economic empowerment and black business through its investment division	-	To be reported in entity's Annual Report	To be reported in entity's Annual Report
NGB	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces	30 121	To be reported in entity's Annual Report	To be reported in entity's Annual Report
NLC	Exercise national control over lottery activities	-	To be reported in entity's Annual Report	To be reported in entity's Annual Report
NMISA	Support global competitiveness through the provision of fit-for-purpose international acceptable measurement standards and measurements	264 193	To be reported in entity's Annual Report	To be reported in entity's Annual Report
SANAS	Provide an accreditation system for laboratories, certification, inspection and GLP. Establish laboratory, personnel and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations	22 208	To be reported in entity's Annual Report	To be reported in entity's Annual Report

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
NCR	Regulate the South African credit industry	69 577	To be reported in entity's Annual Report	To be reported in entity's Annual Report
CIPC	Registration of companies, cooperatives and IP rights (trademarks, patents, designs and copyright) and maintenance thereof	-	To be reported in entity's Annual Report	To be reported in entity's Annual Report
NCT	Adjudicate a variety of applications, and hear cases against credit providers that contravene the Act	46 151	To be reported in entity's Annual Report	To be reported in entity's Annual Report
NRCS	Administer compulsory specifications, otherwise known as technical regulations	86 418	To be reported in entity's Annual Report	To be reported in entity's Annual Report
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	56 643	To be reported in entity's Annual Report	To be reported in entity's Annual Report
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	15 069	To be reported in entity's Annual Report	To be reported in entity's Annual Report
SABS	Provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services	212 361	To be reported in entity's Annual Report	To be reported in entity's Annual Report
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	171 566	To be reported in entity's Annual Report	To be reported in entity's Annual Report

13.2 Transfer payments to all organisations other than public entities

The table on the following page reflects the transfer payments made for the period 1 April 2016 to 31 March 2017. The amount spent by the entity and the reasons for unspent funds will be provided in the entities' respective annual reports.

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	8 523
National Research Foundation	Departmental agency	Technology and Human Resources for Industry Programme	Yes	256 000
Council for Geoscience	Departmental agency	The objectives underlying the establishment of the council are to develop and publish world-class geoscience knowledge products and to render geoscience-related services to the South African public and industry	Yes	1 131
Centurion Aerospace	Public corporation	Aerospace	Yes	18 445
CSIR	Public corporation	Fibre and Textile Centre of Excellence, Aerospace Industry support, National Cleaner Production	Yes	97 995
Industrial Development Corporation	Public corporation	Customer Sector Programme, Clothing and Textiles Production Incentive, MCEP industrial loan	Yes	1 008 266
Intsimbi	Public corporation	National Tooling Initiative	Yes	74 082
Protechnik Laboratories	Public corporation	Chemical laboratories	Yes	4 164
WTO	International organisation	Subscription	N/A	14 159
OPCW	International organisation	Subscription	N/A	3 516
United Nations Industrial Development Organisation	International organisation	Subscription	N/A	5 969
World Intellectual Property Organisation	International organisation	Subscription	N/A	4 569
Proudly South African	Non-profit institution	The Proudly South Africa "buy local" campaign encourages South Africans to buy local products and make use of local services in an effort to stimulate the local economy and help create jobs	Yes	31 868
Trade and Industrial Policy Strategies	Non-profit institution	Facilitates policy development and dialogue in pursuit of sustainable and inclusive growth	Yes	22 712
Black Business Council	Non-profit institution	Lobby government on policy advocacy to accelerate the participation of black South Africans in the mainstream economy	Yes	1 000
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	15 000
Treaty Organisation for Metrology	Non-profit institution	Intergovernmental treaty organisation addressing legal metrology, including provisions related to units of measurement, to measurement results (e.g. pre-packages) and to measuring instruments.	N/A	1 631

13.3 Capital investment, maintenance and asset management plan

13.3.1 Maintenance

the dti's 25-year contract with Rainprop (Pty) Ltd as the private party concessionaire responsible for providing fully serviced office accommodation at **the dti** Campus is continuing. The agreement was implemented in August 2003.

13.3.2 Asset management

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

Part C

Governance



14. Introduction

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

The department placed a strong focus on ethics and fraud awareness in the period under review, with a dedicated ethics officer and ethics committee in place. The ethics committee holds quarterly meetings. In 2016/17, the fraud-prevention policy, strategy and plan worked to ensure that department employees and the public were encouraged to report any suspicious activities.

To further assist and enhance the department's ethical culture, in the period under review, all employees were required to obtain approval to perform any remunerative work outside the public service and disclose all business interests. The department scrutinised all applications before granting approval to ensure there were no conflicts of interest.

14.1 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 ExBo, which documents risks that could 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 Management Committee is chaired by the group chief operating officer, and attended by all chief operating officers, the chief financial officer, the chief risk officer, internal audit, and an external member who is a member of **the dti's** Audit Committee. The Risk Management Committee's objective is to assess the effectiveness of risk management processes within the department. In the period under review, the committee's members underwent risk-awareness training at every committee meeting to enhance their understanding of risk management. The department's risk profile is monitored quarterly at committee meetings, and reported to the ExBo and Audit Committee.

Risk registers are updated every quarter with changes in the environment. Updates include audit findings, emerging risks and progress on mitigating actions, which are monitored by the Office of the Chief Risk Officer and reported quarterly to the Risk Management Committee.

Business continuity plans were developed for all divisions within the department to ensure the continuity of critical business operations in the event of any disaster or business disruption. These plans will be updated in 2017/18 to ensure relevance.

14.2 Fraud and corruption

the dti's fraud-prevention policy, strategy and plan assisted in driving initiatives to ensure that department employees and the public are encouraged to report any suspicious activities. There was also a strong focus on ethics and fraud awareness in the period under review. The toll-free, National Anti-Corruption Hotline (0800 701 701) was promoted as part of the department's initiative to encourage the reporting of any form of fraudulent and/or corrupt activity.

14.3 Minimising conflict of interest

To further assist and enhance the department's ethical culture, in the period under review, all employees were required to obtain approval to perform any remunerative work outside the public service and disclose all business interests. Before approval, all applications were submitted to the ethics committee for scrutiny to ensure there were no conflicts of interest. Only the Director-General approved applications. The ethics committee also considered other matters such as gifts and sponsorships in terms of real or potential conflicts of interests. The ethics officer and ethics committee provided appropriate guidance to management and staff on all matters that may have involved conflicts of interest.

14.4 Code of conduct

The department has an approved code of conduct for all employees on which frequent training interventions were undertaken throughout the year. More than 90% of new employees have received training on the code of conduct and code of disciplinary procedures.

14.5 Health, safety and environmental issues

the dti's occupational health and safety committee is functioning well, and four meetings were held during the period under review. Reporting to the DPSA on employee health and wellness practices was successfully completed. The occupational health and safety policy and manual for the functioning of occupational health and safety within **the dti** was updated and approved, and will be reviewed periodically. A hazard identification and risk assessment was conducted and successfully completed.

The nomination, training and appointment of health and safety representatives was a challenge owing to delays in the procurement of service providers for various safety courses. This training programme was approved late in 2016/17 and is envisaged to take place in 2017/18. Management delegates, as per Section 8.2 of the Occupational Health and Safety Act, 1993 (Act No. 181 of 1993) have been trained on issues of legal liability and accountability.

A major challenge was the testing and upgrading of fire systems to ensure compliance with the latest bylaws. The concessionaire is scheduled to undertake these upgrades in 2017/18 and ensure that the fire systems are fully compliant. The compliance of contractors from the concessionaire in terms of safety procedures will also be strictly enforced. One injury on duty as a result of poor work practices was reported, with no fatalities or serious injuries reported.

The department's Invest South Africa One-Stop Shop was launched by the President in 2016/17. The event and safety compliance was achieved through the diligence of staff, management, the concessionaire and various service providers. Regional offices were also inspected, and the level of compliance has improved significantly since these offices were renovated and, in some instances, relocated.

14.6 Portfolio committees

The Budgetary Review and Recommendation Report of the Portfolio Committee on Trade and Industry, dated 25 October 2016, was tabled, and informed the deliberations of the Portfolio Committee, which recommended that the House requests the Minister to consider:

- reviewing the effectiveness of the department and its entities' plans and programmes to ensure the acceleration of industrialisation and job creation; and

- additional funding for the NCC in the outer of years of the MTEF period to address its capacity constraints.

the dti's response was as follows:

The abovementioned report, which was published in the ATC on 25 October 2016 has reference. Recommendation 8.1 is noted and will be discussed at **the dti's** strategic session in November 2016. With regards to recommendation 8.2, the department will, in consultation with National Treasury, discuss additional funding for the NCC, noting that the NCC's budget for 2017/18 was reduced.

14.7 Scopa regulations

No resolutions.

14.8 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**.

14.9 Internal audit

The Internal Audit Unit continued to increase its audit coverage in line with identified risks, and performed more specialist audits in areas such as performance, IT and corporate governance. The majority of the audits focused on incentive administration and the audit of performance information per quarter for the nine divisions as per compliance to legislation from the Department of Performance Monitoring and Evaluation. The Internal Audit Unit took on seven urgent ad hoc audits during the year and deferred the same number of reprioritised audits.

The Internal Audit Unit was 80% capacitated for most of the period under review, mainly as a result of promotions to other departments and non-filling of vacancies due to fiscal constraints. Forensic audit services were co-sourced to the forensic firm Ubuntu Business Advisory Service and Consulting for a period of three financial years, ending September 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 department's internal audit function, for the third year since its implementation, scored 100% compliance on its Management Performance Assessment Tool (MPAT) assessment conducted by the Presidency for 2016/17.

R1 606 756 was paid to KPMG from 1 April 2016, and qualified as per supply chain processes for co-sourced audit services during 2016/17, while R1 496 001 was paid to Ubuntu Business Advisory and Consulting for conducting co-sourced forensic investigations for the year.

The Internal Audit Unit spent an estimated 24 800 direct hours on audit work at **the dti** during the period under review. A total of 71 internal audit and 20 forensic audit reports were issued to management and presented to the Audit Committee as at 31 March 2017. The remaining four audits included three relating to year-end financial processes and the audit of Q4 performance information for the department's nine divisions.

14.10 Audit Committee

The Audit Committee comprises five independent members who collectively have sufficient qualifications and experience to fulfil their duties. The committee consists of the members listed hereunder, and meets at least four times per year as per its approved charter. During the current year, five meetings were held, including a special Audit Committee meeting convened on 2 February 2017.

15. 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 committee is pleased to present its final report for the financial year ended 31 March 2017.

Audit Committee members and attendance

The committee's terms of reference requires that five (5) independent members who have sufficient qualifications and experience to render 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 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 Chief Information Officer, 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, MBA, CIA, FCIS and BCompt (Hons)	October 2013 – 2016	October 2016 – 2019	4/4	1/1
Ms Veronica Du Preez	MBA, CIA	March 2011 – 2014	March 2014 – 2017	4/4	1/1
Ms Rene Van Wyk	CA (SA), MBA and BCompt (Hons & CTA)	October 2013 – 2016	October 2016 – 2019	4/4	1/1
Mr Dhevhen Dharmalingam	CA (SA)	March 2011 – 2014	March 2014 – 2017	4/4	1/1

Name	Qualifications	Tenure period (1)	Tenure period (2)	Number of meetings attended	Special meeting
Non-executive members					
Mr Oupa Mokgoanthe	M.Comm, B.Compt (Hons & CTA), Higher Diplomas in Tax and Computer Auditing, CISA, CRISC, CGEIT	October 2013 – 2016	October 2016 – 2019	3/4	1/1
Executive members					
Mr Lionel October	MSc (Economics), Honours (Law and Development Studies)	N/A	N/A	4/4	0/1

Audit Committee responsibility

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

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

For the financial year ended 31 March 2017, the Audit Committee reviewed:

- quarterly financial statements and performance reports;
- unaudited Annual Financial Statements before submission to the AGSA;
- the appropriateness of accounting policies and procedure;
- 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 AGSA and final publication;
- the plans, work and reports of the Internal Audit Unit and the Auditor-General;
- the Audit Committee also conducted separate meetings with the assurance providers; and
- The internal audit and Audit Committee charters.

Review and evaluation of the Annual Financial Statements

The committee had the opportunity to review the final Annual Financial Statements before and after the AGSA review and discussed them with management. The 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.
- Management takes the comments by the Internal Audit Unit and AGSA seriously and is committed to taking the appropriate corrective action.

The committee wishes to congratulate the management team of **the dti** and the Director-General, especially those in the areas of finance, performance, 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 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.

Efficiency and 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 committee has considered the work performed by the Internal Audit Unit on a quarterly basis and the unit's tracking of outstanding audit findings on a quarterly basis. As noted in certain instances by the Internal Audit Unit, certain internal control environment areas need continuous improvement.

In line with the PFMA and King IV 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 controls and processes.

Resolution of internal control findings

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

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

Integrated assurance

The 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 the departmental integrated assurance strategy and implementation plan in 2016/17, and this will be implemented during 2017/18.

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 Unit has a functional reporting line to the committee (via the Chairperson) and an administrative reporting line to the Director-General (delegated to Group Chief Operating Officer). The committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from the Internal Audit Unit on a quarterly basis, assesses the effectiveness of the internal audit function, and reviews and approves the unit's 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 unit's functions, coverage and three-year rolling plans were approved by the Audit Committee. The committee monitored and challenged, where appropriate, action taken by management with regard to adverse internal audit findings.

The committee has overseen a process by which the Internal Audit Unit 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 committee in reporting on the effectiveness of internal controls. The committee is satisfied with the independence and effectiveness of the internal audit function. In 2017/18, additional actions will be 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 (APP) of **the dti** for the financial year ended 31 March 2017.

The performance information has been reported on in accordance with the requirements of the guidelines on annual reports, as issued by NT. 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 AGSA that relate 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 executive 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 their 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.

The Internal Audit Unit also performed its own assessment of the risk environment of the organisation and included the strategic and operational risks identified by management as part of this assessment. In 2017/18, the Internal Audit Unit is planning to perform a review of risk management practices and processes.

Governance and ethics

the dti has adopted the corporate governance principles of the King Codes of Governance in South Africa applicable to the public sector. The 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 embed further enhancements of awareness and understanding of ethics at all levels within **the dti**.

Furthermore, **the dti** requires that all SMS members complete a financial disclosure declaration.

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 31 July 2017. From observations, analyses and reports presented to the Audit Committee by management and assurance providers, including the Internal Audit Unit and the AGSA, as

well as the Audit Committee's evaluation of the risk management processes, the 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 AGSA.

No Auditor-General interim management letter has been issued as at 31 May 2017, as no significant issues were raised by the AGSA.

The committee wishes to express its appreciation to the management of **the dti**, the AGSA and the Internal Audit Unit, who assisted the committee in performing its functions effectively.



Mr SAH Kajee

Chairperson of the Audit Committee

15 July 2017

16. 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 107 to 241, which comprise the Appropriation Statement, the Statement of Financial Position as at 31 March 2017, and 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 2017, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing. My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants together with 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 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 these matters.

Restatement of corresponding figures

7. As disclosed in Note 23 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2017.

Significant uncertainties

8. With reference to Note 19 to the financial statements, the department has disclosed contingent liabilities in respect of lawsuits and incentive grants approved by the department but not paid. The department is opposing the lawsuits whilst the incentive grants are subject to the applicant meeting certain obligations. The ultimate outcome of these matters cannot presently be determined, and accordingly no provision for any liability that may result has been made in the financial statements.

Material impairments and losses

9. As disclosed in Note 13.5 to the financial statements, a material impairment to the amount of R35 million was provided as a result of debtors outstanding for longer than 12 months.

Aid assistance

10. As disclosed in Note 3 to the financial statements, the department is a spending agent of the Reconstruction and Development Fund as defined in the Reconstruction and Development Fund Act, 1994 (Act No. 7 of 1994) (RDP Act). There are ongoing projects to the value of R193 million, (R540 million for 2015/16), the continuation of which is subject to the receipt of further funding from the RDP Fund in accordance with the RDP Act.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 227 to 241 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 thereon.

Responsibilities of the Accounting Officer for the financial statements

13. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard and the requirements of the PFMA and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing **the dti'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 there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

15. 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the Annual Performance Report

Introduction and scope

17. 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.
18. 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.

19. 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 2017:

Programmes	Pages in the Annual Report
Programme 3: Special Economic Zones and Economic Transformation	71 – 73
Programme 4: Industrial Development	74 – 76
Programme 6: Incentive Development and Administration	80 – 83
Programme 8: Investment South Africa	86 – 88

20. 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.
21. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 68 to 90 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of targets.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 3: Special Economic Zones and Economic Transformation. As management subsequently corrected the misstatements, 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

25. 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.

26. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

27. **the dti's** Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report, which includes the Audit Committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
28. 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.
29. 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. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

30. 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 thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
12 August 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Part D

Financial Statements



17. Appropriation Statement

Appropriation per programme									
Programme	2016/17							2015/16	
	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	777 089	-	(55 584)	721 505	699 139	22 366	96.9%	727 578	727 561
International Trade and Economic Development	118 719	-	(2 649)	116 070	116 024	46	100.0%	113 560	113 560
Special Economic Zones and Economic Transformation	121 892	-	(9 400)	112 492	97 589	14 903	86.8%	92 609	92 524
Industrial Development	1 727 027	-	(4 738)	1 722 289	1 722 245	44	100.0%	1 953 622	1 953 616
Consumer and Corporate Regulation	294 336	-	1 427	295 763	295 381	382	99.9%	287 625	287 420
Incentive Development and Administration	6 891 709	-	4 597	6 896 306	6 895 186	1 120	100.0%	5 821 653	5 795 785
Trade Export South Africa	410 922	-	44 914	455 836	454 588	1 248	99.7%	501 197	501 193
Investment South Africa	47 823	-	21 433	69 256	69 244	12	100.0%	-	-
Total	10 389 517	-	-	10 389 517	10 349 396	40 121	99.6%	9 497 844	9 471 659
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				98 092				61 979	
NRF receipts				-				-	
Aid assistance				331 294				178 574	
Actual amounts per Statement of Financial Performance (total revenue)				10 818 903				9 738 397	
Add:									
Aid assistance					295 647				145 619
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					10 645 043				9 617 278

Appropriation per economic classification	2016/17							2015/16	
	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	1 582 199	(21 845)	(15 500)	1 544 854	1 505 485	39 369	97.5	1 485 652	1 485 652
Compensation of employees	930 311	-	-	930 311	915 498	14 813	98.4	874 175	874 175
Salaries and wages	803 088	15 406	8 047	826 541	815 824	10 717	98.7	777 618	777 618
Social contributions	127 223	(15 406)	(8 047)	103 770	99 674	4 096	96.1	96 557	96 557
Goods and services	651 888	(21 845)	(15 500)	614 543	589 987	24 556	96	611 477	611 477
Administrative fees	3 994	(1 527)	(393)	2 074	1 989	85	95.9	3 318	3 318
Advertising	19 770	(3 840)	78	16 008	15 993	15	99.9	23 752	23 752
Minor assets	613	246	41	900	801	99	89	1 093	1 093
Audit costs: External	11 727	(649)	(1 972)	9 106	9 105	1	100	8 778	8 778
Bursaries: Employees	1 929	1 051	-	2 980	2 980	-	100	1 592	1 592
Catering: Departmental activities	2 555	(316)	(99)	2 140	2 085	55	97.4	1 883	1 883
Communication (goods and services)	11 100	(265)	26	10 861	10 660	201	98.1	12 799	12 799
Computer services	45 658	(11 005)	(5 758)	28 895	16 406	12 489	56.8	25 801	25 801
Consultants: Business and advisory services	40 634	(11 697)	(7 118)	21 819	21 167	652	97	28 352	28 352
Legal services	21 604	(1 150)	(286)	20 168	20 124	44	99.8	21 070	21 070
Contractors	13 101	(4 154)	(22)	8 925	8 912	13	99.9	16 914	16 914
Agency and support / outsourced services	2 128	(160)	(136)	1 832	1 830	2	99.9	1 579	1 579
Entertainment	1 103	(169)	178	1 112	1 086	26	97.7	1 323	1 323
Fleet services (including government motor transport)	800	(168)	169	801	766	35	95.6	873	873
Consumable supplies	1 112	(83)	(81)	948	880	68	92.8	1 462	1 462

Appropriation per economic classification	2016/17							2015/16	
	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	14 304	1 913	(3 742)	12 475	11 105	1 370	89	16 280	16 280
Operating leases	300 942	3 537	2 500	306 979	305 848	1 131	99.6	281 191	281 191
Property payments	12 342	4 343	(1 661)	15 024	14 737	287	98.1	12 283	12 283
Transport provided: Departmental activity	22	(22)	1	1	1	-	100	-	-
Travel and subsistence	89 846	1 556	1 654	93 056	88 828	4 228	95.5	95 984	95 984
Training and development	10 313	(2 138)	(765)	7 410	3 921	3 489	52.9	8 155	8 155
Operating payments	21 640	2 149	2 102	25 891	25 702	189	99.3	28 223	28 223
Venues and facilities	23 197	228	(336)	23 089	23 013	76	99.7	18 573	18 573
Rental and hiring	1 454	475	120	2 049	2 048	1	100	199	199
Transfers and subsidies	8 774 015	14 435	30 233	8 818 683	8 818 108	575	100	7 962 567	7 936 488
Departmental agencies and accounts	856 034	-	-	856 034	856 034	-	100	591 879	591 879
Departmental agencies (non-business entities)	856 034	-	-	856 034	856 034	-	100	591 879	591 879
Higher education institutions	3	-	-	3	-	3	-	3	-
Foreign governments and international organisations	32 571	-	(2 368)	30 203	29 843	360	98.8	33 439	33 237
Public corporations and private enterprises	7 720 386	12 438	32 601	7 765 425	7 765 239	186	100	7 183 558	7 157 693
Public corporations	2 654 356	375 797	24 000	3 054 153	3 054 149	4	100	1 517 103	1 517 103
Subsidies on products and production	-	-	24 000	24 000	28 164	(4 164)	117.4	3 955	3 955
Other transfers to public corporations	2 654 356	375 797	-	3 030 153	3 025 985	4 168	99.9	1 513 148	1 513 148
Private enterprises	5 066 030	(363 359)	8 601	4 711 272	4 711 090	182	100	5 666 455	5 640 590
Subsidies on products and production	4 590 716	(157 562)	8 601	4 441 755	4 441 734	21	100	-	-
Other transfers to private enterprises	475 314	(205 797)	-	269 517	269 356	161	99.9	5 666 455	5 640 590

Appropriation per economic classification	2016/17							2015/16	
	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
Non-profit institutions	163 107	-	-	163 107	163 107	-	100	148 850	148 850
Households	1 914	1 997	-	3 911	3 885	26	99.3	4 838	4 829
Social benefits	1 063	1 919	(303)	2 679	2 655	24	99.1	2 846	2 837
Other transfers to households	851	78	303	1 232	1 230	2	99.8	1 992	1 992
Payments for capital assets	33 303	(2 291)	(14 733)	16 279	16 103	176	98.9	37 457	37 433
Machinery and equipment	25 436	(1 796)	(12 394)	11 246	11 071	175	98.4	33 040	33 017
Transport equipment	500	1 403	351	2 254	2 254	-	100	2 256	2 255
Other machinery and equipment	24 936	(3 199)	(12 745)	8 992	8 817	175	98.1	30 784	30 762
Software and other intangible assets	7 867	(495)	(2 339)	5 033	5 032	1	100	4 417	4 416
Payment for financial assets	-	9 701	-	9 701	9 700	1	100	12 168	12 086
Total	10 389 517	-	-	10 389 517	10 349 396	40 121	99.6	9 497 844	9 471 659

Programme 1: Administration	2016/17							2015/16	
	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	32 522	(78)	(2 554)	29 890	26 170	3 720	87.6	32 112	32 109
1.2 Office of the Director-General	107 040	(335)	(10 662)	96 043	95 955	88	99.9	93 585	93 585
1.3 Corporate Services	489 123	-	(28 495)	460 628	443 702	16 926	96.3	478 658	478 647
1.4 Office Accommodation	2 869	-	-	2 869	2 589	280	90.2	2 433	2 433
1.5 Financial Management	73 073	249	(11 470)	61 852	60 571	1 281	97.9	51 424	51 422
1.6 Media and Public Relations	10 355	(237)	(1 043)	9 075	9 065	10	99.9	10 153	10 153
1.7 Marketing Communication and Stakeholder Relations	62 107	401	(1 360)	61 148	61 087	61	99.9	59 213	59 212
	777 089	-	(55 584)	721 505	699 139	22 366	96.9	727 578	727 561
Economic classification									
Current payments	758 712	(5 783)	(43 354)	709 575	687 246	22 329	96.9	697 450	697 450
Compensation of employees	289 721	-	(19 741)	269 980	269 929	51	100	264 726	264 726
Salaries and wages	256 149	(1 726)	(16 524)	237 899	237 878	21	100	233 798	233 798
Social contributions	33 572	1 726	(3 217)	32 081	32 051	30	99.9	30 928	30 928
Goods and services	468 991	(5 783)	(23 613)	439 595	417 317	22 278	94.9	432 724	432 724
Administrative fees	3 165	(1 417)	(558)	1 190	1 187	3	99.7	2 705	2 705
Advertising	18 771	(4 420)	-	14 351	14 346	5	100	20 857	20 857
Minor assets	336	254	(21)	569	562	7	98.8	945	945
Audit costs: External	11 727	(649)	(1 972)	9 106	9 105	1	100	8 778	8 778
Bursaries: Employees	1 923	1 057	-	2 980	2 980	-	100	1 592	1 592
Catering: Departmental activities	1 223	120	(192)	1 151	1 123	28	97.6	1 134	1 134

Appropriation per economic classification	2016/17							2015/16	
	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)	7 603	(20)	(676)	6 907	6 847	60	99.1	7 606	7 606
Computer services	40 825	(10 649)	(2 238)	27 938	15 450	12 488	55.3	24 711	24 711
Consultants: Business and advisory services	13 793	(1 079)	(3 656)	9 058	9 050	8	99.9	9 792	9 792
Legal services	15 524	1 418	(2 878)	14 064	14 059	5	100	15 792	15 792
Contractors	5 482	1 100	(22)	6 560	6 550	10	99.8	11 606	11 606
Agency and support / outsourced services	1 773	26	(136)	1 663	1 663	-	100	1 059	1 059
Entertainment	45	-	(22)	23	15	8	65.2	12	12
Fleet services (including government motor transport)	63	1	(14)	50	39	11	78	33	33
Consumable supplies	450	(61)	(81)	308	286	22	92.9	712	712
Consumables: Stationery, printing and office supplies	11 639	3 535	(3 742)	11 432	10 122	1 310	88.5	12 982	12 982
Operating leases	274 293	2 895	(1 150)	276 038	275 285	753	99.7	255 990	255 990
Property payments	10 775	(1 740)	(1 815)	7 220	6 937	283	96.1	9 480	9 480
Travel and subsistence	22 011	1 116	(2 509)	20 618	16 893	3 725	81.9	20 783	20 783
Training and development	9 433	(2 255)	(765)	6 413	2 924	3 489	45.6	6 605	6 605
Operating payments	6 286	367	(282)	6 371	6 343	28	99.6	9 683	9 683
Venues and facilities	10 617	4 099	(884)	13 832	13 799	33	99.8	9 769	9 769
Rental and hiring	1 234	519	-	1 753	1 752	1	99.9	98	98
Transfers and subsidies	787	1 352	520	2 659	2 643	16	99.4	2 572	2 572
Households	787	1 352	520	2 659	2 643	16	99.4	2 572	2 572
Social benefits	236	1 274	217	1 727	1 713	14	99.2	811	811
Other transfers to households	551	78	303	932	930	2	99.8	1 761	1 761

Appropriation per economic classification	2016/17							2015/16	
	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	17 590	4 431	(12 750)	9 271	9 250	21	99.8	27 556	27 539
Machinery and equipment	15 217	107	(10 411)	4 913	4 893	20	99.6	25 737	25 721
Transport equipment	-	1 250	-	1 250	1 250	-	100	1 867	1 866
Other machinery and equipment	15 217	(1 143)	(10 411)	3 663	3 643	20	99.5	23 870	23 855
Software and other intangible assets	2 373	4 324	(2 339)	4 358	4 357	1	100	1 819	1 818
Total	777 089	-	(55 584)	721 505	699 139	22 366	96.9	727 578	727 561

Subprogramme: Ministry	2016/17							2015/16	
	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	31 242	(361)	(3 074)	27 807	24 089	3 718	86.6	30 568	30 568
Compensation of employees	18 164	-	(2 326)	15 838	15 834	4	100	19 485	19 485
Salaries and wages	16 195		(1 743)	14 452	14 451	1	100	17 821	17 821
Social contributions	1 969		(583)	1 386	1 383	3	99.8	1 664	1 664
Goods and services	13 078	(361)	(748)	11 969	8 255	3 714	69	11 083	11 083
Administrative fees	62	(29)		33	32	1	97	31	31
Advertising				-	-	-	-	13	13
Catering: Departmental activities	18	(4)		14	13	1	92.9	19	19
Communication (goods and services)	849	(386)		463	461	2	99.6	689	689
Consultants: Business and advisory services		19		19	18	1	94.7		
Legal services				-	-	-	-	120	120
Contractors	27	(14)		13	12	1	92.3	9	9
Fleet services (including government motor transport)	26	(11)		15	14	1	93.3	6	6
Consumable supplies	5	1		6	5	1	83.3	21	21
Consumable: Stationery, printing and office supplies	110	(106)		4	1	3	25	191	191

Subprogramme: Ministry	2016/17							2015/16	
	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	1 062	225		1 287	1 285	2	99.8	1 510	1 510
Property payments		9		9	8	1	88.9		
Transport provided: Departmental activity				-		-	-		
Travel and subsistence	10 875	(94)	(748)	10 033	6 337	3 696	63.2	8 355	8 355
Training and development				-		-	-		
Operating payments	24	(1)		23	21	2	91.3	9	9
Venues and facilities	20	30		50	48	2	96	110	110
Transfers and subsidies	-	306	520	826	824	2	99.8	34	34
Households	-	306	520	826	824	2	99.8	34	34
Social benefits	-	8	217	225	224	1	99.6	34	34
Other transfers to households	-	298	303	601	600	1	99.8		
Payments for capital assets	1 280	(23)	-	1 257	1 257	-	100	1 510	1 507
Machinery and equipment	1 280	(23)	-	1 257	1 257	-	100	1 510	1 507
Transport equipment	-	1 250		1 250	1 250	-	100	901	900
Other machinery and equipment	1 280	(1 273)		7	7	-	100	609	607
Total	32 522	(78)	(2 554)	29 890	26 170	3 720	87.6	32 112	32 109

Subprogramme: Office of the Director-General	2016/17							2015/16	
	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	106 061	(643)	(10 662)	94 756	94 678	78	99.9	92 345	92 345
Compensation of employees	72 195	-	(5 622)	66 573	66 556	17	100	64 146	64 146
Salaries and wages	64 929		(5 491)	59 438	59 432	6	100	57 445	57 445
Social contributions	7 266		(131)	7 135	7 124	11	99.8	6 701	6 701
Goods and services	33 866	(643)	(5 040)	28 183	28 122	61	99.8	28 199	28 199
Administrative fees	-			-	-	-	-	1	1
Minor assets	232	(24)	(21)	187	183	4	97.9	75	75
Audit costs: External	605	(555)	(50)	-	-	-	-		
Catering: Departmental activities	76		(17)	59	50	9	84.7	103	103
Communication (goods and services)	361	151		512	504	8	98.4	714	714
Computer services	344	392		736	735	1	99.9	221	221
Consultants: Business and advisory services	9 907	(665)	(1 578)	7 664	7 660	4	99.9	5 262	5 262
Legal services	13 367		(2 878)	10 489	10 487	2	100	12 675	12 675
Contractors	79		(22)	57	55	2	96.5	42	42
Agency and support / outsourced services	1 765		(129)	1 636	1 636	-	100	1 035	1 035
Entertainment	10			10	8	2	80	7	7
Fleet services (including government motor transport)	-	3		3	2	1	66.7		
Consumable supplies	35		(15)	20	18	2	90	166	166
Consumables: Stationery, printing and office supplies	879	28		907	897	10	98.9	676	676

Subprogramme: Office of the Director-General	2016/17							2015/16	
	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	64	26		90	85	5	94.4	87	87
Travel and subsistence	3 617	234		3 851	3 844	7	99.8	4 804	4 804
Training and development	48		(39)	9	9	-	100		
Operating payments	1 293		(113)	1 180	1 178	2	99.8	1 704	1 704
Venues and facilities	1 184	(233)	(178)	773	771	2	99.7	627	627
Transfers and subsidies	-	671	-	671	668	3	99.6	334	334
Households	-	671	-	671	668	3	99.6	334	334
Social benefits		671		671	668	3	99.6	334	334
Payments for capital assets	979	(363)	-	616	609	7	98.9	906	906
Machinery and equipment	945	(329)	-	616	609	7	98.9	906	906
Other machinery and equipment	945	(329)		616	609	7	98.9	906	906
Software and other intangible assets	34	(34)		-		-	-		
Total	107 040	(335)	(10 662)	96 043	95 955	88	99.9	93 585	93 585

Subprogramme: Corporate Services	2016/17							2015/16	
	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	474 644	(4 637)	(16 666)	453 341	436 427	16 914	96.3	453 518	453 518
Compensation of employees	120 151	-	(7 674)	112 477	112 460	17	100	110 600	110 600
Salaries and wages	108 644	(2 400)	(7 605)	98 639	98 631	8	100	96 893	96 893
Social contributions	11 507	2 400	(69)	13 838	13 829	9	99.9	13 707	13 707
Goods and services	354 493	(4 637)	(8 992)	340 864	323 967	16 897	95	342 918	342 918
Administrative fees	2 675	(1 345)	(552)	778	777	1	99.9	2 203	2 203
Advertising	1 704	179		1 883	1 882	1	99.9	3 025	3 025
Minor assets	94	284	-	378	375	3	99.2	842	842
Bursaries: Employees	1 923	1 057		2 980	2 980	-	100	1 592	1 592
Catering: Departmental activities	225	3	(156)	72	59	13	81.9	38	38
Communication (goods and services)	4 715	714		5 429	5 402	27	99.5	5 266	5 266
Computer services	37 866	(11 385)	(1 496)	24 985	12 499	12 486	50	23 757	23 757
Consultants: Business and advisory services	2 537		(1 988)	549	548	1	99.8	4 518	4 518
Legal services	2 153	1 418		3 571	3 569	2	99.9	2 976	2 976
Contractors	4 931	1 251		6 182	6 181	1	100	11 168	11 168
Agency and support / outsourced services		23		23	23	-	100		
Entertainment	5	(3)		2		2	-	3	3
Fleet services (including government motor transport)		4		4	2	2	50	4	4
Consumable supplies	284	4	(47)	241	226	15	93.8	511	511
Consumables: Stationery, printing and office supplies	59	4 211		4 270	4 214	56	98.7	11 933	11 933

Subprogramme: Corporate Services	2016/17							2015/16	
	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	270 636	2 953		273 589	272 852	737	99.7	253 826	253 826
Property payments	7 904	(1 749)	(1 815)	4 340	4 339	1	100	7 019	7 019
Travel and subsistence	2 732	(1)	(1 401)	1 330	1 315	15	98.9	1 941	1 941
Training and development	9 385	(2 255)	(726)	6 404	2 915	3 489	45.5	6 605	6 605
Operating payments	2 713		(109)	2 604	2 583	21	99.2	3 754	3 754
Venues and facilities	1 952		(702)	1 250	1 226	24	98.1	1 937	1 937
Transfers and subsidies	626	161	-	787	780	7	99.1	2 037	2 037
Households	626	161	-	787	780	7	99.1	2 037	2 037
Social benefits	75	507		582	575	7	98.8	368	368
Other transfers to households	551	(346)		205	205	-	100	1 669	1 669
Payments for capital assets	13 853	4 476	(11 829)	6 500	6 495	5	99.9	23 103	23 092
Machinery and equipment	11 514	125	(9 490)	2 149	2 145	4	99.8	21 284	21 274
Other machinery and equipment	11 514	125	(9 490)	2 149	2 145	4	99.8	21 284	21 274
Software and other intangible assets	2 339	4 351	(2 339)	4 351	4 350	1	100	1 819	1 818
Total	489 123	-	(28 495)	460 628	443 702	16 926	96.3	478 658	478 647

Subprogramme: Office Accommodation	2016/17							2015/16	
	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	2 869	-	-	2 869	2 589	280	90.2	2 433	2 433
Goods and services	2 869	-	-	2 869	2 589	280	90.2	2 433	2 433
Property payments	2 869			2 869	2 589	280	90.2	2 433	2 433
Total	2 869	-	-	2 869	2 589	280	90.2	2 433	2 433

Subprogramme: Financial Management	2016/17							2015/16	
	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	71 984	29	(10 470)	61 543	60 265	1 278	97.9	51 061	51 061
Compensation of employees	44 082	-	(2 259)	41 823	41 815	8	100	40 102	40 102
Salaries and wages	37 815		(1 208)	36 607	36 602	5	100	35 249	35 249
Social contributions	6 267		(1 051)	5 216	5 213	3	99.9	4 853	4 853
Goods and services	27 902	29	(8 211)	19 720	18 450	1 270	93.6	10 959	10 959
Administrative fees	428	(43)	(6)	379	378	1	99.7	463	463
Advertising	17	(12)		5	4	1	80	22	22
Minor assets				-		-	-	3	3
Audit costs: External	11 122	(94)	(1 922)	9 106	9 105	1	100	8 778	8 778
Catering: Departmental activities	2	8		10	9	1	90	3	3
Communication (goods and services)	1 104	(102)	(676)	326	306	20	93.9	200	200
Computer services	2 615	186	(742)	2 059	2 058	1	100	385	385
Consultants: Business and advisory services		44		44	44	-	100		
Legal services	4			4	3	1	75	21	21
Contractors	5	1		6	2	4	33.3	4	4
Agency and support / outsourced services	8	(1)	(7)	-		-	-	19	19
Entertainment	9		(7)	2	1	1	50	2	2
Fleet services (including government motor transport)	18		(6)	12	8	4	66.7	3	3
Consumable supplies	56	(22)		34	33	1	97.1		
Consumables: Stationery, printing and office supplies	9 594	306	(3 673)	6 227	5 001	1 226	80.3		

Subprogramme: Financial Management	2016/17							2015/16	
	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	2 350	(479)	(1 150)	721	717	4	99.4	321	321
Travel and subsistence	453	301		754	751	3	99.6	573	573
Operating payments	117	(64)	(22)	31	30	1	96.8	162	162
Transfers and subsidies	11	221	-	232	230	2	99.1	68	68
Households	11	221	-	232	230	2	99.1	68	68
Social benefits	11	217		228	226	2	99.1	64	64
Other transfers to households	-	4		4	4	-	100	4	4
Payments for capital assets	1 078	(1)	(1 000)	77	76	1	98.7	295	293
Machinery and equipment	1 078	(1)	(1 000)	77	76	1	98.7	295	293
Other machinery and equipment	1 078	(1)	(1 000)	77	76	1	98.7	295	293
Total	73 073	249	(11 470)	61 852	60 571	1 281	97.9	51 424	51 422

Subprogramme: Media and Public Relations	2016/17							2015/16	
	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	9 805	-	(1 043)	8 762	8 753	9	99.9	10 153	10 153
Compensation of employees	6 790	-	(482)	6 308	6 307	1	100	5 755	5 755
Salaries and wages	5 981		(477)	5 504	5 504	-	100	4 990	4 990
Social contributions	809		(5)	804	803	1	99.9	765	765
Goods and services	3 015	-	(561)	2 454	2 446	8	99.7	4 398	4 398
Administrative fees				-		-	-	7	7
Advertising		79		79	79	-	100	28	28
Catering: Departmental activities	39	-	(19)	20	20	-	100	17	17
Communication (goods and services)	51	14		65	65	-	100	143	143
Consultants: Business and advisory services	519	(450)	(69)	-		-	-		
Contractors				-		-	-	259	259
Entertainment		10	(4)	6	5	1	83.3		
Fleet services (including government motor transport)	15		(8)	7	6	1	85.7	10	10
Consumable supplies	50	(29)	(19)	2	1	1	50	2	2
Consumables: Stationery, printing and office supplies	50	(10)	(40)	-		-	-	22	22
Operating leases	70	33		103	102	1	99	79	79
Property payments	2			2	1	1	50	1	1
Travel and subsistence	2 129	386	(360)	2 155	2 154	1	100	2 956	2 956
Operating payments	39		(38)	1	1	-	100	183	183

Subprogramme: Media and Public Relations	2016/17							2015/16	
	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	51	(33)	(4)	14	12	2	85.7	691	691
Transfers and subsidies	150	(144)	-	6	5	1	83.3	-	-
Households	150	(144)	-	6	5	1	83.3	-	-
Social benefits	150	(144)		6	5	1	83.3		
Payments for capital assets	400	(93)	-	307	307	-	100	-	-
Machinery and equipment	400	(93)	-	307	307	-	100	-	-
Other machinery and equipment	400	(93)		307	307	-	100		
Total	10 355	(237)	(1 043)	9 075	9 065	10	99.9	10 153	10 153

Subprogramme: Marketing Communication and Stakeholder Relations	2016/17							2015/16	
	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	62 307	(171)	(1 439)	60 497	60 445	52	99.9	57 372	57 372
Compensation of employees	28 339	-	(1 378)	26 961	26 957	4	100	24 638	24 638
Salaries and wages	22 585	674		23 259	23 258	1	100	21 400	21 400
Social contributions	5 754	(674)	(1 378)	3 702	3 699	3	99.9	3 238	3 238
Goods and services	33 768	(171)	(61)	33 536	33 488	48	99.9	32 734	32 734
Advertising	17 050	(4 666)		12 384	12 381	3	100	17 769	17 769
Minor assets	10	(6)		4	4	-	100	25	25
Catering: Departmental activities	863	113		976	972	4	99.6	954	954
Communication (goods and services)	523	(411)		112	109	3	97.3	594	594
Computer services		158		158	158	-	100	348	348
Consultants: Business and advisory services	830	(27)	(21)	782	780	2	99.7	12	12
Contractors	440	(138)		302	300	2	99.3	124	124
Agency and support / outsourced services		4		4	4	-	100	5	5
Entertainment	21	(7)	(11)	3	1	2	33.3		
Fleet services (including government motor transport)	4	5		9	7	2	77.8	10	10
Consumable supplies	20	(15)	-	5	3	2	60	12	12
Consumables: Stationery, printing and office supplies	947	(894)	(29)	24	9	15	37.5	160	160
Operating leases	111	137		248	244	4	98.4	167	167

Subprogramme: Marketing Communication and Stakeholder Relations	2016/17							2015/16	
	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
Property payments				-		-	-	27	27
Travel and subsistence	2 205	290		2 495	2 492	3	99.9	2 154	2 154
Operating payments	2 100	432		2 532	2 530	2	99.9	3 871	3 871
Venues and facilities	7 410	4 335		11 745	11 742	3	100	6 404	6 404
Rental and hiring	1 234	519		1 753	1 752	1	99.9	98	98
Transfers and subsidies	-	137	-	137	136	1	99.3	99	99
Households	-	137	-	137	136	1	99.3	99	99
Social benefits		15		15	15	-	100	11	11
Other transfers to households		122		122	121	1	99.2	88	88
Payments for capital assets	-	435	79	514	506	8	98.4	1 742	1 741
Machinery and equipment	-	428	79	507	499	8	98.4	1 742	1 741
Transport equipment				-		-	-	966	966
Other machinery and equipment		428	79	507	499	8	98.4	776	775
Software and other intangible assets		7		7	7	-	100		
Total	62 107	401	(1 360)	61 148	61 087	61	99.9	59 213	59 212

Programme 2: International Trade and Economic Development	2016/17							2015/16	
	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	100 973	(287)	(1 743)	98 943	98 934	9	100	98 575	98 575
2.2 African Multilateral Economic Development	17 746	287	(906)	17 127	17 090	37	99.8	14 985	14 985
	118 719	-	(2 649)	116 070	116 024	46	100	113 560	113 560
Economic classification									
Current payments	93 628	(15)	(1 197)	92 416	92 371	45	100	86 084	86 084
Compensation of employees	77 406	-	(3 248)	74 158	74 158	-	100	68 905	68 905
Salaries and wages	65 615	729	(697)	65 647	65 647	-	100	60 983	60 983
Social contributions	11 791	(729)	(2 551)	8 511	8 511	-	100	7 922	7 922
Goods and services	16 222	(15)	2 051	18 258	18 213	45	99.8	17 179	17 179
Administrative fees	-	-	-	-	-	-	-	10	10
Minor assets	31	(13)	-	18	18	-	100	13	13
Catering: Departmental activities	38	-	-	38	38	-	100	61	61
Communication (goods and services)	420	17	11	448	446	2	99.6	655	655
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	312	(24)	-	288	288	-	100	215	215
Legal services	1 592	(1 307)	-	285	284	1	99.6	171	171
Contractors	56	(34)	-	22	21	1	95.5	22	22
Agency and support / outsourced services	300	(157)	-	143	142	1	99.3	-	-
Entertainment	75	(36)	-	39	37	2	94.9	1	1
Fleet services (including government motor transport)	10	(5)	-	5	5	-	100	1	1

Programme 2: International Trade and Economic Development	2016/17							2015/16	
	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	-	-	-	-	-	-	-	37	37
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	133	133
Operating leases	138	66	14	218	213	5	97.7	171	171
Property payments	3	(1)	-	2	1	1	50	32	32
Travel and subsistence	11 184	1 175	267	12 626	12 597	29	99.8	14 298	14 298
Operating payments	411	200	1 710	2 321	2 320	1	100	307	307
Venues and facilities	1 474	152	49	1 675	1 673	2	99.9	951	951
Rental and hiring	178	(48)	-	130	130	-	100	101	101
Transfers and subsidies	24 422	-	(1 452)	22 970	22 970	-	100	26 843	26 843
Departmental agencies and accounts	1 131	-	-	1 131	1 131	-	100	1 077	1 077
Departmental agencies (non-business entities)	1 131	-	-	1 131	1 131	-	100	1 077	1 077
Foreign governments and international organisations	19 127	-	(1 452)	17 675	17 675	-	100	21 545	21 545
Public corporations and private enterprises	4 164	-	-	4 164	4 164	-	100	3 955	3 955
Public corporations	4 164	-	-	4 164	4 164	-	100	3 955	3 955
Subsidies on products and production	-	-	-	-	4 164	(4 164)	-	3 955	3 955
Other transfers to public corporations	4 164	-	-	4 164	-	4 164	-	-	-

Programme 2: International Trade and Economic Development	2016/17							2015/16	
	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	-	-	-	-	-	-	-	266	266
Social benefits	-	-	-	-	-	-	-	262	262
Other transfers to households	-	-	-	-	-	-	-	4	4
Payments for capital assets	669	15	-	684	683	1	99.9	633	633
Machinery and equipment	669	15	-	684	683	1	99.9	633	633
Other machinery and equipment	669	15	-	684	683	1	99.9	633	633
Total	118 719	-	(2 649)	116 070	116 024	46	100	113 560	113 560

Subprogramme: International Trade Development	2016/17							2015/16	
	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	75 882	(302)	(291)	75 289	75 281	8	100	71 117	71 117
Compensation of employees	63 871	-	(2 322)	61 549	61 549	-	100	57 296	57 296
Salaries and wages	55 246		(697)	54 549	54 549	-	100	50 737	50 737
Social contributions	8 625		(1 625)	7 000	7 000	-	100	6 559	6 559
Goods and services	12 011	(302)	2 031	13 740	13 732	8	99.9	13 821	13 821
Administrative fees				-		-	-	10	10
Minor assets	31	(13)		18	18	-	100	13	13
Catering: Departmental activities	38	(4)		34	34	-	100	31	31
Communication (goods and services)	348	22	11	381	380	1	99.7	459	459
Consultants: Business and advisory services	312	(24)		288	288	-	100	215	215
Legal services	1 592	(1 307)		285	284	1	99.6	171	171
Contractors	3	(1)		2	1	1	50	8	8
Entertainment	75	(36)		39	37	2	94.9	1	1
Fleet services (including government motor transport)				-		-	-	1	1
Consumable supplies				-		-	-	37	37
Consumables: Stationery, printing and office supplies				-	-	-	-	131	131
Operating leases	101	38	14	153	152	1	99.3	118	118
Property payments	3	(1)		2	1	1	50	24	24
Travel and subsistence	8 309	1 010	247	9 566	9 566	-	100	11 942	11 942

Subprogramme: International Trade Development	2016/17							2015/16	
	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	407	201	1 710	2 318	2 318	-	100	307	307
Venues and facilities	614	(139)	49	524	523	1	99.8	252	252
Rental and hiring	178	(48)		130	130	-	100	101	101
Transfers and subsidies	24 422	-	(1 452)	22 970	22 970	-	100	26 825	26 825
Departmental agencies and accounts	1 131	-	-	1 131	1 131	-	100	1 077	1 077
Departmental agencies (non-business entities)	1 131			1 131	1 131	-	100	1 077	1 077
Foreign governments and international organisations	19 127		(1 452)	17 675	17 675	-	100	21 545	21 545
Public corporations and private enterprises	4 164	-	-	4 164	4 164	-	100	3 955	3 955
Public corporations	4 164	-	-	4 164	4 164	-	100	3 955	3 955
Subsidies on products and production				-	4 164	(4 164)	-	3 955	3 955
Other transfers to public corporations	4 164			4 164		4 164	-		
Households	-	-	-	-	-	-	-	248	248
Social benefits				-		-	-	248	248
Payments for capital assets	669	15	-	684	683	1	99.9	633	633
Machinery and equipment	669	15	-	684	683	1	99.9	633	633
Other machinery and equipment	669	15		684	683	1	99.9	633	633
Total	100 973	(287)	(1 743)	98 943	98 934	9	100	98 575	98 575

Subprogramme: African Multilateral Economic Development	2016/17							2015/16	
	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	17 746	287	(906)	17 127	17 090	37	99.8	14 967	14 967
Compensation of employees	13 535	-	(926)	12 609	12 609	-	100	11 609	11 609
Salaries and wages	10 369	729		11 098	11 098	-	100	10 246	10 246
Social contributions	3 166	(729)	(926)	1 511	1 511	-	100	1 363	1 363
Goods and services	4 211	287	20	4 518	4 481	37	99.2	3 358	3 358
Catering: Departmental activities		4		4	4	-	100	30	30
Communication (goods and services)	72	(5)		67	66	1	98.5	196	196
Contractors	53	(33)		20	20	-	100	14	14
Agency and support / outsourced services	300	(157)		143	142	1	99.3		
Fleet services (including government motor transport)	10	(5)		5	5	-	100		
Consumables: Stationery, printing and office supplies				-	-	-	-	2	2
Operating leases	37	28		65	61	4	93.8	53	53
Property payments				-	-	-	-	8	8
Travel and subsistence	2 875	165	20	3 060	3 031	29	99.1	2 356	2 356
Operating payments	4	(1)		3	2	1	66.7		
Venues and facilities	860	291		1 151	1 150	1	99.9	699	699

Subprogramme: African Multilateral Economic Development	2016/17							2015/16	
	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	-	-	-	-	-	-	-	18	18
Households	-	-	-	-	-	-	-	18	18
Social benefits				-		-	-	14	14
Other transfers to households				-		-	-	4	4
Total	17 746	287	(906)	17 127	17 090	37	99,8%	14 985	14 985

Programme 3: Special Economic Zones and Economic Transformation	2016/17							2015/16	
	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	26 687	-	-	26 687	24 942	1 745	93.5	23 329	23 327
3.2 Equity and Empowerment	49 448	661	(9 400)	40 709	32 166	8 543	79	30 970	30 888
3.3 Spatial Industrial Economic Development (Special Economic Zones)	45 757	(661)	-	45 096	40 481	4 615	89.8	38 310	38 309
	121 892	-	(9 400)	112 492	97 589	14 903	86.8	92 609	92 524
Economic classification									
Current payments	106 639	(9 894)	(7 500)	89 245	74 495	14 750	83.5	65 544	65 544
Compensation of employees	73 573	-	-	73 573	60 349	13 224	82	54 845	54 845
Salaries and wages	63 822	35	-	63 857	53 998	9 859	84.6	49 202	49 202
Social contributions	9 751	(35)	-	9 716	6 351	3 365	65.4	5 643	5 643
Goods and services	33 066	(9 894)	(7 500)	15 672	14 146	1 526	90.3	10 699	10 699
Administrative fees	97	(21)	-	76	-	76	-	11	11
Advertising	333	32	-	365	359	6	98.4	187	187
Minor assets	44	83	-	127	43	84	33.9	4	4
Catering: Departmental activities	495	(225)	-	270	250	20	92.6	168	168
Communication (goods and services)	623	(241)	-	382	258	124	67.5	452	452
Computer services	4 200	(300)	(3 900)	-	-	-	-	2	2
Consultants: Business and advisory services	15 888	(7 425)	(3 600)	4 863	4 223	640	86.8	3 193	3 193
Legal services	182	412	-	594	557	37	93.8	-	-
Contractors	345	(26)	-	319	318	1	99.7	3	3
Entertainment	15	-	-	15	1	14	6.7	-	-

Programme 3: Special Economic Zones and Economic Transformation	2016/17							2015/16	
	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)	124	(97)	-	27	18	9	66.7	25	25
Consumable supplies	21	36	-	57	37	20	64.9	40	40
Consumables: Stationery, printing and office supplies	915	(633)	-	282	238	44	84.4	524	524
Operating leases	132	(23)	-	109	106	3	97.2	65	65
Travel and subsistence	7 951	(939)	-	7 012	6 753	259	96.3	5 431	5 431
Training and development	-	238	-	238	238	-	100	-	-
Operating payments	461	(112)	-	349	197	152	56.4	442	442
Venues and facilities	1 240	(657)	-	583	546	37	93.7	152	152
Rental and hiring	-	4	-	4	4	-	100	-	-
Transfers and subsidies	11 478	209	-	11 687	11 683	4	100	11 305	11 303
Departmental agencies and accounts	8 523	-	-	8 523	8 523	-	100	8 594	8 594
Departmental agencies (non-business entities)	8 523	-	-	8 523	8 523	-	100	8 594	8 594
Public corporations and private enterprises	1 655	-	-	1 655	1 655	-	100	1 572	1 572
Public corporations	1 655	-	-	1 655	1 655	-	100	1 572	1 572
Other transfers to public corporations	1 655	-	-	1 655	1 655	-	100	1 572	1 572
Non-profit institutions	1 000	-	-	1 000	1 000	-	100	1 000	1 000

Programme 3: Special Economic Zones and Economic Transformation	2016/17							2015/16	
	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	300	209	-	509	505	4	99.2	139	137
Social benefits	-	309	-	309	305	4	98.7	139	137
Other transfers to households	300	(100)	-	200	200	-	100	-	-
Payments for capital assets	3 775	-	(1 900)	1 875	1 726	149	92.1	3 743	3 740
Machinery and equipment	3 575	(475)	(1 900)	1 200	1 051	149	87.6	3 743	3 740
Other machinery and equipment	3 575	(475)	(1 900)	1 200	1 051	149	87.6	3 743	3 740
Software and other intangible assets	200	475	-	675	675	-	100	-	-
Payments for financial assets	-	9 685	-	9 685	9 685	-	100	12 017	11 937
Total	121 892	-	(9 400)	112 492	97 589	14 903	86.8	92 609	92 524

Subprogramme: Enterprise Competitiveness	2016/17							2015/16	
	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	16 409	(5)	-	16 404	14 662	1 742	89.4	13 562	13 562
Compensation of employees	13 889	-	-	13 889	12 745	1 144	91.8	11 895	11 895
Salaries and wages	11 329	35		11 364	11 363	1	100	10 597	10 597
Social contributions	2 560	(35)		2 525	1 382	1 143	54.7	1 298	1 298
Goods and services	2 520	(5)	-	2 515	1 917	598	76.2	1 667	1 667
Administrative fees	18	(1)		17		17	-		
Minor assets	5	2		7	2	5	28.6		
Catering: Departmental activities	40			40	20	20	50	23	23
Communication (goods and services)	94			94	7	87	7.4	59	59
Consultants: Business and advisory services	1 400	(229)		1 171	1 107	64	94.5	1 118	1 118
Entertainment	2			2		2	-		
Fleet services (including government motor transport)	8			8		8	-		
Consumable supplies		8		8	-	8	-	2	2
Consumables: Stationery, printing and office supplies	21			21		21	-	17	17
Operating leases	11	16		27	27	-	100	9	9
Travel and subsistence	810	199		1 009	754	255	74.7	439	439

Subprogramme: Enterprise Competitiveness	2016/17							2015/16	
	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	94			94		94	-		
Venues and facilities	17			17		17	-		
Transfers and subsidies	10 278	5	-	10 283	10 280	3	100	9 714	9 712
Departmental agencies and accounts	8 523	-	-	8 523	8 523	-	100	8 094	8 094
Departmental agencies (non-business entities)	8 523			8 523	8 523	-	100	8 094	8 094
Public corporations and private enterprises	1 655	-	-	1 655	1 655	-	100	1 572	1 572
Public corporations	1 655	-	-	1 655	1 655	-	100	1 572	1 572
Other transfers to public corporations	1 655			1 655	1 655	-	100	1 572	1 572
Households	100	5	-	105	102	3	97.1	48	46
Social benefits		5	-	5	2	3	40	48	46
Other transfers to households	100			100	100	-	100		
Payments for capital assets	-	-	-	-	-	-	-	53	53
Machinery and equipment	-	-	-	-	-	-	-	53	53
Other machinery and equipment				-	-	-	-	53	53
Total	26 687	-	-	26 687	24 942	1 745	93.5	23 329	23 327

Subprogramme: Equity and Empowerment	2016/17							2015/16	
	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	45 385	(9 502)	(7 500)	28 383	19 989	8 394	70.4	14 150	14 150
Compensation of employees	21 520	-	-	21 520	13 869	7 651	64.4	9 614	9 614
Salaries and wages	18 421			18 421	12 398	6 023	67.3	8 499	8 499
Social contributions	3 099			3 099	1 471	1 628	47.5	1 115	1 115
Goods and services	23 865	(9 502)	(7 500)	6 863	6 120	743	89.2	4 536	4 536
Administrative fees	-			-	-	-	-	2	2
Advertising	327	32		359	359	-	100	187	187
Minor assets	39	70		109	30	79	27.5		
Catering: Departmental activities	287	(110)		177	177	-	100	83	83
Communication (goods and services)	259	(241)		18	18	-	100	228	228
Computer services	3 900		(3 900)	-	-	-	-	2	2
Consultants: Business and advisory services	12 713	(6 737)	(3 600)	2 376	1 800	576	75.8	1 637	1 637
Legal services	182			182	146	36	80.2		
Contractors	335	(19)		316	315	1	99.7	3	3
Entertainment	10			10	1	9	10		
Fleet services (including government motor transport)	3			3	3	-	100		
Consumable supplies	11	28		39	36	3	92.3	5	5
Consumables: Stationery, printing and office supplies	670	(421)		249	228	21	91.6	357	357
Operating leases	65	(46)		19	18	1	94.7	8	8
Travel and subsistence	3 830	(1 738)		2 092	2 091	1	100	1 568	1 568
Training and development		238		238	238	-	100		

Subprogramme: Equity and Empowerment	2016/17							2015/16	
	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	324	(112)		212	197	15	92.9	395	395
Venues and facilities	910	(450)		460	459	1	99.8	61	61
Rental and hiring		4		4	4	-	100		
Transfers and subsidies	1 000	195	-	1 195	1 195	-	100	1 556	1 556
Departmental agencies and accounts	-	-	-	-	-	-	-	500	500
Departmental agencies (non-business entities)				-		-	-	500	500
Non-profit institutions	1 000			1 000	1 000	-	100	1 000	1 000
Households	-	195	-	195	195	-	100	56	56
Social benefits		195		195	195	-	100	56	56
Other transfers to households				-		-	-		
Payments for capital assets	3 063	283	(1 900)	1 446	1 297	149	89.7	3 247	3 245
Machinery and equipment	2 863	(192)	(1 900)	771	622	149	80.7	3 247	3 245
Transport equipment				-		-	-		
Other machinery and equipment	2 863	(192)	(1 900)	771	622	149	80.7	3 247	3 245
Software and other intangible assets	200	475		675	675	-	100		
Payments for financial assets	-	9 685		9 685	9 685	-	100	12 017	11 937
Total	49 448	661	(9 400)	40 709	32 166	8 543	79	30 970	30 888

Subprogramme: Spatial Industrial Economic Development (Special Economic Zones)	2016/17							2015/16	
	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	44 845	(387)	-	44 458	39 844	4 614	89.6	37 832	37 832
Compensation of employees	38 164	-	-	38 164	33 735	4 429	88.4	33 336	33 336
Salaries and wages	34 072			34 072	30 237	3 835	88.7	30 106	30 106
Social contributions	4 092			4 092	3 498	594	85.5	3 230	3 230
Goods and services	6 681	(387)	-	6 294	6 109	185	97.1	4 496	4 496
Administrative fees	79	(20)		59	-	59	-	9	9
Advertising	6			6		6	-		
Minor assets		11		11	11	-	100	4	4
Catering: Departmental activities	168	(115)		53	53	-	100	62	62
Communication (goods and services)	270			270	233	37	86.3	165	165
Computer services	300	(300)		-		-	-		
Consultants: Business and advisory services	1 775	(459)		1 316	1 316	-	100	438	438
Legal services		412		412	411	1	99.8		
Contractors	10	(7)		3	3	-	100		
Entertainment	3			3		3	-		
Fleet services (including government motor transport)	113	(97)		16	15	1	93.8	25	25
Consumable supplies	10			10	1	9	10	33	33
Consumables: Stationery, printing and office supplies	224	(212)		12	10	2	83.3	150	150
Operating leases	56	7		63	61	2	96.8	48	48
Travel and subsistence	3 311	600		3 911	3 908	3	99.9	3 424	3 424

Subprogramme: Spatial Industrial Economic Development (Special Economic Zones)	2016/17							2015/16	
	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	43			43	-	43	-	47	47
Venues and facilities	313	(207)		106	87	19	82.1	91	91
Transfers and subsidies	200	9	-	209	208	1	99.5	35	35
Households	200	9	-	209	208	1	99.5	35	35
Social benefits		109		109	108	1	99.1	35	35
Other transfers to households	200	(100)		100	100	-	100		
Payments for capital assets	712	(283)	-	429	429	-	100	443	442
Machinery and equipment	712	(283)	-	429	429	-	100	443	442
Other machinery and equipment	712	(283)		429	429	-	100	443	442
Total	45 757	(661)	-	45 096	40 481	4 615	89.8	38 310	38 309

Programme 4: Industrial Development	2016/17							2015/16	
	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	685 633	668	(1 083)	685 218	685 193	25	100	682 755	682 754
4.2 Customised Sector Programmes	1 041 394	(668)	(3 655)	1 037 071	1 037 052	19	100	1 270 867	1 270 862
	1 727 027	-	(4 738)	1 722 289	1 722 245	44	100	1 953 622	1 953 616
Economic classification									
Current payments	115 212	(156)	(2 995)	112 061	112 027	34	100	118 126	118 126
Compensation of employees	105 191	-	(3 311)	101 880	101 878	2	100	99 602	99 602
Salaries and wages	91 523	1 553	(2 311)	90 765	90 763	2	100	88 910	88 910
Social contributions	13 668	(1 553)	(1 000)	11 115	11 115	-	100	10 692	10 692
Goods and services	10 021	(156)	316	10 181	10 149	32	99.7	18 524	18 524
Administrative fees	6	(6)	-	-	-	-	-	-	-
Minor assets	18	(10)	-	8	7	1	87.5	8	8
Catering: Departmental activities	93	-	-	93	91	2	97.8	123	123
Communication (goods and services)	356	42	-	398	396	2	99.5	567	567
Computer services	3	(3)	-	-	-	-	-	-	-
Consultants: Business and advisory services	1 020	(11)	-	1 009	1 009	-	100	7 083	7 083
Legal services	-	125	-	125	125	-	100	-	-
Contractors	-	-	-	-	-	-	-	23	23
Entertainment	3	(2)	-	1	1	-	100	-	-
Fleet services (including government motor transport)	9	(5)	-	4	3	1	75	5	5
Consumable supplies	39	(26)	-	13	6	7	46.2	99	99

Programme 4: Industrial Development	2016/17							2015/16	
	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	211	(109)	-	102	96	6	94.1	464	464
Operating leases	249	66	-	315	313	2	99.4	316	316
Property payments	-	-	-	-	-	-	-	1	1
Travel and subsistence	6 074	152	12	6 238	6 230	8	99.9	7 671	7 671
Operating payments	1 418	(102)	304	1 620	1 618	2	99.9	1 741	1 741
Venues and facilities	522	(267)	-	255	254	1	99.6	423	423
Transfers and subsidies	1 610 431	156	(916)	1 609 671	1 609 662	9	100	1 834 999	1 834 994
Departmental agencies and accounts	372 819	-	-	372 819	372 819	-	100	368 652	368 652
Departmental agencies (non-business entities)	372 819	-	-	372 819	372 819	-	100	368 652	368 652
Higher education institutions	3	-	-	3	-	3	-	3	-
Foreign governments and international organisations	8 517	-	(916)	7 601	7 600	1	100	6 405	6 405
Public corporations and private enterprises	1 066 971	-	-	1 066 971	1 066 967	4	100	1 311 607	1 311 607
Public corporations	1 066 971	-	-	1 066 971	1 066 967	4	100	1 311 607	1 311 607
Other transfers to public corporations	1 066 971	-	-	1 066 971	1 066 967	4	100	1 311 607	1 311 607
Non-profit institutions	162 107	-	-	162 107	162 107	-	100	147 850	147 850

Programme 4: Industrial Development	2016/17							2015/16	
	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	156	-	170	169	1	99.4	482	480
Social benefits	14	156	-	170	169	1	99.4	382	380
Other transfers to households	-	-	-	-	-	-	-	100	100
Payments for capital assets	1 384	-	(827)	557	556	1	99.8	350	349
Machinery and equipment	1 384	-	(827)	557	556	1	99.8	350	349
Other machinery and equipment	1 384	-	(827)	557	556	1	99.8	350	349
Payments for financial assets	-	-	-	-	-	-	-	147	147
Total	1 727 027	-	(4 738)	1 722 289	1 722 245	44	100	1 953 622	1 953 616

Subprogramme: Industrial Competitiveness	2016/17							2015/16	
	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	36 957	638	12	37 607	37 588	19	99.9	43 494	43 494
Compensation of employees	33 423	997	-	34 420	34 419	1	100	32 651	32 651
Salaries and wages	28 727	2 168		30 895	30 894	1	100	29 344	29 344
Social contributions	4 696	(1 171)		3 525	3 525	-	100	3 307	3 307
Goods and services	3 534	(359)	12	3 187	3 169	18	99.4	10 843	10 843
Administrative fees	6	(6)		-		-	-		
Minor assets	18	(10)		8	7	1	87.5	5	5
Catering: Departmental activities	26	8		34	33	1	97.1	36	36
Communication (goods and services)	189	62		251	250	1	99.6	250	250
Computer services	3	(3)		-		-	-		
Consultants: Business and advisory services	254	14		268	268	-	100	7 000	7 000
Legal services		124		124	124	-	100		
Contractors				-		-	-	23	23
Entertainment	3	(2)		1	1	-	100		
Fleet services (including government motor transport)	5	(5)		-		-	-	1	1
Consumable supplies	23	(14)		9	2	7	22.2	43	43
Consumables: Stationery, printing and office supplies	201	(101)		100	96	4	96	335	335
Operating leases	20	5		25	24	1	96	46	46
Property payments				-		-	-	1	1
Travel and subsistence	1 869	33	12	1 914	1 913	1	99.9	2 172	2 172

Subprogramme: Enterprise Competitiveness	2016/17							2015/16	
	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	863	(431)	-	432	431	1	99.8%	718	718
Venues and facilities	54	(33)		21	20	1	95.2%	213	213
Transfers and subsidies	648 281	30	(916)	647 395	647 389	6	100.0%	638 957	638 956
Departmental agencies and accounts	372 819	-	-	372 819	372 819	-	100.0%	368 652	368 652
Departmental agencies (non-business entities)	372 819			372 819	372 819	-	100.0%	368 652	368 652
Foreign governments and international organisations	8 517		(916)	7 601	7 600	1	100.0%	6 405	6 405
Public corporations and private enterprises	212 365	-	-	212 365	212 361	4	100.0%	217 752	217 752
Public corporations	212 365	-	-	212 365	212 361	4	100.0%	217 752	217 752
Other transfers to public corporations	212 365			212 365	212 361	4	100.0%	217 752	217 752
Non-profit institutions	54 580			54 580	54 580	-	100.0%	45 980	45 980
Households	-	30	-	30	29	1	96.7%	168	167
Social benefits		30		30	29	1	96.7%	168	167
Payments for capital assets	395	-	(179)	216	216	-	100.0%	157	157
Machinery and equipment	395	-	(179)	216	216	-	100.0%	157	157
Other machinery and equipment	395		(179)	216	216	-	100.0%	157	157
Payments for financial assets				-		-	-	147	147
Total	685 633	668	(1 083)	685 218	685 193	25	100.0%	682 755	682 754

Subprogramme: Customised Sector Programmes	2016/17							2015/16	
	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	78 255	(794)	(3 007)	74 454	74 439	15	100	74 632	74 632
Compensation of employees	71 768	(997)	(3 311)	67 460	67 459	1	100	66 951	66 951
Salaries and wages	62 796	(615)	(2 311)	59 870	59 869	1	100	59 566	59 566
Social contributions	8 972	(382)	(1 000)	7 590	7 590	-	100	7 385	7 385
Goods and services	6 487	203	304	6 994	6 980	14	99.8	7 681	7 681
Minor assets				-		-	-	3	3
Catering: Departmental activities	67	(8)		59	58	1	98.3	87	87
Communication (goods and services)	167	(20)		147	146	1	99.3	317	317
Consultants: Business and advisory services	766	(25)		741	741	-	100	83	83
Legal services		1		1	1	-	100		
Fleet services (including government motor transport)	4			4	3	1	75	4	4
Consumable supplies	16	(12)		4	4	-	100	56	56
Consumables: Stationery, printing and office supplies	10	(8)		2		2	-	129	129
Operating leases	229	61		290	289	1	99.7	270	270
Travel and subsistence	4 205	119		4 324	4 317	7	99.8	5 499	5 499
Operating payments	555	329	304	1 188	1 187	1	99.9	1 023	1 023

Subprogramme: Customised Sector Programmes	2016/17							2015/16	
	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	468	(234)		234	234	-	100	210	210
Transfers and subsidies	962 150	126	-	962 276	962 273	3	100	1 196 042	1 196 038
Higher education institutions	3			3		3	-	3	-
Public corporations and private enterprises	854 606	-	-	854 606	854 606	-	100	1 093 855	1 093 855
Public corporations	854 606	-	-	854 606	854 606	-	100	1 093 855	1 093 855
Other transfers to public corporations	854 606			854 606	854 606	-	100	1 093 855	1 093 855
Non-profit institutions	107 527			107 527	107 527	-	100	101 870	101 870
Households	14	126	-	140	140	-	100	314	313
Social benefits	14	126		140	140	-	100	214	213
Other transfers to households				-		-	-	100	100
Payments for capital assets	989	-	(648)	341	340	1	99.7	193	192
Machinery and equipment	989	-	(648)	341	340	1	99.7	193	192
Other machinery and equipment	989		(648)	341	340	1	99.7	193	192
Total	1 041 394	(668)	(3 655)	1 037 071	1 037 052	19	100	1 270 867	1 270 862

Programme 5: Consumer and Corporate Regulation	2016/17							2015/16	
	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	14 932	427	1 818	17 177	17 168	9	99.9	14 741	14 741
5.2 Enforcement and Compliance	41 648	(996)	(371)	40 281	40 273	8	100	39 320	39 319
5.3 Regulatory Services	237 756	569	(20)	238 305	237 940	365	99.8	233 564	233 360
	294 336	-	1 427	295 763	295 381	382	99.9	287 625	287 420
Economic classification									
Current payments	71 691	(12)	1 401	73 080	73 058	22	100	68 236	68 236
Compensation of employees	62 823	-	(3 237)	59 586	59 582	4	100	54 479	54 479
Salaries and wages	56 568	(489)	(3 237)	52 842	52 839	3	100	48 324	48 324
Social contributions	6 255	489	-	6 744	6 743	1	100	6 155	6 155
Goods and services	8 868	(12)	4 638	13 494	13 476	18	99.9	13 757	13 757
Administrative fees	7	(3)	-	4	3	1	75	25	25
Advertising	493	185	15	693	692	1	99.9	1 981	1 981
Minor assets	6	(3)	-	3	-	3	-	-	-
Catering: Departmental activities	197	14	93	304	303	1	99.7	140	140
Communication (goods and services)	141	44	9	194	192	2	99	281	281
Computer services	53	(53)	-	-	-	-	-	54	54
Consultants: Business and advisory services	1 469	(337)	138	1 270	1 269	1	99.9	1 462	1 462
Legal services	1 085	-	2 570	3 655	3 655	-	100	865	865
Contractors	-	-	-	-	-	-	-	6	6
Entertainment	10	(10)	-	-	-	-	-	35	35
Fleet services (including government motor transport)	273	(35)	8	246	244	2	99.2	363	363

Programme 5: Consumer and Corporate Regulation	2016/17							2015/16	
	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	24	(9)	-	15	13	2	86.7	33	33
Consumables: Stationery, printing and office supplies	60	(46)	-	14	14	-	100	234	234
Operating leases	74	2	83	159	156	3	98.1	149	149
Transport provided: Departmental activity	-	-	1	1	1	-	100	-	-
Travel and subsistence	4 692	338	1 092	6 122	6 122	-	100	6 226	6 226
Training and development	-	-	-	-	-	-	-	416	416
Operating payments	-	-	370	370	369	1	99.7	663	663
Venues and facilities	284	(99)	259	444	443	1	99.8	824	824
Transfers and subsidies	222 501	2	53	222 556	222 196	360	99.8	219 308	219 105
Departmental agencies and accounts	217 561	-	-	217 561	217 561	-	100	213 556	213 556
Departmental agencies (non-business entities)	217 561	-	-	217 561	217 561	-	100	213 556	213 556
Foreign governments and international organisations	4 927	-	-	4 927	4 568	359	92.7	5 489	5 287
Households	13	2	53	68	67	1	98.5	263	262
Social benefits	13	2	53	68	67	1	98.5	136	135
Other transfers to households	-	-	-	-	-	-	-	127	127
Payments for capital assets	144	10	(27)	127	127	-	100	79	78
Machinery and equipment	144	10	(27)	127	127	-	100	79	78
Other machinery and equipment	144	10	(27)	127	127	-	100	79	78
Payments for financial assets	-	-	-	-	-	-	-	2	1
Total	294 336	-	1 427	295 763	295 381	382	99.9	287 625	287 420

Subprogramme: Policy and Legislative Development	2016/17							2015/16	
	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	14 924	427	1 818	17 169	17 161	8	100	14 678	14 678
Compensation of employees	13 616	486	-	14 102	14 101	1	100	12 432	12 432
Salaries and wages	12 137	496		12 633	12 632	1	100	11 106	11 106
Social contributions	1 479	(10)		1 469	1 469	-	100	1 326	1 326
Goods and services	1 308	(59)	1 818	3 067	3 060	7	99.8	2 246	2 246
Administrative fees	7	(3)		4	3	1	75		
Advertising			15	15	15	-	100		
Catering: Departmental activities	51		93	144	144	-	100	20	20
Communication (goods and services)	23	(8)	2	17	16	1	94.1	42	42
Consultants: Business and advisory services	30		138	168	168	-	100	91	91
Fleet services (including government motor transport)			8	8	8	-	100		
Consumable supplies	7	(3)		4	3	1	75	19	19
Consumables: Stationery, printing and office supplies	60	(47)		13	13	-	100	84	84
Operating leases	13		23	36	33	3	91.7	11	11
Transport provided: Departmental activity			1	1	1	-	100		
Travel and subsistence	1 023	2	909	1 934	1 934	-	100	1 333	1 333
Operating payments			370	370	369	1	99.7	619	619
Venues and facilities	94		259	353	353	-	100	27	27

Subprogramme: Policy and Legislative Development	2016/17							2015/16	
	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	8	-	-	8	7	1	87.5	63	63
Households	8	-	-	8	7	1	87.5	63	63
Social benefits	8			8	7	1	87.5	13	13
Other transfers to households				-		-	-	50	50
Total	14 932	427	1 818	17 177	17 168	9	99.9	14 741	14 741

Subprogramme: Enforcement and Compliance	2016/17							2015/16	
	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	41 646	(996)	(424)	40 226	40 218	8	100	39 221	39 221
Compensation of employees	35 603	(955)	(3 237)	31 411	31 410	1	100	30 755	30 755
Salaries and wages	32 520	(1 524)	(3 237)	27 759	27 758	1	100	27 325	27 325
Social contributions	3 083	569		3 652	3 652	-	100	3 430	3 430
Goods and services	6 043	(41)	2 813	8 815	8 808	7	99.9	8 466	8 466
Advertising	250	428		678	677	1	99.9	1 981	1 981
Minor assets	6	(3)		3		3	-		
Catering: Departmental activities	119	8		127	126	1	99.2	72	72
Communication (goods and services)	45	5		50	50	-	100	93	93
Computer services	53	(53)		-		-	-	54	54
Consultants: Business and advisory services	954	(520)		434	434	-	100	379	379
Legal services	1 085		2 570	3 655	3 655	-	100	865	865
Fleet services (including government motor transport)	270	(34)		236	235	1	99.6	356	356
Consumable supplies	5	(2)		3	3	-	100	6	6
Consumables: Stationery, printing and office supplies				-		-	-	68	68
Operating leases	55		60	115	115	-	100	121	121
Travel and subsistence	3 011	229	183	3 423	3 423	-	100	3 742	3 742
Operating payments				-		-	-	34	34
Venues and facilities	190	(99)		91	90	1	98.9	695	695

Subprogramme: Enforcement and Compliance	2016/17							2015/16	
	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	2	-	53	55	55	-	100	99	98
Households	2	-	53	55	55	-	100	99	98
Social benefits	2		53	55	55	-	100	95	94
Other transfers to households				-		-	-	4	4
Total	41 648	(996)	(371)	40 281	40 273	8	100	39 320	39 319

Subprogramme: Regulatory Services	2016/17							2015/16	
	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	15 121	557	7	15 685	15 679	6	100	14 337	14 337
Compensation of employees	13 604	469	-	14 073	14 071	2	100	11 292	11 292
Salaries and wages	11 911	539		12 450	12 449	1	100	9 893	9 893
Social contributions	1 693	(70)		1 623	1 622	1	99.9	1 399	1 399
Goods and services	1 517	88	7	1 612	1 608	4	99.8	3 045	3 045
Administrative fees	-			-		-	-	25	25
Advertising	243	(243)		-		-	-		
Catering: Departmental activities	27	6		33	33	-	100	48	48
Communication (goods and services)	73	47	7	127	126	1	99.2	146	146
Consultants: Business and advisory services	485	183		668	667	1	99.9	992	992
Contractors				-		-	-	6	6
Entertainment	10	(10)		-		-	-	35	35
Fleet services (including government motor transport)	3	(1)		2	1	1	50	7	7
Consumable supplies	12	(4)		8	7	1	87.5	8	8
Consumables: Stationery, printing and office supplies		1		1	1	-	100	82	82
Operating leases	6	2		8	8	-	100	17	17
Travel and subsistence	658	107		765	765	-	100	1 151	1 151
Training and development				-		-	-	416	416
Operating payments				-		-	-	10	10
Venues and facilities				-		-	-	102	102

Subprogramme: Regulatory Services	2016/17							2015/16	
	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	222 491	2	-	222 493	222 134	359	99.8	219 146	218 944
Departmental agencies and accounts	217 561	-	-	217 561	217 561	-	100	213 556	213 556
Departmental agencies (non-business entities)	217 561			217 561	217 561	-	100	213 556	213 556
Foreign governments and international organisations	4 927			4 927	4 568	359	92.7	5 489	5 287
Households	3	2	-	5	5	-	100	101	101
Social benefits	3	2		5	5	-	100	28	28
Other transfers to households				-		-	-	73	73
Payments for capital assets	144	10	(27)	127	127	-	100	79	78
Machinery and equipment	144	10	(27)	127	127	-	100	79	78
Other machinery and equipment	144	10	(27)	127	127	-	100	79	78
Payments for financial assets				-		-	-	2	1
Total	237 756	569	(20)	238 305	237 940	365	99.8	233 564	233 360

Programme 6: Incentive Development and Administration	2016/17							2015/16	
	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	65 269	(39 599)	-	25 670	25 536	134	99.5	26 649	26 648
6.2 Manufacturing Incentives	4 467 044	(102 524)	(2 971)	4 361 549	4 361 494	55	100	3 983 534	3 983 465
6.3 Services Investment Incentives	613 776	167 995	32 456	814 227	814 209	18	100	803 171	803 171
6.4 Infrastructure Investment Support	1 711 417	(26 099)	(24 249)	1 661 069	1 660 170	899	99.9	975 519	949 722
6.5 Product and Systems Development	15 867	92	(554)	15 405	15 400	5	100	14 874	14 873
6.6 Strategic Partnerships and Customer Care	18 336	135	(85)	18 386	18 377	9	100	17 906	17 906
	6 891 709	-	4 597	6 896 306	6 895 186	1 120	100	5 821 653	5 795 785
Economic classification									
Current payments	151 569	(5 601)	(3 431)	142 537	141 602	935	99.3	151 232	151 232
Compensation of employees	130 954	-	(3 431)	127 523	126 834	689	99.5	126 464	126 464
Salaries and wages	115 151	(162)	(3 142)	111 847	111 844	3	100	112 289	112 289
Social contributions	15 803	162	(289)	15 676	14 990	686	95.6	14 175	14 175
Goods and services	20 615	(5 601)	-	15 014	14 768	246	98.4	24 768	24 768
Administrative fees	8	8	-	16	12	4	75	26	26
Minor assets	13	(4)	-	9	7	2	77.8	3	3
Catering: Departmental activities	110	(9)	-	101	100	1	99	98	98
Communication (goods and services)	249	33	-	282	276	6	97.9	573	573
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	5 427	(2 663)	-	2 764	2 763	1	100	5 108	5 108
Legal services	3 194	(1 798)	-	1 396	1 395	1	99.9	3 918	3 918
Contractors	-	-	-	-	-	-	-	2 880	2 880

Programme 6: Incentive Development and Administration	2016/17							2015/16	
	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
Entertainment	8	(8)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	117	(11)	-	106	96	10	90.6	141	141
Consumable supplies	16	(2)	-	14	6	8	42.9	36	36
Consumables: Stationery, printing and office supplies	61	(16)	-	45	41	4	91.1	726	726
Operating leases	597	304	-	901	898	3	99.7	792	792
Property payments	504	(157)	-	347	346	1	99.7	252	252
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	10 310	(1 278)	-	9 032	8 828	204	97.7	9 695	9 695
Operating payments	1	-	-	1	-	1	-	109	109
Venues and facilities	-	-	-	-	-	-	-	411	411
Transfers and subsidies	6 732 830	12 438	8 028	6 753 296	6 753 112	184	100	5 667 143	5 641 276
Departmental agencies and accounts	256 000	-	-	256 000	256 000	-	100	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	256 000	-	-	256 000	256 000	-	100	-	-
Public corporations and private enterprises	6 476 030	12 438	8 601	6 497 069	6 496 887	182	100	5 666 455	5 640 590
Public corporations	1 410 000	375 797	-	1 785 797	1 785 797	-	100	-	-
Other transfers to public corporations	1 410 000	375 797	-	1 785 797	1 785 797	-	100	-	-
Private enterprises	5 066 030	(363 359)	8 601	4 711 272	4 711 090	182	100	5 666 455	5 640 590
Subsidies on products and production	4 590 716	(157 562)	8 601	4 441 755	4 441 734	21	100	-	-
Other transfers to private enterprises	475 314	(205 797)	-	269 517	269 356	161	99.9	5 666 455	5 640 590

Programme 6: Incentive Development and Administration	2016/17							2015/16	
	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	-	(573)	227	225	2	99.1	688	686
Social benefits	800	-	(573)	227	225	2	99.1	688	686
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	7 310	(6 837)	-	473	472	1	99.8	3 278	3 277
Machinery and equipment	2 016	(1 543)	-	473	472	1	99.8	680	679
Other machinery and equipment	2 016	(1 543)	-	473	472	1	99.8	680	679
Software and other intangible assets	5 294	(5 294)	-	-	-	-	-	2 598	2 598
Total	6 891 709	-	4 597	6 896 306	6 895 186	1 120	100	5 821 653	5 795 785

Subprogramme: Broadening Participation Incentives	2016/17							2015/16	
	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	4 377	401	-	4 778	4 776	2	100	3 753	3 753
Compensation of employees	3 982	191	-	4 173	4 172	1	100	3 638	3 638
Salaries and wages	3 624	47		3 671	3 670	1	100	3 276	3 276
Social contributions	358	144		502	502	-	100	362	362
Goods and services	395	210	-	605	604	1	99.8	115	115
Communication (goods and services)	4	(2)		2	2	-	100	26	26
Fleet services (including government motor transport)	2	3		5	5	-	100		
Operating leases	16	49		65	65	-	100		
Travel and subsistence	373	160		533	532	1	99.8	89	89
Transfers and subsidies	60 892	(40 000)	-	20 892	20 760	132	99.4	22 836	22 836
Public corporations and private enterprises	60 892	(40 000)	-	20 892	20 760	132	99.4	22 827	22 827
Private enterprises	60 892	(40 000)	-	20 892	20 760	132	99.4	22 827	22 827
Other transfers to private enterprises	60 892	(40 000)		20 892	20 760	132	99.4	22 827	22 827
Households	-	-	-	-	-	-	-	9	9
Social benefits				-	-	-	-	9	9
Payments for capital assets	-	-	-	-	-	-	-	60	59
Machinery and equipment	-	-	-	-	-	-	-	60	59
Other machinery and equipment	-			-		-	-	60	59
Total	65 269	(39 599)	-	25 670	25 536	134	99.5	26 649	26 648

Subprogramme: Manufacturing Incentives	2016/17							2015/16	
	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	87 796	(5 547)	(2 398)	79 851	79 830	21	100	91 341	91 341
Compensation of employees	73 090	(191)	(2 398)	70 501	70 500	1	100	72 371	72 371
Salaries and wages	64 366	(191)	(2 308)	61 867	61 867	-	100	64 064	64 064
Social contributions	8 724		(90)	8 634	8 633	1	100	8 307	8 307
Goods and services	14 706	(5 356)	-	9 350	9 330	20	99.8	18 970	18 970
Administrative fees	8			8	6	2	75	26	26
Minor assets	12	(4)		8	7	1	87.5	3	3
Catering: Departmental activities	109	(8)		101	100	1	99	98	98
Communication (goods and services)	136	52		188	188	-	100	309	309
Consultants: Business and advisory services	5 427	(2 663)		2 764	2 763	1	100	5 108	5 108
Legal services	3 194	(1 798)		1 396	1 395	1	99.9	3 918	3 918
Contractors	-			-	-	-	-	2 880	2 880
Entertainment	8	(8)		-	-	-	-		
Fleet services (including government motor transport)	97	(13)		84	83	1	98.8	120	120
Consumable supplies	14	(1)		13	6	7	46.2	35	35
Consumables: Stationery, printing and office supplies	61	(16)		45	41	4	91.1	698	698
Operating leases	312	98		410	410	-	100	353	353
Property payments	504	(157)		347	346	1	99.7	252	252
Travel and subsistence	4 823	(838)		3 985	3 985	-	100	4 650	4 650
Operating payments	1			1		1	-	109	109

Subprogramme: Manufacturing Incentives	2016/17							2015/16	
	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
Venues and facilities				-		-	-	411	411
Transfers and subsidies	4 371 938	(90 109)	(573)	4 281 256	4 281 223	33	100	3 888 975	3 888 906
Departmental agencies and accounts	256 000	-	-	256 000	256 000	-	100	-	-
Departmental agencies (non-business entities)	256 000			256 000	256 000	-	100		
Public corporations and private enterprises	4 115 138	(90 000)	-	4 025 138	4 025 105	33	100	3 888 365	3 888 297
Public corporations	-	250 000	-	250 000	250 000	-	100	-	-
Other transfers to public corporations		250 000		250 000	250 000	-	100		
Private enterprises	4 115 138	(340 000)	-	3 775 138	3 775 105	33	100	3 888 365	3 888 297
Subsidies on products and production	3 890 716	(300 000)		3 590 716	3 590 696	20	100		
Other transfers to private enterprises	224 422	(40 000)		184 422	184 409	13	100	3 888 365	3 888 297
Households	800	(109)	(573)	118	118	-	100	610	609
Social benefits	800	(109)	(573)	118	118	-	100	610	609
Payments for capital assets	7 310	(6 868)	-	442	441	1	99.8	3 218	3 218
Machinery and equipment	2 016	(1 574)	-	442	441	1	99.8	620	620
Other machinery and equipment	2 016	(1 574)		442	441	1	99.8	620	620
Software and other intangible assets	5 294	(5 294)		-		-	-	2 598	2 598
Total	4 467 044	(102 524)	(2 971)	4 361 549	4 361 494	55	100	3 983 534	3 983 465

Subprogramme: Services Investment Incentives	2016/17							2015/16	
	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	13 776	(485)	(145)	13 146	13 130	16	99.9	13 508	13 508
Compensation of employees	12 356	-	(145)	12 211	12 210	1	100	12 473	12 473
Salaries and wages	10 887		(116)	10 771	10 770	1	100	11 119	11 119
Social contributions	1 469		(29)	1 440	1 440	-	100	1 354	1 354
Goods and services	1 420	(485)	-	935	920	15	98.4	1 035	1 035
Administrative fees		7		7	6	1	85.7		
Communication (goods and services)	30	(7)		23	23	-	100	70	70
Fleet services (including government motor transport)	1			1		1	-	1	1
Operating leases	10	17		27	26	1	96.3	11	11
Travel and subsistence	1 379	(502)		877	865	12	98.6	953	953
Transfers and subsidies	600 000	168 480	32 601	801 081	801 079	2	100	789 663	789 663
Public corporations and private enterprises	600 000	168 438	32 601	801 039	801 038	1	100	789 663	789 663
Private enterprises	600 000	168 438	32 601	801 039	801 038	1	100	789 663	789 663
Subsidies on products and production	600 000	168 438	32 601	801 039	801 038	1	100		
Other transfers to private enterprises				-		-	-	789 663	789 663
Households	-	42	-	42	41	1	97.6	-	-
Social benefits		42		42	41	1	97.6		
Total	613 776	167 995	32 456	814 227	814 209	18	100	803 171	803 171

Subprogramme: Infrastructure Investment Support	2016/17							2015/16	
	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	11 417	(99)	(249)	11 069	10 186	883	92	9 868	9 868
Compensation of employees	10 076	-	(249)	9 827	9 143	684	93	8 945	8 945
Salaries and wages	8 293		(111)	8 182	8 181	1	100	8 080	8 080
Social contributions	1 783		(138)	1 645	962	683	58.5	865	865
Goods and services	1 341	(99)	-	1 242	1 043	199	84	923	923
Administrative fees		1		1		1	-		
Communication (goods and services)	7	(1)		6	1	5	16.7	6	6
Fleet services (including government motor transport)	8			8	5	3	62.5	3	3
Consumables: Stationery, printing and office supplies				-		-	-	5	5
Operating leases	20	31		51	50	1	98	12	12
Travel and subsistence	1 306	(130)		1 176	987	189	83.9	897	897
Transfers and subsidies	1 700 000	(26 000)	(24 000)	1 650 000	1 649 984	16	100	965 651	939 854
Public corporations and private enterprises	1 700 000	(26 000)	(24 000)	1 650 000	1 649 984	16	100	965 600	939 803
Public corporations	1 410 000	125 797	-	1 535 797	1 535 797	-	100	-	-
Other transfers to public corporations	1 410 000	125 797		1 535 797	1 535 797	-	100		
Private enterprises	290 000	(151 797)	(24 000)	114 203	114 187	16	100	965 600	939 803
Subsidies on products and production	100 000	(26 000)	(24 000)	50 000	50 000	-	100		
Other transfers to private enterprises	190 000	(125 797)	-	64 203	64 187	16	100	965 600	939 803
Households	-	-	-	-	-	-	-	51	51
Social benefits				-		-	-	51	51
Total	1 711 417	(26 099)	(24 249)	1 661 069	1 660 170	899	99.9	975 519	949 722

Subprogramme: Product and Systems Development	2016/17							2015/16	
	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	15 867	-	(554)	15 313	15 308	5	100	14 856	14 856
Compensation of employees	15 050	-	(554)	14 496	14 495	1	100	14 032	14 032
Salaries and wages	13 468		(522)	12 946	12 946	-	100	12 528	12 528
Social contributions	1 582		(32)	1 550	1 549	1	99.9	1 504	1 504
Goods and services	817	-	-	817	813	4	99.5	824	824
Communication (goods and services)	35	(10)		25	25	-	100	107	107
Fleet services (including government motor transport)	2	(1)		1		1	-	5	5
Consumable supplies	2	(1)		1		1	-	1	1
Consumables: Stationery, printing and office supplies				-		-	-	23	23
Operating leases	7	11		18	17	1	94.4	14	14
Travel and subsistence	771	1		772	771	1	99.9	674	674
Transfers and subsidies	-	61	-	61	61	-	100	18	17
Households	-	61	-	61	61	-	100	18	17
Social benefits		61		61	61	-	100	18	17
Payments for capital assets	-	31	-	31	31	-	100	-	-
Machinery and equipment	-	31	-	31	31	-	100	-	-
Other machinery and equipment		31		31	31	-	100		
Total	15 867	92	(554)	15 405	15 400	5	100	14 874	14 873

Subprogramme: Strategic Partnership and Customer Care Economic classification	2016/17							2015/16	
	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	18 336	129	(85)	18 380	18 372	8	100	17 906	17 906
Compensation of employees	16 400	-	(85)	16 315	16 314	1	100	15 005	15 005
Salaries and wages	14 513	(18)	(85)	14 410	14 410	-	100	13 222	13 222
Social contributions	1 887	18		1 905	1 904	1	99.9	1 783	1 783
Goods and services	1 936	129	-	2 065	2 058	7	99.7	2 901	2 901
Minor assets	1			1		1	-		
Catering: Departmental activities	1	(1)		-		-	-		
Communication (goods and services)	37	1		38	37	1	97.4	55	55
Fleet services (including government motor transport)	7			7	3	4	42.9	12	12
Operating leases	232	98		330	330	-	100	402	402
Travel and subsistence	1 658	31		1 689	1 688	1	99.9	2 432	2 432
Transfers and subsidies	-	6	-	6	5	1	83.3	-	-
Households	-	6	-	6	5	1	83.3	-	-
Social benefits		6		6	5	1	83.3		
Total	18 336	135	(85)	18 386	18 377	9	100.0	17 906	17 906

Programme 7: Trade Export South Africa	2016/17							2015/16	
	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	22 333	(2 487)	235	20 081	20 073	8	100	37 959	37 958
7.2 Export Promotion and Marketing	42 936	(2 124)	22	40 834	40 820	14	100	41 481	41 480
7.3 Trade Export South Africa Executive Management Unit	328 513	5 753	44 657	378 923	377 713	1 210	99.7	404 802	404 800
7.4 Export Development and Support	17 140	(1 142)	-	15 998	15 982	16	99.9	16 955	16 955
	410 922	-	44 914	455 836	454 588	1 248	99.7	501 197	501 193
Economic classification									
Current payments	237 303	(241)	44 057	281 119	279 875	1 244	99.6	298 980	298 980
Compensation of employees	159 623	-	36 515	196 138	195 296	842	99.6	205 154	205 154
Salaries and wages	133 960	8 991	36 515	179 466	178 637	829	99.5	184 112	184 112
Social contributions	25 663	(8 991)	-	16 672	16 659	13	99.9	21 042	21 042
Goods and services	77 680	(241)	7 542	84 981	84 579	402	99.5	93 826	93 826
Administrative fees	634	(226)	165	573	573	-	100	541	541
Advertising	171	41	63	275	273	2	99.3	727	727
Minor assets	165	(61)	62	166	164	2	98.8	120	120
Bursaries: Employees	6	(6)	-	-	-	-	-	-	-
Catering: Departmental activities	305	(148)	-	157	155	2	98.7	159	159
Communication (goods and services)	1 533	(44)	680	2 169	2 165	4	99.8	2 665	2 665
Computer services	577	-	380	957	956	1	99.9	1 034	1 034
Consultants: Business and advisory services	2 372	(1 011)	-	1 361	1 359	2	99.9	1 499	1 499
Legal services	27	-	22	49	49	-	100	324	324
Contractors	943	1 081	-	2 024	2 023	1	100	2 374	2 374

Programme 7: Trade Export South Africa	2016/17							2015/16	
	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	55	(29)	-	26	25	1	96.2	520	520
Entertainment	846	(13)	200	1 033	1 031	2	99.8	1 275	1 275
Fleet services (including government motor transport)	188	(5)	175	358	356	2	99.4	305	305
Consumable supplies	547	(23)	-	524	515	9	98.3	505	505
Consumables: Stationery, printing and office supplies	1 380	(783)	-	597	594	3	99.5	1 217	1 217
Operating leases	25 430	96	3 539	29 065	28 704	361	98.8	23 708	23 708
Property payments	1 060	1 069	154	2 283	2 281	2	99.9	2 518	2 518
Transport provided: Departmental activity	6	(6)	-	-	-	-	-	-	-
Travel and subsistence	21 046	(131)	1 982	22 897	22 894	3	100	31 880	31 880
Training and development	880	(121)	-	759	759	-	100	1 134	1 134
Operating payments	12 407	2 327	-	14 734	14 730	4	100	15 278	15 278
Venues and facilities	7 060	(2 248)	-	4 812	4 811	1	100	6 043	6 043
Rental and hiring	42	-	120	162	162	-	100	-	-
Transfers and subsidies	171 566	135	-	171 701	171 700	1	100	200 397	200 395
Public corporations and private enterprises	171 566	-	-	171 566	171 566	-	100	199 969	199 969
Public corporations	171 566	-	-	171 566	171 566	-	100	199 969	199 969
Other transfers to public corporations	171 566	-	-	171 566	171 566	-	100	199 969	199 969

Programme 7: Trade Export South Africa	2016/17							2015/16	
	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	-	135	-	135	134	1	99.3	428	426
Social benefits	-	135	-	135	134	1	99.3	428	426
Payments for capital assets	2 053	90	857	3 000	2 998	2	99.9	1 818	1 817
Machinery and equipment	2 053	90	857	3 000	2 998	2	99.9	1 818	1 817
Transport equipment	500	153	351	1 004	1 004	-	100	389	389
Other machinery and equipment	1 553	(63)	506	1 996	1 994	2	99.9	1 429	1 428
Payments for financial assets	-	16	-	16	15	1	93.8	2	1
	410 922	-	44 914	455 836	454 588	1 248	99.7	501 197	501 193

Subprogramme: African Bilateral Economic Development Economic classification	2016/17							2015/16	
	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	22 333	(2 568)	32	19 797	19 790	7	100	37 790	37 790
Compensation of employees	18 051	(779)	-	17 272	17 271	1	100	27 027	27 027
Salaries and wages	13 372	1 853		15 225	15 224	1	100	23 948	23 948
Social contributions	4 679	(2 632)		2 047	2 047	-	100	3 079	3 079
Goods and services	4 282	(1 789)	32	2 525	2 519	6	99.8	10 763	10 763
Administrative fees	160	(160)		-		-	-	8	8
Advertising		82		82	81	1	98.8	380	380
Minor assets	35	(18)		17	16	1	94.1		
Bursaries: Employees	6	(6)		-		-	-		
Catering: Departmental activities	37	21		58	57	1	98.3	81	81
Communication (goods and services)	60	23		83	82	1	98.8	171	171
Computer services				-		-	-		
Consultants: Business and advisory services	70	8		78	78	-	100	6	6
Legal services				-		-	-	33	33
Entertainment				-		-	-	1	1
Fleet services (including government motor transport)				-		-	-	1	1
Consumable supplies	2	2		4	4	-	100		
Consumables: Stationery, printing and office supplies	7	(7)		-		-	-	129	129
Operating leases		45	4	49	49	-	100	132	132
Property payments	-			-		-	-	12	12

Subprogramme: African Bilateral Economic Development	2016/17							2015/16	
	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	3 901	(1 829)	28	2 100	2 099	1	100.0%	8 165	8 165
Operating payments		1		1		1	-	232	232
Venues and facilities	4	49		53	53	-	100.0%	1 412	1 412
Transfers and subsidies	-	52	-	52	51	1	98.1%	145	145
Households	-	52	-	52	51	1	98.1%	145	145
Social benefits	-	52		52	51	1	98.1%	145	145
Payments for capital assets	-	29	203	232	232	-	100.0%	24	23
Machinery and equipment	-	29	203	232	232	-	100.0%	24	23
Other machinery and equipment		29	203	232	232	-	100.0%	24	23
Total	22 333	(2 487)	235	20 081	20 073	8	100.0%	37 959	37 958

Subprogramme: Export Promotion and Marketing	2016/17							2015/16	
	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	42 622	(2 118)	22	40 526	40 513	13	100	41 252	41 252
Compensation of employees	31 561	(1 146)	-	30 415	30 413	2	100	28 476	28 476
Salaries and wages	26 889	(235)		26 654	26 652	2	100	25 043	25 043
Social contributions	4 672	(911)		3 761	3 761	-	100	3 433	3 433
Goods and services	11 061	(972)	22	10 111	10 100	11	99.9	12 776	12 776
Administrative fees	123	(62)		61	61	-	100	19	19
Advertising	79	(41)		38	37	1	97.4		
Minor assets	51	(43)		8	7	1	87.5	6	6
Catering: Departmental activities	49	(5)		44	44	-	100	3	3
Communication (goods and services)	121	(67)		54	54	-	100	84	84
Consultants: Business and advisory services	1 490	(356)		1 134	1 133	1	99.9	502	502
Contractors	59	(59)		-		-	-		
Entertainment	15	(13)		2	1	1	50		
Fleet services (including government motor transport)	6	(5)		1		1	-	1	1
Consumable supplies	27	(24)		3	2	1	66.7	34	34
Consumables: Stationery, printing and office supplies	355	(354)		1	1	-	100	252	252
Operating leases	29	(4)	11	36	36	-	100	43	43
Property payments		4		4	3	1	75	29	29

Subprogramme: Export Promotion and Marketing	2016/17							2015/16	
	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	6	(6)		-		-	-		
Travel and subsistence	5 641	(290)	11	5 362	5 360	2	100	8 578	8 578
Operating payments	185	(107)		78	77	1	98.7	51	51
Venues and facilities	2 825	460		3 285	3 284	1	100	3 174	3 174
Transfers and subsidies	-	23	-	23	23	-	100	14	13
Households	-	23	-	23	23	-	100	14	13
Social benefits		23		23	23	-	100	14	13
Payments for capital assets	314	(29)	-	285	284	1	99.6	215	215
Machinery and equipment	314	(29)	-	285	284	1	99.6	215	215
Other machinery and equipment	314	(29)		285	284	1	99.6	215	215
Total	42 936	(2 124)	22	40 834	40 820	14	100	41 481	41 480

Subprogramme: Trade Export South Africa Executive Management Unit	2016/17							2015/16	
	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	155 384	5 495	44 003	204 882	203 674	1 208	99.4	202 984	202 984
Compensation of employees	97 299	3 759	36 515	137 573	136 735	838	99.4	137 780	137 780
Salaries and wages	83 347	8 318	36 515	128 180	127 355	825	99.4	124 856	124 856
Social contributions	13 952	(4 559)		9 393	9 380	13	99.9	12 924	12 924
Goods and services	58 085	1 736	7 488	67 309	66 939	370	99.5	65 204	65 204
Administrative fees	347		165	512	512	-	100	514	514
Advertising	92		63	155	155	-	100	347	347
Minor assets	79		62	141	141	-	100	114	114
Catering: Departmental activities	209	(207)		2	2	-	100	63	63
Communication (goods and services)	1 341		680	2 021	2 019	2	99.9	2 383	2 383
Computer services	577		380	957	956	1	99.9	1 034	1 034
Consultants: Business and advisory services	762	(613)		149	148	1	99.3	991	991
Legal services	27		22	49	49	-	100	291	291
Contractors	816	1 208	-	2 024	2 023	1	100	2 374	2 374
Agency and support / outsourced services	55	(29)		26	25	1	96.2	520	520
Entertainment	831		200	1 031	1 030	1	99.9	1 274	1 274
Fleet services (including government motor transport)	181		175	356	355	1	99.7	301	301
Consumable supplies	516			516	508	8	98.4	467	467
Consumables: Stationery, printing and office supplies	1 017	(421)		596	593	3	99.5	813	813
Operating leases	25 361	14	3 524	28 899	28 550	349	98.8	23 461	23 461
Property payments	1 060	1 065	154	2 279	2 278	1	100	2 477	2 477

Subprogramme: Trade and Investment in South Africa Executive Management Unit	2016/17							2015/16	
	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									
Transport provided: Departmental activity				-		-	-		
Travel and subsistence	10 900	2 026	1 943	14 869	14 869	-	100	14 455	14 455
Training and development	130	(56)		74	74	-	100	20	20
Operating payments	9 516	1 501		11 017	11 016	1	100	12 034	12 034
Venues and facilities	4 226	(2 752)		1 474	1 474	-	100	1 271	1 271
Rental and hiring	42		120	162	162	-	100		
Transfers and subsidies	171 566	60	-	171 626	171 626	-	100	200 237	200 236
Public corporations and private enterprises	171 566	-	-	171 566	171 566	-	100	199 969	199 969
Public corporations	171 566	-	-	171 566	171 566	-	100	199 969	199 969
Other transfers to public corporations	171 566			171 566	171 566	-	100	199 969	199 969
Households	-	60	-	60	60	-	100	268	267
Social benefits		60		60	60	-	100	268	267
Payments for capital assets	1 563	182	654	2 399	2 398	1	100	1 579	1 579
Machinery and equipment	1 563	182	654	2 399	2 398	1	100	1 579	1 579
Transport equipment	500	153	351	1 004	1 004	-	100	389	389
Other machinery and equipment	1 063	29	303	1 395	1 394	1	99.9	1 190	1 190
Payments for financial assets		16		16	15	1	93.8	2	1
Total	328 513	5 753	44 657	378 923	377 713	1 210	99.7	404 802	404 800

Subprogramme: Export Development and Support	2016/17							2015/16	
	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	16 964	(1 050)	-	15 914	15 898	16	99.9	16 954	16 954
Compensation of employees	12 712	(1 834)	-	10 878	10 877	1	100	11 871	11 871
Salaries and wages	10 352	(945)		9 407	9 406	1	100	10 265	10 265
Social contributions	2 360	(889)		1 471	1 471	-	100	1 606	1 606
Goods and services	4 252	784	-	5 036	5 021	15	99.7	5 083	5 083
Administrative fees	4	(4)		-	-	-	-		
Catering: Departmental activities	10	43		53	52	1	98.1	12	12
Communication (goods and services)	11			11	10	1	90.9	27	27
Consultants: Business and advisory services	50	(50)		-	-	-	-		
Contractors	68	(68)		-	-	-	-		
Fleet services (including government motor transport)	1			1	1	-	100	2	2
Consumable supplies	2	(1)		1	1	-	100	4	4
Consumables: Stationery, printing and office supplies	1	(1)		-	-	-	-	23	23
Operating leases	40	41		81	69	12	85.2	72	72
Travel and subsistence	604	(38)		566	566	-	100	682	682
Training and development	750	(65)		685	685	-	100	1 114	1 114
Operating payments	2 706	932		3 638	3 637	1	100	2 961	2 961
Venues and facilities	5	(5)		-	-	-	-	186	186

Subprogramme: Export Development and Support	2016/17							2015/16	
	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	1
Households	-	-	-	-	-	-	-	1	1
Social benefits				-		-	-	1	1
Payments for capital assets	176	(92)	-	84	84	-	100	-	-
Machinery and equipment	176	(92)	-	84	84	-	100	-	-
Other machinery and equipment	176	(92)		84	84	-	100		
Total	17 140	(1 142)	-	15 998	15 982	16	99,9	16 955	16 955

Programme 8: Investment South Africa*	2016/17							2015/16	
	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	39 801	4 564	891	45 256	45 244	12	100	-	-
8.2 Investment and Interdepartmental Clearing House	4 011	(553)	20 542	24 000	24 000	-	100	-	-
8.3 Investment Support and After Care	4 011	(4 011)	-	-	-	-	-	-	-
	47 823	-	21 433	69 256	69 244	12	100	-	-
Economic classification									
Current payments	47 445	(143)	(2 481)	44 821	44 811	10	100	-	-
Compensation of employees	31 020	-	(3 547)	27 473	27 472	1	100	-	-
Salaries and wages	20 300	6 475	(2 557)	24 218	24 218	-	100	-	-
Social contributions	10 720	(6 475)	(990)	3 255	3 254	1	100	-	-
Goods and services	16 425	(143)	1 066	17 348	17 339	9	99.9	-	-
Administrative fees	77	138	-	215	214	1	99.5	-	-
Advertising	2	322	-	324	323	1	99.7	-	-
Catering: Departmental activities	94	(68)	-	26	25	1	96.2	-	-
Communication (goods and services)	175	(96)	2	81	80	1	98.8	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	353	853	-	1 206	1 206	-	100	-	-
Contractors	6 275	(6 275)	-	-	-	-	-	-	-
Entertainment	101	(100)	-	1	1	-	100	-	-
Fleet services (including government motor transport)	16	(11)	-	5	5	-	100	-	-
Consumable supplies	15	2	-	17	17	-	100	-	-

* Investment South Africa is a new programme that came into effect on 1 April 2016. As such, no comparative information is available.

Programme 8: Investment South Africa	2016/17							2015/16	
	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	38	(35)	-	3	-	3	-	-	-
Operating leases	29	131	14	174	173	1	99.4	-	-
Property payments	-	5 172	-	5 172	5 172	-	100	-	-
Transport provided: Departmental activity	16	(16)	-	-	-	-	-	-	-
Travel and subsistence	6 578	1 123	810	8 511	8 511	-	100	-	-
Operating payments	656	(531)	-	125	125	-	100	-	-
Venues and facilities	2 000	(752)	240	1 488	1 487	1	99.9	-	-
Transfers and subsidies	-	143	24 000	24 143	24 142	1	100	-	-
Public corporations and private enterprises	-	-	24 000	24 000	24 000	-	100	-	-
Public corporations	-	-	24 000	24 000	24 000	-	100	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	24 000	24 000	24 000	-	100	-	-
Households	-	143	-	143	142	1	99.3	-	-
Social benefits	-	43	-	43	42	1	97.7	-	-
Other transfers to households	-	100	-	100	100	-	100	-	-
Payments for capital assets	378	-	(86)	292	291	1	99.7	-	-
Machinery and equipment	378	-	(86)	292	291	1	99.7	-	-
Other machinery and equipment	378	-	(86)	292	291	1	99.7	-	-
	47 823	-	21 433	69 256	69 244	12	100	-	-

Subprogramme: Investment Promotion	2016/17							2015/16	
	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	39 423	4 421	977	44 821	44 811	10	100	-	-
Compensation of employees	24 102	3 460	(89)	27 473	27 472	1	100	-	-
Salaries and wages	15 184	9 034		24 218	24 218	-	100		
Social contributions	8 918	(5 574)	(89)	3 255	3 254	1	100		
Goods and services	15 321	961	1 066	17 348	17 339	9	99.9	-	-
Administrative fees	77	138		215	214	1	99.5		
Advertising	2	322		324	323	1	99.7		
Catering: Departmental activities	54	(28)		26	25	1	96.2		
Communication (goods and services)	125	(46)	2	81	80	1	98.8		
Consultants: Business and advisory services	353	853		1 206	1 206	-	100		
Contractors	6 275	(6 275)		-	-	-	-		
Entertainment	51	(50)		1	1	-	100		
Fleet services (including government motor transport)	10	(5)		5	5	-	100		
Consumable supplies	15	2		17	17	-	100		
Consumables: Stationery, printing and office supplies	38	(35)		3	-	3	-		
Operating leases	19	141	14	174	173	1	99.4		
Property payments		5 172		5 172	5 172	-	100		

Subprogramme: Investment Promotion	2016/17							2015/16	
	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	16	(16)		-		-	-		
Travel and subsistence	5 630	2 071	810	8 511	8 511	-	100		
Operating payments	656	(531)		125	125	-	100		
Venues and facilities	2 000	(752)	240	1 488	1 487	1	99.9		
Transfers and subsidies	-	143	-	143	142	1	99.3	-	-
Households	-	143	-	143	142	1	99.3	-	-
Social benefits		43		43	42	1	97.7		
Other transfers to households		100		100	100	-	100		
Payments for capital assets	378	-	(86)	292	291	1	99.7	-	-
Machinery and equipment	378	-	(86)	292	291	1	99.7	-	-
Other machinery and equipment	378		(86)	292	291	1	99.7		
Total	39 801	4 564	891	45 256	45 244	12	100	-	-

Subprogramme: Investment and Interdepartmental Clearing House Economic classification	2016/17							2015/16	
	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	4 011	(553)	(3 458)	-	-	-	-	-	-
Compensation of employees	3 459	(1)	(3 458)	-	-	-	-	-	-
Salaries and wages	2 558	(1)	(2 557)	-	-	-	-	-	-
Social contributions	901		(901)	-	-	-	-	-	-
Goods and services	552	(552)	-	-	-	-	-	-	-
Catering: Departmental activities	20	(20)		-	-	-	-	-	-
Communication (goods and services)	25	(25)		-	-	-	-	-	-
Entertainment	25	(25)		-	-	-	-	-	-
Fleet services (including government motor transport)	3	(3)		-	-	-	-	-	-
Operating leases	5	(5)		-	-	-	-	-	-
Travel and subsistence	474	(474)		-	-	-	-	-	-
Transfers and subsidies	-	-	24 000	24 000	24 000	-	100	-	-
Public corporations and private enterprises	-	-	24 000	24 000	24 000	-	100	-	-
Public corporations	-	-	24 000	24 000	24 000	-	100	-	-
Other transfers to public corporations			24 000	24 000	24 000	-	100		
Total	4 011	(553)	20 542	24 000	24 000	-	100	-	-

Subprogramme: Investment Support and After Care	2016/17							2015/16	
	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									
Current payments	4 011	(4 011)	-	-	-	-	-	-	-
Compensation of employees	3 459	(3 459)	-	-	-	-	-	-	-
Salaries and wages	2 558	(2 558)		-		-	-		
Social contributions	901	(901)		-		-	-		
Goods and services	552	(552)	-	-	-	-	-	-	-
Catering: Departmental activities	20	(20)		-		-	-		
Communication (goods and services)	25	(25)		-		-	-		
Entertainment	25	(25)		-		-	-		
Fleet services (including government motor transport)	3	(3)		-		-	-		
Operating leases	5	(5)		-		-	-		
Travel and subsistence	474	(474)		-		-	-		
Total	4 011	(4 011)	-	-	-	-	-	-	-

Notes to the Appropriation Statement for the year ended 31 March 2017

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 ²	721 505	699 139	22 366	3.1
International Trade and Economic Development	116 070	116 024	46	0.04
Special Economic Zones and Economic Transformation ³	112 492	97 588	14 904	13.25
Industrial Development	1 722 289	1 722 245	44	0
Consumer and Corporate Regulation	295 763	295 381	382	0.13
Incentive Development and Administration	6 896 306	6 895 186	1 120	0.02
Trade Export South Africa	455 836	454 588	1 248	0.27
Investment South Africa	69 256	69 244	12	0.02

2 The programme achieved a 97% level of financial performance, which is mainly attributable to cost-containment measures implemented in line with NT Instruction No. 2 of 2016/17.

3 The programme recorded an 87% level of financial performance. The variance is mainly due to the BEE Commission setup-related processes 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	930 311	915 498	14 813	1.59
Goods and services	614 543	589 987	24 556	4
Transfers and subsidies				
Provinces and municipalities				
Departmental agencies and accounts	856 034	856 034	0	0
Higher education institutions	3	0	3	100
Public corporations and private enterprises	7 765 425	7 765 239	186	0
Foreign governments and international organisations	30 203	29 843	360	1.19
Non-profit institutions	163 107	163 107	0	0
Households	3 911	3 885	26	0.66
Payment for capital assets				
Machinery and equipment	11 246	11 071	175	1.56
Software and other intangible assets	5 033	5 032	1	0.02
Payment for financial assets				
	9 701	9 700	1	0.01

Explanation of variance: Goods and services

As at 31 March 2017, the department recorded a 3.9% saving under goods and services. This is mainly attributable to cost containment measures implemented in line with NT Instruction No. 2 of 2016/17, as well as the BEE Commission setup-related processes that are yet to be finalised.

Statement of Financial Performance for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	10 389 517	9 497 844
Departmental revenue	2	98 092	61 979
Aid assistance	3/Annex 1 H	331 294	178 574
TOTAL REVENUE		10 818 903	9 738 397
EXPENDITURE			
Current expenditure			
Compensation of employees	4	915 498	874 175
Goods and services	5	589 987	611 477
Aid assistance	3/Annex 1 H	1 155	107
Total current expenditure		1 506 640	1 485 759
Transfers and subsidies			
Transfers and subsidies	7	8 818 108	7 936 488
Aid assistance	3/Annex 1 H	294 492	145 512
Total transfers and subsidies		9 112 600	8 082 000
Expenditure for capital assets			
Tangible assets	8	11 071	33 017
Intangible assets		5 032	4 416
Total expenditure for capital assets		16 103	37 433
Payments for financial assets	6	9 700	12 086
TOTAL EXPENDITURE		10 645 042	9 617 278
SURPLUS / (DEFICIT) FOR THE YEAR			
Reconciliation of net surplus / (deficit) for the year		173 861	121 119
Voted funds	14	40 121	26 185
Annual appropriation		40 121	26 185
Departmental revenue and NRF receipts	15	98 092	61 979
Aid assistance	3/Annex 1 H	35 647	32 955
SURPLUS FOR THE YEAR		173 860	121 119

Statement of Financial Position as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		137 771	137 199
Cash and cash equivalents	10	59 883	39 467
Other financial assets	11	1 564	774
Prepayments and advances	12	69 200	78 996
Receivables	13	7 124	17 962
Non-current assets		35 137	38 213
Receivables	13	34 985	37 828
Other financial assets	11	152	385
TOTAL ASSETS		172 908	175 412
LIABILITIES			
Current liabilities		145 429	129 372
Voted funds to be surrendered to the Revenue Fund	14	40 119	26 185
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	15	11 142	12 741
Payables	16	58 521	57 491
Aid assistance repayable	3/Annex 1 H	35 647	32 955
TOTAL LIABILITIES		145 429	129 372
NET ASSETS		27 479	46 040
Represented by:			
Recoverable revenue		27 479	46 040
TOTAL		27 479	46 040

Statement of Changes in Net Assets for the year ended 31 March 2017

NET ASSETS	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		46 040	49 071
Transfers		(18 561)	(3 031)
Irrecoverable amounts written off	6.2	(9 644)	(11 367)
Debts revised		(482)	(25 455)
Debts recovered (included in departmental receipts)		(75 296)	(43 226)
Debts raised		66 861	77 017
Closing balance		27 479	46 040
TOTAL		27 479	46 040

Cash Flow Statement for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		10 818 903	9 738 037
Annual appropriated funds received	1	10 389 517	9 497 844
Departmental revenue received	2	95 384	58 058
Interest received	2.3	2 708	3 561
Aid assistance received	3/Annex 1 H	331 294	178 574
Net decrease in working capital		24 507	12 815
Surrendered to Revenue Fund		(125 878)	(157 325)
Surrendered to RDP Fund / Donor		(32 955)	(33 128)
Current payments		(1 506 640)	(1 485 759)
Payments for financial assets		(9 700)	(12 086)
Transfers and subsidies paid		(9 112 600)	(8 082 000)
Net cash flow available from operating activities	17	55 637	(19 446)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(16 103)	(37 433)
Proceeds from sale of capital assets	2.4	-	360
(Increase) / decrease in other financial assets		(557)	2 096
Net cash flows from investing activities		(16 660)	(34 977)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) in net assets		(18 561)	(3 031)
Net cash flows from financing activities		(18 561)	(3 031)
Net increase / (decrease) in cash and cash equivalents		20 416	(57 454)
Cash and cash equivalents at beginning of period		39 467	96 921
Cash and cash equivalents at end of period	18	59 883	39 467

Accounting policies for the year ended 31 March 2017

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

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the PFMA and the NT regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Presentation of the Annual Financial Statements

1.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with the Modified Cash Standard.

1.2 Going concern

The Annual 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, 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 Annual Financial Statements. Where necessary, figures included in the prior period's 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 Annual Financial Statements.

1.6.2 Current year comparison with budget

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

2 Revenue

2.1 Appropriated funds

Appropriated funds comprise departmental allocations.

Appropriated funds are recognised in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the 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 is approved to be written off. Foreign exchange gains 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 South African rand.

2.2.7 Transfers received (including gifts, donations and sponsorships)

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

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 underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is indicated as a disclosure note to the Annual 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 South African 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 notes 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 Office of the Auditor-General) 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 Office of the Auditor-General) 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 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 or provincial revenue funds 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

PPPs 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, along 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 Modified Cash Standard 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 Modified Cash Standard requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with Modified Cash Standard 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 2017

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	2016/17			2015/16	
	Final appropriation	Actual funds received	Funds requested/ not received	Final appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	721 505	721 505	-	727 578	727 578
International Trade and Economic Development	116 070	116 070	-	113 560	113 560
Special Economic Zones and Economic Transformation	112 492	112 492	-	92 609	92 609
Industrial Development	1 722 289	1 722 289	-	1 953 622	1 953 622
Consumer and Corporate Regulation	295 763	295 763	-	287 625	287 625
Incentive Development and Administration	6 896 306	6 896 306	-	5 821 653	5 821 653
Trade Export South Africa	455 836	455 836	-	501 197	501 197
Investment South Africa ⁴	69 256	69 256	-	-	-
Total	10 389 517	10 389 517	-	9 497 844	9 497 844

4. Investment South Africa is a new programme that came into effect on 1 April 2016. As such, no comparative information is available.

2 Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue*		4 862	2 985
Sales of goods and services other than capital assets	2.1	624	538
Fines, penalties and forfeits	2.2	365	28
Transactions in financial assets and liabilities	2.5	89 533	54 507
Departmental revenue received		95 384	58 058
Interest, dividends and rent on land	2.3	2 708	3 561
Sales of capital assets	2.4	-	360
Departmental revenue collected		98 092	61 979

*Tax revenue relates to liquor licence fees received

	2016/17 R'000	2015/16 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

Sales by market establishment*

Other sales**

Sales of scrap, waste and other used current goods

Total

	610	535
	262	259
	348	276
	14	3
	624	538

* 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

Penalties

Forfeits

Total

	365	9
	-	19
	365	28

2.3 Interest, dividends and rent on land

Interest

Total

	2 708	3 561
	2 708	3 561

2.4 Sales of capital assets

Tangible capital assets

Machinery and equipment

Total

	-	360
	-	360

2.5 Transactions in financial assets and liabilities

Receivables

Forex gain

Other receipts including recoverable revenue

Total

	82 523	51 233
	17	715
	6 993	2 559
	89 533	54 507

2.6 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

Cash received not recognised (not included in the main note) – 2015/16

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
NCR fines	1 553	(1 643)	(90)
National Research Foundation	532	(532)	-
CIPC	190 752	(190 752)	-
Total	192 837	(192 927)	(90)

3 Aid assistance

	2016/17 R'000	2015/16 R'000
3.1		
Opening balance	32 955	33 128
As restated	32 955	33 128
Transferred from Statement of Financial Performance	35 647	32 955
Paid during the year	(32 955)	(33 128)
Closing balance	35 647	32 955

3.2 Analysis of balance by source

Aid assistance from RDP	35 647	32 955
Closing balance	35 647	32 955

3.3 Analysis of balance

Aid assistance repayable	35 647	32 955
Closing balance	35 647	32 955

the dti is the spending agency of the Reconstruction and Development Fund as defined in the Reconstruction and Development Fund Act, 1994 (Act No. 07 of 1994) (RDP Act). There are ongoing projects to the value of R193 million, (R540 million for 2015/16), 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

	2016/17 R'000	2015/16 R'000
4.1 Salaries and wages		
Basic salary	565 327	542 310
Performance award	14 934	14 363
Service-based	1 060	1 041
Compensative / Circumstantial	5 946	4 923
Service bonus	37 725	35 370
Homeowners allowance	9 306	8 595
Other non-pensionable allowances*	132 762	127 178
Foreign allowances**	48 764	43 837
Total	815 824	777 617
<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	75 527	73 297
Medical	24 050	23 167
Bargaining council	97	94
Total	99 674	96 558
Total compensation of employees	915 498	874 175
Average number of employees	1 344	1 483

5 Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		1 989	3 319
Advertising		15 993	23 739
Minor assets	5.1	801	1 106
Bursaries (employees)		2 980	1 592
Catering		2 085	1 884
Communication		10 660	12 799
Computer services	5.2	16 406	25 802
Consultants: Business and advisory services		21 167	28 352
Legal services		20 124	21 071
Contractors		8 912	16 914
Agency and support / outsourced services		1 830	1 578
Entertainment		1 086	1 323
Audit cost – external	5.3	9 105	8 778
Fleet services		766	872
Consumables	5.4	11 985	17 740
Operating leases		305 848	281 189
Property payments	5.5	14 737	12 283
Travel and subsistence	5.6	88 828	95 984
Rental and hiring		2 048	200
Transport provided as part of departmental activities		1	-
Venues and facilities		23 013	18 573
Training and staff development		3 921	8 156
Other operating expenditure	5.7	25 702	28 223
Total		589 987	611 477

5.1 Minor assets

Tangible assets

Machinery and equipment

Intangible assets

Software

Total

	540	1 086
	540	1 086
	261	20
	261	20
Total	801	1 106

5.2 Computer services

SITA computer services

External computer service providers

Total

	9 004	4 692
	7 402	21 110
Total	16 406	25 802

5.3 Audit costs – external

Regularity audits

Computer audits

Total

	8 756	8 448
	349	330
Total	9 105	8 778

2016/17 R'000	2015/16 R'000
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5.4 Consumables

Consumable supplies	880	1 461
Uniforms and clothing	204	297
Household supplies	133	173
Building material and supplies	43	42
Communication accessories	5	2
IT consumables	438	867
Other consumables*	57	80
Stationery, printing and office supplies	11 105	16 279
Total	11 985	17 740

* Mainly include security, photographic consumables and fuel supplies.

5.5 Property payments

Municipal services	1 071	1 029
Property management fees	2 589	2 433
Property maintenance and repairs	9 624	7 284
Other*	1 453	1 537
Total	14 737	12 283

*Mainly includes property cleaning services and pest control.

5.6 Travel and subsistence

Local	40 000	40 547
Foreign	48 828	55 437
Total	88 828	95 984

5.7 Other operating expenditure

Courier, delivery and freight services	1 359	2 219
Professional bodies, membership and subscription fees	7 370	7 774
Printing and publication services	5 980	6 397
Resettlement costs	3 808	5 205
School boarding / tuition cost	6 228	6 034
Storage of files / assets	937	467
Other*	20	127
Total	25 702	28 223

* 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	2016/17 R'000	2015/16 R'000
Material losses through criminal conduct			
Other material losses written off	6.1	-	1
Debts written off	6.2	9 685	11 937
Forex losses	6.3	15	148
Total		9 700	12 086
6.1 Other material losses written off			
Nature of losses			
Claims for losses by staff		-	1
Total		-	1
6.2 Debts written off			
Recoverable revenue written off			
Salary overpayment out of service		-	127
Export Market and Investment Assistance		-	10
Small and Medium Enterprise Development Programme		-	157
Enterprise Investment Programme		9 528	10 822
Leave without payment		8	8
Other (tax, cell / telephone, breach of contract, travel and subsistence)		108	243
Subtotal		9 644	11 367
Other debt written off			
Salary overpayment out of service		3	222
PPP		-	14
Leave without payment		23	28
Other (tax, cell / telephone, breach of contract, travel and subsistence)		15	306
Subtotal		41	570
Total debt written off		9 685	11 937
6.3 Forex losses			
Nature of losses			
Forex losses		15	148
Total		15	148

7 Transfers and subsidies

	Note	2016/17 R'000	2015/16 R'000
Departmental agencies and accounts	<i>Annex 1A</i>	856 034	591 879
Higher education institutions	<i>Annex 1B</i>	-	-
Public corporations and private enterprises	<i>Annex 1C</i>	7 765 239	7 157 693
Foreign governments and international organisations	<i>Annex 1D</i>	29 843	33 237
Non-profit institutions	<i>Annex 1E</i>	163 107	148 850
Households	<i>Annex 1F</i>	3 885	4 829
Total		8 818 108	7 936 488
Unspent funds transferred to the above beneficiaries		-	
Departmental agencies and accounts		-	
Total		-	

8 Expenditure for capital assets

Tangible assets		11 071	33 017
Machinery and equipment	30.1	11 071	32 978
Finance lease expenditure	8.3	-	39
Intangible assets		5 032	4 416
Software	31.1	5 032	4 416
Total		16 103	37 433
	Voted funds	Aid assistance R'000	Total R'000

8.1 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
Software	5 032	-	5 032
Total	16 103	-	16 103

Voted funds	Aid assistance R'000	Total R'000
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8.2 Analysis of funds utilised to acquire capital assets – 2015/16

Tangible assets	33 017	–	33 017
Machinery and equipment	33 017	–	33 017
Intangible assets	4 416	–	4 416
Software	4 416	–	4 416
Total	37 433	–	37 433

8.3 Finance lease expenditure included in expenditure for capital assets

	2016/17 R'000	2015/16 R'000
Tangible assets		
Finance lease expenditure	–	39
Total	–	39

9 Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

Opening balance	–	37 380
Less: Amounts approved by Parliament / legislature (with funding)	–	(37 380)
Closing balance	–	–

10 Cash and cash equivalents

Consolidated Paymaster-General account	54 768	38 089
Cash on hand	–	80
Cash with commercial banks (local)	5 115	1 298
Total	59 883	39 467

11 Other financial assets

	Note	2016/17 R'000	2015/16 R'000
Current			
Foreign			
Rental deposits for employees based abroad		1 564	774
Total current other financial assets		1 564	774
Non-current			
Local			
Staff debts		-	91
Subtotal		-	91
Foreign			
Rental deposits for employees based abroad		152	294
Subtotal		152	294
Total non-current other financial assets		152	385

12 Prepayments and advances

Staff advances		37	7
Travel and subsistence		377	567
Advances paid (not expensed)	12.1	68 786	78 422
Total		69 200	78 996

12.1 Advances paid*

National departments	Annex 5	68 786	52 625
Public entities	Annex 5	-	25 797
Total		68 786	78 422

*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**.

13 Receivables

Receivables	Note	2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	13.1	5 974	33 864	39 838	17 621	36 831	54 452
Staff debt	13.2	936	641	1 577	132	574	706
Other debtors	13.3	214	480	694	209	423	632
Total		7 124	34 985	42 109	17 962	37 828	55 790

2016/17
R'000

2015/16
R'000

13.1 Claims recoverable*

National departments	2 069	191
Provincial departments	63	47
Public entities	3 088	16 944
Private enterprises	34 618	37 270
Total	39 838	54 452

* Included in claims recoverable is an amount of R5 million relating to accrued departmental revenue (Note 24).

13.2 Staff debt

Bursary	441	12
Leave without pay	85	12
Official debt (in service)	578	576
Travel and subsistence	119	6
Cellular phone / telephone	-	3
Tax debt	1	-
School fees	24	-
Child allowances	329	97
Total	1 577	706

13.3 Other debtors

Bursary	189	261
Official debt (out of service)	402	195
Tax	23	25
Travel and subsistence	7	21
Cellular phone / telephone	-	1
Leave without pay	46	83
Petty cash, travel and subsistence (non-employees)	27	46
Total	694	632

	Note	2016/17 R'000	2015/16 R'000
13.4 Fruitless and wasteful expenditure			
Opening balance		-	37
Less amounts recovered		-	(37)
Transfers from note on fruitless and wasteful expenditure		-	-
Total		<u>-</u>	<u>-</u>

13.5 Impairment of receivables

Estimate of impairment of receivables		34 871	37 828
Total		<u>34 871</u>	<u>37 828</u>

14 Voted funds to be surrendered to the National Revenue Fund

Opening balance		26 185	100 592
Transfer from Statement of Financial Performance		40 121	26 185
Paid during the year		(26 187)	(100 592)
Closing balance		<u>40 119</u>	<u>26 185</u>

15 Departmental revenue to be surrendered to the National Revenue Fund

Opening balance		12 741	7 495
Transfer from Statement of Financial Performance		98 092	61 979
Paid during the year		(99 691)	(56 733)
Closing balance		<u>11 142</u>	<u>12 741</u>

16 Payables – current

Amounts owing to other entities	<i>Annex 4</i>	-	5
Clearing accounts	<i>16.1</i>	135	415
Other payables	<i>16.2</i>	58 386	57 071
Total		<u>58 521</u>	<u>57 491</u>

	2016/17 R'000	2015/16 R'000
16.1 Clearing accounts		
PAYE	84	293
Pension fund	-	99
Government Employee Housing Scheme	51	-
Medical aid	-	23
Total	135	415

16.2 Other payables

Employees (pension and leave payouts)	42	220
Liquor licence deposits	1 388	2 457
National Skills Fund	3 732	5 116
Jobs Fund (Government Technical Advisory Centre)	37 716	49 278
Rejected payments	405	-
Monies collected from other entities / departments	5 102	-
SARS*	10 000	-
Other	1	-
Total	58 386	57 071

* An amount of R10 million was erroneously paid to the department by SARS.

17 Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	173 860	121 119
Add back non-cash / cash movements not deemed operating activities	(118 223)	(140 565)
Decrease in receivables – current	13 681	7 193
Decrease / (Increase) in prepayments and advances	9 796	(51 688)
(Increase) / Decrease in other current assets	-	37 380
Increase in payables – current	1 030	19 930
Proceeds from sale of capital assets	-	(360)
Decrease / (Increase) in other financial assets	790	(1 333)
Expenditure on capital assets	16 103	37 433
Surrenders to National Revenue Fund	(125 878)	(157 325)
Surrenders to RDP Fund / donor	(32 955)	(33 128)
Other non-cash items	(790)	1 333
Net cash flow generated by operating activities	55 637	(19 446)

18 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster-General account	54 768	38 089
Cash on hand	-	80
Cash with commercial banks (local)	5 115	1 298
Total	59 883	39 467

19 Contingent liabilities and contingent assets

	Note	2016/17 R'000	2015/16 R'000
19.1 Contingent liabilities			
Liable to			
Housing loan guarantees	Annex 2A	265	265
Claims against the department*	Annex 2B	2 628	15 279
Incentive grants**	Annex 2B	6 539 513	6 826 621
Other departments (interdepartmental unconfirmed balances)	Annex 4	-	5
Total		6 542 406	6 842 170

* 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.

** 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*	17 171	30 405
Total	17 171	30 405

* 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	92 318	57 100
Approved and contracted	92 318	57 100
Capital expenditure	17 502	11 661
Approved and contracted	17 502	11 661
Total commitments	109 820	68 761

21 Accruals and payables not recognised

Accruals: Listed by economic classification	30 days	30+ days	2016/17 total (R'000)	2015/16 total (R'000)
Goods and services	37 109	1 631	38 740	39 958
Transfers and subsidies	-	-	-	8 631
Other* (DIRCO)	16 247	22 100	38 346	22 466
Total	53 355	23 731	77 086	71 055

Accruals: Listed by programme level	2016/17 R'000	2015/16 R'000
Administration	34 427	32 345
International Trade and Economic Development	786	552
Broadening Participation	660	1 386
Industrial Development	459	490
Consumer and Corporate Regulation	413	784
Industrial Development: Incentive Administration	732	10 160
Trade Export South Africa	39 199	25 338
Investment South Africa	411	-
Total	77 086	71 055

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

Payables not recognised: Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	37	-	37	14
Other	12 614	663	13 277	29 677
Total	12 651	663	13 314	29 691

Payables not recognised: Listed by programme level

Administration	2	-
International Trade and Economic Development	-	14
Broadening Participation	20	-
Industrial Development Incentive Administration	1	-
Trade Export South Africa	13 291	29 677
Total	13 314	29 691

22 Employee benefits

	2016/17 R'000	2015/16 R'000
Leave entitlement	33 483	27 363
Service bonus (13th cheque)	19 506	19 006
Performance awards	13 955	13 466
Capped leave commitments	11 112	11 580
Long service awards*	251	279
Total	78 307	71 694

* 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

NT consented that **the dti** could enter into sub-lease contracts with public entities for the space in Block G until **the dti** completes the process of acquiring Block G and including it into the PPP contract. This is anticipated to be finalised within the next financial year.

Lease agreements have been entered into by DIRCO as the South African government for all partner departments for residential accommodation for the new foreign economic representatives at respective mission offices. The full lease commitment over the five-year period has been disclosed, although it should be noted that the administrative budget will be transferred to DIRCO once the Foreign Services Bill has been approved.

Receivables	2016/17			Receivables	2015/16		
	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	17 682	3 170	20 852	Not later than 1 year	20 292	324	20 616
Later than 1 year and not later than 5 years	17 685	7 530	25 215	Later than 1 year and not later than 5 years	29 985	576	30 561
Later than 5 years	1 078	-	1 078	Later than 5 years	-	-	-
Total lease commitments	36 445	10 700	47 145	Total lease commitments	50 277	900	51 177

23.2 Finance lease expenditure

2016/17

	Machinery and equipment R'000	Total R'000
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

	Machinery and equipment R'000	Total R'000
2015/16		
Not later than 1 year	741	741
Later than 1 year and not later than 5 years	163	163
Total lease commitments	904	904

This note excludes leases relating to PPPs as they are separately disclosed in Note 28.

the dti is a participant on the transversal contract facilitated by NT for the supply and delivery of mobile communication services and handsets to the state. The lease is for an initial period of two years, thereafter renewable annually for another two years based on the suppliers performance.

The contract utilises an enterprise bundle which is a shared pool of minutes / SMS / data, which all users can consume. To derive the optimum usage of each user, spending patterns will be analysed and reviewed every three months, and, if necessary, billing will be adjusted accordingly. Within the three-month period, billing is allowed to fluctuate within a 10% tolerance level with no increase or decrease on the amount billed. Billing would, therefore, be static for three months if the department is within the 10% threshold. The billing for March has been used to project the commitment over the lease period.

24 Accrued departmental revenue

	2016/17 R'000	2015/16 R'000
Transaction in financial assets and liabilities	5 020	16 801
Total	5 020	16 801

24.1 Analysis of accrued departmental revenue

Opening balance	16 801	2 841
Less: Amounts received	(13 801)	(2 841)
Add: Amounts recognised	2 020	16 801
Less: Amounts written off / reversed as irrecoverable	-	-
Total	5 020	16 801

Included in claims recoverable is an amount of R5 million relating to accrued departmental revenue (Note 13.1).

25 Irregular expenditure

25.1 Reconciliation of irregular expenditure

Opening balance	1 258	6 585
Add: Irregular expenditure relating to current year	-	59
Less: Prior year amounts condoned	-	(604)
Less: Amounts not condoned and not recoverable	-	(4 782)
Irregular expenditure awaiting condonation	1 258	1 258

	2016/17 R'000	2015/16 R'000
Analysis of awaiting condonation per age classification		
Current year	-	59
Prior years	1 258	1 199
Total	1 258	1 258

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken / criminal proceedings	2016/17 R'000
Procurement deviation	Under investigation	-
Total		-

25.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	
Performance bonus	Accounting Officer	-
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	2016/17 R'000	2015/16 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	13.4	-	-
Closing balance		-	-

	Note	2016/17 R'000	2015/16 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>	<u>-</u>

27 Related-party transactions

Revenue received

Rent on land	27.1	14 248	12 953
Total		<u>14 248</u>	<u>12 953</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*		14 248	12 953
Total		<u>14 248</u>	<u>12 953</u>

* *the dti* is providing accommodation on its campus to the CIPC 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	2016/17 R’000	2015/16 R’000
Political office bearers	2	3 101	4 212
Officials:			
Level 15 to 16	17	24 038	23 539
Level 14	72	80 823	71 660
Family members of key management personnel		-	270
Total		<u><u>107 962</u></u>	<u><u>99 681</u></u>

Political office bearers consist of:

Trade and Industry:

- Minister RH Davies, from 11 May 2009 to date
- Deputy Minister MC Masina, from 26 May 2014 to 22 August 2016

29 Public-private partnership

29.1 Buildings and other fixed structures

the dti campus 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, after which the move and decant took place between May and November 2004.

	2016/17 R'000	2015/16 R'000
Contract fee paid		
Fixed component	215 134	205 387
Indexed component	29 390	23 422
Total	244 524	228 809

29.2 Motor vehicles

Contract fee paid		
Fixed component	3 736	3 347
Indexed component	1 497	2 065
Total	5 234	5 412

the dti participates in the Department of Transport's fleet management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the NT's PPP unit and supply chain management regulations. *the dti* leases short-term, long-term, chauffeur and point-to-point driven services. The contract term was for an initial period of five years, which has since lapsed. The contract now operates on a month-to-month basis.

29.3 Analysis of indexed component

Building and other fixed structures	29 390	23 422
Motor vehicles	1 497	2 065
Total	30 887	25 487

29.4 PPP commitments

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
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
2015/16			
Not later than 1 year	216 377	3 255	219 632
Later than 1 year and not later than 5 years	1 003 359	-	1 003 359
Later than 5 years	2 865 919	-	2 865 919
Total lease commitments	4 085 655	3 255	4 088 910

30 Provisions

	2016/17 R'000	2015/16 R'000
Export Marketing and Investment Assistance*	32 115	89 743
Total	32 115	89 743

* As from the date funding is approved, **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 – 2016/17

	EMIA R'000	Total provisions R'000
Opening balance	89 743	89 743
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	32 115	32 115

30.2 Reconciliation of movement in provisions – 2015/16

	EMIA R'000	Total provisions R'000
Opening balance	143 947	143 947
Increase in provision	324 765	324 765
Settlement of provision	(282 252)	(282 252)
Unused amount reversed	(54 640)	(54 640)
Change in provision due to change in estimation inputs	(42 077)	(42 077)
Closing balance	89 743	89 743

31 Movable tangible capital assets

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

	Opening balance R'000	Value adjustments 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

31.1 Additions

	Cash R'000	Non-cash R'000	Finance lease payments R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Machinery and equipment	11 071	-	-	62	11 133
Transport assets	2 253	-	-	-	2 253
Computer equipment	7 094	-	-	-	7 094
Furniture and office equipment	1 162	-	-	51	1 213
Other machinery and equipment	562	-	-	11	573
Total additions to movable tangible capital assets	11 071	-	-	62	11 133

31.2 Disposals

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received actual R'000
Machinery and equipment*	11 634	6 297	17 931	-
Transport assets*	1 296	1 109	2 405	-
Computer equipment**	5 566	4 183	9 749	-
Furniture and office equipment**	3 827	626	4 453	-
Other machinery and equipment**	945	379	1 324	-
Total disposal of movable tangible capital assets	11 634	6 297	17 931	-

* Although transport assets were auctioned during 2016/17, cash was received in 2017/18.

** Although computer equipment, furniture / office equipment and other machinery and equipment was disposed of during 2016/17, cash was received in 2017/18.

31.3 Movement for 2015/16

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	139 582	-	33 012	(22 783)	149 811
Transport assets	8 036	-	2 254	(5 054)	5 236
Computer equipment	95 358	-	28 044	(6 228)	117 174
Furniture and office equipment	26 544	-	1 282	(10 693)	17 133
Other machinery and equipment	9 644	-	1 432	(808)	10 268
Total movable tangible capital assets	139 582	-	33 012	(22 783)	149 811

31.4 Minor assets

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

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	1 837	4 770	6 607
Additions	261	540	801
Disposals	(381)	(869)	(1 250)
Total	1 717	4 441	6 158

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

Movement in minor assets of the department for the year ended 31 March 2016

Opening balance	1 847	4 589	6 436
Additions	20	1 087	1 107
Disposals	(30)	(906)	(936)
Total	1 837	4 770	6 607

Number of R1 minor assets	-	43	43
Number of minor assets at cost (R'000)	1 969	2 233	4 202
Total	1 969	2 276	4 245

31.5 Moveable assets written off

Moveable assets written off for the year ended 31 March 2017

Assets written off	318	318
Total	318	318

Moveable assets written off for the year ended 31 March 2016

Assets written off	703	703
Total	703	703

31.6 Section 42 movable capital assets

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

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
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Major assets subjected to transfer in terms of Section 42 of the PFMA as at 31 March 2016

Number of assets	1	171	172
Value of assets (R'000)	8 338	3 302	11 640

Minor assets subjected to transfer in terms of Section 42 of the PFMA as at 31 March 2016

Number of assets	1	174	175
Value of assets (R'000)	2	450	452

32 Intangible capital assets

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

	Cash	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	52 836	–	5 032	(4 279)	53 589
Total intangible capital assets	52 836	–	5 032	(4 279)	53 589

32.1 Additions

Additions to intangible capital assets per asset register for the year ended 31 March 2017

	Cash	Non-cash	Development work in progress – current costs	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer software	5 032	-	-	-	5 032
Total additions to intangible capital assets	5 032	-	-	-	5 032

32.2 Disposals

Disposals of intangible capital assets per asset register for the year ended 31 March 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
Computer software	-	4 279	4 279	-
Total disposals of intangible capital assets	-	4 279	4 279	-

32.3 Movement for March 2015/16

Movement in intangible capital assets per asset register for the year ended 31 March 2016

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	50 061	4 416	(1 641)	52 836
Total	50 061	4 416	(1 641)	52 836

33 Prior period errors

Correction of prior period errors

	Note	2015/16 R'000
Operating lease commitment		
Machinery and equipment no later than 1 year	23	324
Machinery and equipment later than 1 year and not later than 5 years		576
Buildings and other fixed structures no later than 1 year		(4 208)
Building and other fixed structures later than 1 year and not later than 5 years		29 985
Net effect		26 677

The full lease disclosure for buildings and other fixed structures disclosed in 2015/16 was R24 million. The correct figure that should have been disclosed is R20 million. The full lease disclosure was not included in the prior year as the department was in the process of transferring the administration budget to DIRCO. Discussions are still ongoing and until this is finalised, the department will disclose the commitment.

Annexures to the Annual Financial Statements for the year ended 31 March 2017

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

Department / Agency / Account	Transfer allocation				Transfer		2015/16
	Adjusted appropriation	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 and Intellectual Property Tribunal	15 069	-	-	15 069	15 069	100	14 221
National Consumer Commission	56 643	-	-	56 643	56 643	100	54 596
National Consumer Tribunal	46 151	-	-	46 151	46 151	100	46 029
National Credit Regulator	69 577	-	-	69 577	69 577	100	66 727
National Gambling Board	30 121	-	-	30 121	30 121	100	31 983
National Metrology Institute of South Africa	101 400	-	-	101 400	101 400	100	96 296
National Metrology Institute of South Africa: Infrastructure	162 793	-	-	162 793	162 793	100	154 599
National Productivity Institute: Workplace Challenge	8 523	-	-	8 523	8 523	100	8 094
National Regulator for Compulsory Specifications	86 418	-	-	86 418	86 418	100	91 732
South African National Accreditation System	22 208	-	-	22 208	22 208	100	26 025
Council for Geoscience	1 131	-	-	1 131	1 131	100	1 077
Independent Regulatory Board of Auditors		-	-				500
National Research Foundation	256 000	-	-	256 000	256 000	100	-
Total	856 034	-	-	856 034	856 034	-	591 879

Annexure 1B: Statement of transfers to higher education institutions

Institution	Transfer allocation				Transfer			2015/16
	Adjusted appropriation	Rollovers	Adjustments	Total available	Actual transfer	Amount not transferred	Percentage of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
North-West University: Advanced Manufacturing Skills Sector Support Programme	1	-	-	1	-	1	-	-
University of the Witwatersrand: National Aerospace Skills Sector Support Centre	1	-	-	1	-	1	-	-
University of Pretoria: Advanced Engineering Centre of Excellence	1	-	-	1	-	1	-	-
University of Johannesburg: CAPA	-	-	-	-	-	-	-	-
Total	3	-	-	3	-	3	-	-

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

Name of public corporation / private enterprise	Transfer allocation				Expenditure				2015/16
	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	2 654 356	-	399 797	1 644 153	3 054 149	185.8	1 554 797	1 499 352	2 326 906
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	1 655	-		1 655	1 655	100		1 655	1 572
Council for Scientific and Industrial Research: Aerospace Industry Support	17 781	-		17 781	17 781	100	17 781		21 534
Council for Scientific and Industrial Research: National Cleaner Production Centre	58 870	-		58 870	58 870	100		58 870	55 000
Export Credit Insurance Corporation	171 566	-		171 566	171 566	100		171 566	199 969
Industrial Development Corporation: Clothing and Textile Production Incentive	600 992	-		600 992	600 992	100		600 992	855 643
Industrial Development Corporation: Customised Sector Programme	157 274	-		157 274	157 274	100		157 274	145 294
CSIR: National Foundry Technology Network: Metals	19 689	-		19 689	19 689	100		19 689	16 384
ProTechnik Laboratories capital	1 219	-		1 219	1 219	100	1 219		1 158
ProTechnik Laboratories current	2 945	-		2 945	2 945	100		2 945	2 797
South African Bureau of Standards: Research contribution	212 365	-		212 365	212 361	100		212 361	216 215
Critical Infrastructure Programme: Industrial parks	100 000		25 797	125 797	125 797		125 797		74 203
South African Bureau of Standards: Small business technical consulting									1 537
IDC: MCEP industrial loan			250 000	250 000	250 000			250 000	
Special Economic Zones: Investment incentives	1 310 000		100 000		1 410 000		1 410 000		735 600
One-Stop Shop			24 000	24 000	24 000	100		24 000	-
Subsidies	-	-	-	-	-	-	-	-	-
Subtotal: Public corporations	2 654 356	-	399 797	1 644 153	3 054 149	185.8	1 554 797	1 499 352	2 326 906

Name of public corporation / private enterprise	Transfer allocation				Expenditure				2015/16
	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	475 314	-	(205 797)	269 517	269 357	99.9	64 187	205 170	304 075
Export Market and Investment Assistance	224 422		(40 000)	184 422	184 410	100	-	184 410	281 248
Support Programme for Industrial Innovation	60 892		(40 000)	20 892	20 760	99.4	-	20 760	22 827
Other critical infrastructure programme project	190 000		(125 797)	64 203	64 187	100	64 187		
Subsidies	4 590 716	-	(148 961)	4 441 755	4 441 733	100	-	4 441 733	4 526 712
Cluster Development Programme	50 000		(40 845)	9 155	9 154			9 154	-
Industrial development zones	50 000		(9 155)	40 845	40 845	100		40 845	130 000
Business Process Service Incentive	300 000		(12 221)	287 779	287 778	100		287 778	321 663
Film and Television Production Incentive	300 000		213 260	513 260	513 260	100		513 260	468 000
Automotive Production and Development Programme: Production Allowance	1 374 000		640 462	2 014 462	2 014 463	100		2 014 463	555 217
Supplier Cluster Development	50 000		(50 000)	-	-				
Technology and Human Resources Industry Programme (THRIP)	127 905		(126 342)	1 563	1 563	100		1 563	-
Enterprise Investment Programme	500 000		(40 000)	460 000	460 000	100		460 000	730 024
Manufacturing Competitiveness Enhancement Programme	1 836 000		(721 320)	1 114 680	1 114 670	100		1 114 670	2 321 808
Regional Spatial Development Initiative	2 811		(2 800)	11	-	-			
Subtotal: Private enterprises	5 066 030	-	(354 758)	4 711 272	4 711 090	100	64 187	4 646 903	4 830 787
Total	7 720 386	-	45 039	6 355 425	7 765 239	122.2	1 618 984	6 146 255	7 157 693

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

Foreign government / international organisation	Transfer allocation				Transfer		2015/16
	Adjusted appropriation	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	14 501		(342)	14 159	14 159	100	17 267
Organisation for the Prohibition of Chemical Weapons	4 626		(1 110)	3 516	3 516	100	4 278
United Nations Industrial Development Organisation	6 459		(490)	5 969	5 969	100	6 405
World Intellectual Property Organisation	4 927			4 927	4 568	93	5 287
Various institutions for Treaty Organisation for Metrology	2 058		(426)	1 632	1 631	100	-
Total	32 571	-	(2 368)	30 203	29 843		33 237

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

Non-profit institution	Transfer allocation				Transfer		2015/16
	Adjusted appropriation	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	31 868	-	-	31 868	31 868	100	25 208
Intsimbi National Tooling Initiative	74 082	-	-	74 082	74 082	100	70 353
Centurion Aerospace Village	18 445	-	-	18 445	18 445	100	17 517
Trade and Industrial Policy Strategies	22 712	-	-	22 712	22 712	100	20 772
Automotive Supply Chain Competitiveness Initiative	15 000	-	-	15 000	15 000	100	14 000
Black Business Council	1 000	-	-	1 000	1 000	100	1 000
Total	163 107	-	-	163 107	163 107		148 850

Annexure 1F: Statement of transfers to households

Households	Transfer allocation				Transfer		2015/16
	Adjusted appropriation	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	950	-	1 725	2 675	2 655	99	2 838
Social assistance	-	-	627	627	626	100	-
Bursaries	1 251	-	(1 046)	205	204	100	1 661
Gift and donations	300	-	100	400	396	99	310
Payments / Refunds and remissions as an act of grace	-	-	4	4	4	100	20
Total	2 501	-	1 410	3 911	3 885		4 829

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

Name of organisation	Nature of gift, donation or sponsorship	2016/17	2015/16
Received in kind		R'000	R'000
Ndalo Media	Sponsored donation for International Men's Day event, Destiny magazines	-	7
United Nations Economic Commission for Africa	Attended the 8th side event on the Continental Free-Trade Area Negotiations – sponsored flight, accommodation	-	35
Trade Law Centre (TRALAC)	Attended the TRALAC annual conference – sponsored flight, accommodation, meals, etc	-	12
United States of America government	Attended the USA-South Africa Technical Exchange Workshop on Licensing for Strategic Trade Control – sponsored flight, accommodation	-	149
Harvard Kennedy School of Government	Attended the Kistefos African Public Service Fellowship on Leaders in Economic Development – sponsored tuition fees, accommodation	-	125
OPCW	Attended the Regional meeting of Chemical Industry Representatives and National Authorities of State Parties to the Chemical Weapons Convention in Africa – sponsored flight, accommodation, subsistence allowance	-	46
Singapore Ministry of Foreign Affairs	Attended sponsored Public Sector Administration and Financial Management Training Course under the Singapore Cooperation Programme Training Award / Small Island Developing States Technical Cooperation Programme	-	28
United Nations Conference on Trade and Development	Attended a Workshop on Trade In Services Negotiations for African Union Continental Free-Trade Area Negotiators in Kenya-Nairobi – sponsored flight, accommodation	-	32
Friedrich Ebert Stiftung Botswana	Attended Policy Advisory Group Seminar in Botswana on region-building and peace building in Southern Africa – sponsored flight, accommodation and daily allowance	-	7
Finnish Institute for Verification of Chemical Weapons	Attended the sponsored 19th training course on National Authority and Chemical Databases that took place in Helsinki, Finland	-	29
United Kingdom Ministry of Defence	Attended the meeting on compliance with the Biological and Toxic Weapons Convention in preparation towards the 8th Review Conference that took place in the UK – sponsored flight, accommodation	-	22
African Union Commission	Attended the 2nd Pan African Investment Code Regional workshop held in Port Louis, Mauritius – sponsored flight, accommodation	-	17
Comprehensive Nuclear-Test-Ban Treaty Organisation	Attended the On-Site Inspection Regional Introductory Course RIC-22 of the Comprehensive Nuclear-Test-Ban Treaty Organisation in Dambula, Sri Lanka – sponsored flight, accommodation	-	24
United Nations and COMESA	Attended COMESA, EAC and SADC Tripartite Non-Tariff Measures online training workshop for national monitoring committee / non-tariff barriers focal points for 12 pilot countries in Nairobi, Kenya – sponsored flight, accommodation	-	36

Name of organisation	Nature of gift, donation or sponsorship	2016/17	2015/16
Received in kind		R'000	R'000
World Health Organisation	Attended a workshop on International Trade and Investment Law in the Implementation of the World Health Organisation Framework Convention on Tobacco Control in Entebbe, Uganda – sponsored flight, accommodation	-	16
African Union	Attended the first meeting of the Continental Free-Trade Area Negotiation Forum in Addis Ababa, Ethiopia – sponsored flight, accommodation	-	29
Government of Australia	Attended sponsored Intensive Legal Training Programme offered by the McCabe Centre for Law and Cancer in Melbourne, Australia	-	70
Government of China	Attended sponsored SEZs Capacity Building training, Masters Degree in Public Policy and seminar in China	-	237
Food and Agricultural Organisation	Attended a global 10-year framework in New York, Food and Agricultural Organisation subregional workshop on trade in country programming frameworks in Harare, Zimbabwe – sponsored flight, accommodation	-	24
University of Cape Town	Attended sponsored access and benefit-sharing course in Zimbabwe	-	24
Netherlands government	Attended the conference No More Food Waste – sponsored flight, accommodation	-	17
SADC	Attended SADC meetings – sponsored accommodation, breakfast, flight, transport	-	61
University of Pretoria	Attended a conference in Cape Town – sponsored flight, accommodation	-	12
Deutsche Gesellschaft	Attended a training on maritime spatial planning in Port Elizabeth – sponsored flight, accommodation	-	7
China South Rail	Factory visit in China – sponsored accommodation, train fare	-	15
Standard Bank	Sponsored tickets to attend Standard Bank Joy of Jazz	-	6
SA Breweries	Sponsored VIP soccer tickets for game between Kaizer Chiefs and Orlando Pirates	-	12
Australian government	Attended Australia Awards in Africa held in Cape Town – short course on trade policy and negotiations – sponsored flight, accommodation, training, local transportation	-	207
World Intellectual Property Organisation	Sponsored trip to attend World Intellectual Property Organisation conference in Geneva	78	-
Commonwealth Secretariat	Sponsored trip to attend Commonwealth African Countries Regional Integration on WTO Post, Nairobi, Kenya, and Continental and Regional Integration Meeting in Lusaka, Zambia	15	-
Saudi government	Sponsored state visit to the Kingdom of Saudi Arabia and United Arab Emirates	23	-

Name of organisation	Nature of gift, donation or sponsorship	2016/17	2015/16
Received in kind		R'000	R'000
Comprehensive Nuclear Test-Ban Treaty Organisation	Sponsored trip to participate in the 21 on-site inspection regional introductory course for CTBTO, held in Arniston, US	50	-
WTO	Sponsored trip to participate in WTO regional workshop and advanced trade negotiations simulation skills course in Namibia, Switzerland and Ghana	121	-
Chilean International Cooperation Agency	Sponsored master's 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 EU 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	Sponsored trip to attend the SACU workshop on trade facilitation agreement implementation in Windhoek, Namibia	66	-
National Nuclear Security Administration	Sponsored trip to participate in the EAC regional weapons of mass destruction commodity identification training demonstration workshop in Naivasha, Kenya	31	-
African Union Commission	Sponsored trip to attend the third Continental Free-Trade Area Negotiations Forum in Addis Ababa, Ethiopia, African Union Commission's consultative meeting, the Continental Consultative meeting on the draft Pan African Investment Code and Geographical Indications Policy Framework in Nairobi, Kenya, and the African Union-the dti consultative meeting on the four-year strategic plan	173	-
United Nations	Sponsored accommodation for the trip to participate in UN Conference on Trade and Development annual workshop in New York, US	24	-
OPCW	Sponsored trip to attend the Stakeholders Forum for States Parties in Africa on the adoption of national implementing legislation and 18th Annual Meeting of National Authorities to the Chemical Weapons Convention held in Dar es Salaam, Tanzania, and the Hague, Netherlands	38	-
United States government	Sponsored trip to attend the 15th International Export Control conference in Prague, Czech Republic for industry benchmarking	80	-
American University's Kogod Business School	Coffee cups during the FER handover session in Washington DC, US	14	-
Tripartite Capacity Building Programme	Sponsored trip for the 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, Tanzania	17	-

Name of organisation	Nature of gift, donation or sponsorship	2016/17	2015/16
Received in kind		R'000	R'000
International Centre for Trade and Sustainable Development	Sponsored trip to attend a round-table dialogue of policymakers, 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	Sponsored trip to attend United Nations Development Programme technical assistance mission to Botswana	34	-
Government of the People's Republic of China	Sponsored trip to attend the third Capacity Building Programme on SEZs, participate in the maritime manufacturing seminar and seminar on economic globalisation	146	-
Harvard Kennedy School	Sponsored trip 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 in Russia	20	-
Global Offset and Countertrade Association	Sponsored trip to attend the Global Industrial Cooperation Conference in Toledo, Spain	37	-
United States Trade and Development Agency	Sponsored energy storage study tour to the US	100	-
United Nations Industrial Development Organization	Sponsored trip to attend the Specialised Technical Committee on Trade, Industry and Minerals in Ethiopia	21	-
US Trade and Development Agency	Sponsored trip to participate in the US 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 the CHIETA annual strategic board meeting in Magaliesburg	5	-
Trade and Industry Policy Strategies	Sponsored trip to attend the quarterly Africa Industrial Development and Integration Programme research meeting in Tanzania	11	-
University of Birmingham, United Kingdom	Sponsored master's of business administration (MBA) in international business	504	-
Saudi Royal Protocol	Sponsored ground transport, accommodation and meals for state visit	45	-
Turkish government	Sponsored trip to attend Turkey-Africa Economic Business Forum – accommodation, transport	60	-
Singapore government	Attend the Singapore Cooperation Programme training award Public Private Partnership Programme in Development of Infrastructure Projects in support of the G20 development working group	33	-
Miscellaneous (grouped small items)		36	61
Total		2 716	1 367

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

Name of donor	Purpose	Opening balance	Surrendered	Revenue	Expenditure	Closing balance
		R'000	R'000	R'000	R'000	R'000
Employment Creation Fund	Create long-term sustainable employment	(2 578)	297 510	293 140		1 792
Sector-Wide Enterprise Employment and Equity Programme	Increase employment and greater social and economic equity and integration	35 533	32 955	1 678	32 955	33 855
African Development Bank	Increase employment and greater social and economic equity and integration	-	1 241	829	412	-
Total		32 955	331 706	295 647	33 367	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	2016/17	2015/16
Made in kind	R'000	R'000
the dti: Sponsor travel, accommodation and registration costs to non-department officials to attend the 5th Bi-Annual International European Investor Panel and Conference	-	68
the dti: Sponsor a trip to attend and participate in the conference of the G200 Youth Forum in Germany	-	25
the dti: Sponsor accommodation costs for judges during the Company Law Seminar	-	20
the dti: Sponsor travel costs for the members of delegates to attend Copyright Amendment Bill Conference and gifts	-	68
the dti: Provide blankets and food parcels for the Mandela Day commemoration	96	
Miscellaneous (exchange gifts with counterparts and business executives, etc)	24	18
Total	120	199

Annexure 2A: Statement of financial guarantees issued as at 31 March 2017 – local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw downs during the year	Guaranteed repayments / cancelled / reduced / released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	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 2017

Nature of liability	Opening balance 1 April 2016	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					
Frey's Foods	1 627	-	(1 627)	-	-
TEO: Porcor	4 065	-	(4 065)	-	-
Gwam Properties	357	-	-	-	357
Christopher Roland: Film and TV	3 958	-	(3 958)	-	-
Automotive Incentive Scheme (AIS)	1 558 645	3 621 712	(2 458 344)	-	2 722 013
Business Process Services (BPS)	110 252	349 006	(315 435)	-	143 823
Film and Television Production	1 091 045	825 265	(751 033)	-	1 165 277
Enterprise Investment Programme (EIP)	828 153	139 320	(816 622)	-	150 851
Critical Infrastructure Programme (CIP)	312 424	356 668	(292 129)	-	376 963
Capital Project Feasibility Programme (CPFP)	81 943	33 354	(55 861)	-	59 436
Manufacturing Competitive Enhancement Programme (MCEP)	2 475 498	16 770	(1 936 824)	-	555 444
Incubator Support Programme (ISP)	275 883	25 672	(139 399)	-	162 156
Aquaculture Development Enhancement Programme (ADEP)	59 887	45 807	(25 380)	-	80 314
Support Programme for Industrial Innovation (SPII)	32 891	13 388	(22 760)	-	23 519
Cluster Development Programme (CDP)	-	65 941	(9 154)	-	56 787
Black Industrialist Scheme (BIS)	-	1 014 805	(122 502)	-	892 303
Technology and Human Resources for Industry Programme (THRIP)	-	156 221	(5 594)	-	150 627
Rainprop	5 272	107 109	(110 110)	-	2 271
Total	6 841 900	6 771 038	7 070 797	-	6 542 141

Annexure 3: Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Government Pensions Administration Agency	-	-	-	55	-	55
Department of Small Business Development	-	-	-	134	-	134
Ekurhuleni Municipality	-	-	-	28	-	28
Gauteng: Infrastructure	-	-	-	20	-	20
Gauteng: Department of E-Government	-	-	63	-	63	-
Economic Development Department	-	-	2 069	1	2 069	1
Subtotal	-	-	2 132	238	2 132	238
Other government entities						
National Gambling Board	-	-	1	105	1	105
Companies and Intellectual Property Commission	-	-	-	19	-	19
South African National Accreditation System	6	-	-	2	6	2
Small Enterprise Development Agency	-	-	3 000	3 000	3 000	3 000
Competition Commission	-	-	42	-	42	-
International Trade Administration Commission	-	-	38	16	38	16
Competition Tribunal	-	-	1	1	1	1
Subtotal	6	-	3 082	3 143	3 088	3 143
Total	6	-	5 214	3 381	5 220	3 381

Annexure 4: Intergovernment payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
Other government entity	-	-	-	-	-	-
Current	-	-	-	-	-	-
United Nations Industrial Development Organisation	-	-	-	5	-	5
Subtotal	-	-	-	5	-	5
Total	-	-	-	5	-	5

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

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
National departments						
Department of International Relations and Cooperation	-	-	60 924	48 623	60 924	48 623
Government Communication and Information Systems	7 719	-	-	3 800	7 719	3 800
Statistics South Africa	-	-	143	202	143	202
Subtotal	7 719	-	61 067	52 625	68 786	52 625
Public entities						
Industrial parks: Development Bank of Southern Africa	-	-	-	25 797	-	25 797
Subtotal	-	-	-	25 797	-	25 797
Total	7 719	-	61 067	78 422	68 786	78 422

Part E

Human Resource Management



18. Human resource management

Table 18.1.1 Main service for service delivery improvement and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Provide financial support through BPS incentive	Medium and large black businesses	Medium and large black businesses	All completed applications and claims approved or paid within 50 working days	All completed applications and claims were approved or paid within 30 working days
Provide financial support through film and TV production incentive	Medium and large black businesses	Medium and large black businesses	All completed applications and claims approved or paid within 50 working days	All completed applications and claims were approved or paid within 60 working days
Issue manufacturers and/or distributors of liquor licenses	External clients: Prospective NLA registrants	External clients: Prospective NLA registrants	Issue liquor licences 130 days after receipt of a complete application	Liquor licences were issued 130 days after receipt of a complete application

Table 18.1.2 Consultation arrangements for customers

Main services	Actual customers	Potential customers	Actual achievements
80 information-sharing consultative sessions with strategic stakeholders annually	Medium and large black businesses	Medium and large black businesses	87 information-sharing consultative sessions with strategic stakeholders held annually
4 meetings with registrants quarterly in selected provinces	External clients: Prospective NLA registrants	External clients: Prospective NLA registrants	4 meetings were held with registrants quarterly in selected provinces

Table 18.1.3 Service delivery access strategies

Access strategy	Actual achievement
Information can be accessed through the dti regional offices (Pretoria, Cape Town, Port Elizabeth and Durban) or via the dti website and submit applications using an electronic system	Information was accessed through the dti regional offices (Pretoria, Cape Town and Durban) or via the dti website. Applications were submitted through the manual system
Walk in clients attended to and information provided to clients. NLA information material made available at the provincial liquor boards	Walk-in clients were attended to and information was provided. NLA information material was made available at the provincial liquor boards

Table 18.1.4 Service information tool

Type of information tool	Actual achievement
Distribute brochures in the regional offices, workshop venues and information about incentives uploaded on the dti website	Brochures distributed in the regional offices, workshop venues and information about incentives uploaded on the dti website
Increase awareness regarding the dti programmes in provinces by conducting workshops and/or imbizos, advertising in print, voice media annually	Increased awareness about the dti programmes in provinces by conducting workshops and/or imbizos, advertising in print, voice media annually
Update information available on the website (brochures, guidelines and practice notes)	Information was made available on the dti website and online case management system, and in practice notes and guidelines

Table 18.1.5 Complaint mechanisms

Complaint mechanism	Actual achievement
90% of enquiries responded to within 48 hours	90% of enquiries were responded to within 48 hours
Handle customer complaints promptly and send an apology to customers within 1 working day of receipt	Handled customer complaints promptly and sent apologies to customers within 2 working days 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. Apologised when process was delayed

18.2 Personnel expenditure

Table 18.2.1 Personnel expenditure by programme

Programme	Total voted expenditure (R'000)	Compensation of employees expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Compensation of employees as % of total expenditure	Average compensation of employees cost per employee (R'000)	Employment
Administration	699 139	269 929	2 924	9 724	38.61	560	482
Consumer and Corporate Regulation	116 024	74 158	0	287	63.92	693	85
Incentive Development and Administration	97 588	60 349	996	4 223	61.84	671	218
Industrial Development	1 722 245	101 878	0	1 008	5.92	666	153
International Trade and Economic Development	295 381	59 582	0	1 268	20.17	701	107
Special Economic Zones and Economic Transformation	6 895 186	126 834	0	2 763	1.84	582	209
Trade Export South Africa	454 588	195 296	758	1 359	42.96	1 198	163
Investment South Africa	69 244	27 472	0	1 205	39.67	597	46
Total as on financial systems	10 349 395	915 498	4 678	21 837	34.4	5 568	1 344

Table 18.2.2 Personnel costs by salary band

Salary band	Compensation of employees cost, including transfers (R'000)	Percentage of total personnel cost for department (R'000)	Average compensation cost per employee (R'000)	Total personnel cost for department including goods and services (R'000)	Number of employees
Skilled (levels 3-5)	11 718	1.3	2 663	915 498	44
Highly skilled production (levels 6-8)	146 113	16	3 746	915 498	390
Highly skilled supervision (levels 9-12)	427 080	46.7	7 363	915 498	580
Senior management (levels 13-16)	292 593	32	13 737	915 498	213
Contract (levels 3-5)	1 007	0.1	2 518	915 498	4
Contract (levels 6-8)	5 951	0.7	3 306	915 498	18
Contract (levels 9-12)	6 775	0.7	4 516	915 498	15
Contract (levels 13-16)	20 787	2.3	11 545	915 498	18
Contract other	3 479	0.4	561	915 498	62
Total	915 498	100	49 955	915 498	1 344

Table 18.2.3 Salaries, overtime, homeowners allowance (HOA) and medical aid by programme

Programme	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	HOA (R'000)	HOA as % of personnel cost	Medical assistance (R'000)	Medical assistance as % of personnel cost	Total personnel cost per salary band (R'000)
Administration	185 759	68.8	956	0.4	3 830	1.4	8 503	3.2	269 929
Special Economic Zones and Transformation	51 157	69	0	0	776	1	1 846	2.5	74 158
Consumer and Corporate Regulation	41 046	68	0	0	445	0.7	1 280	2.1	60 349
Incentive Development and Administration	70 447	69.1	0	0	698	0.7	2 055	2	101 878
Industrial Development	39 878	66.9	0	0	499	0.8	1 606	2.7	59 582
International Trade and Economic Development	88 428	69.7	0	0	1 730	1.4	3 723	2.9	126 834
Trade Export South Africa	69 087	35.4	0	0	1 069	0.5	2 670	1.4	195 296
Investment South Africa	19 520	71.1	0	0	256	0.9	732	2.7	27 472
Total	565 322	64.8	956	0	9 303	0.9	22 415	2.4	915 498

Table 18.2.4 Salaries, overtime, HOA and medical aid by salary band

Salary band	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	HOA (R'000)	HOA as % of personnel cost	Medical assistance (R'000)	Medical assistance as % of personnel cost	Total personnel cost per salary band (R'000)
Skilled (levels 3-5)	6 228	53.1	30	0.3	628	5.4	905	7.7	11 718
Highly skilled production (levels 6-8)	83 116	56.9	480	0.3	4 667	3.2	7 926	5.4	146 113
Highly skilled supervision (levels 9-12)	266 883	62.5	442	0.1	3 381	0.8	9 891	2.3	427 080
Senior management (levels 13-16)	186 879	63.9	0	0	627	0.2	3 594	1.2	292 593
Contract (levels 3-5)	707	70.2	2	0.2	0	0	0	0	1 007
Contract (levels 6-8)	4 602	77.3	0	0	0	0	0	0	5 951
Contract (levels 9-12)	4 636	68.4	0	0	0	0	26	0.4	6 775
Contract (levels 13-16)	9 618	46.3	0	0	0	0	73	0.4	20 782
Contract other	2 653	76.2	2	0.1	0	0	0	0	3 479
Total	565 322	63.9	956	0.1	9 303	1.1	22 415	1.9	915 498

18.3 Employment and vacancies

Table 18.3.1 Employment and vacancies by programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy rate (%) (includes frozen posts)	Number of posts filled additional to the establishment
Administration	544	454	17	28
Special Economic Zones and Transformation	85	73	14	17
Consumer and Corporate Regulation	90	82	9	3
Incentive Development and Administration	229	203	11	15
Industrial Development	154	142	8	11
International Trade and Economic Development	118	105	11	2
Trade Export South Africa	155	139	10	24
Investment South Africa	51	43	16	3
Total	1 426	1 241	13	103

Table 18.3.2 Employment and vacancies by salary band at end of period

Salary band (permanent employees)	Number of posts	Number of posts filled	Vacancy rate (%) (includes frozen posts)	Number of posts filled additional to the establishment
Lower skilled (levels 1-2)	0	1	0	0
Skilled (levels 3-5)	58	43	1	0
Highly skilled production (levels 6-8)	452	390	4	6
Highly skilled supervision (levels 9-12)	657	580	5	10
Senior management (levels 13-16)	245	213	2	7
Other	0	0	0	0
Contract (levels 1-2)	0	0	0	0
Contract (levels 3-5)	3	3	0	63
Contract (levels 6-8)	0	0	0	12
Contract (levels 9-12)	1	1	0	4
Contract (levels 13-16)	10	10	0	1
Total	1 426	1 241	13	103

Table 18.3.3 Employment and vacancies by critical occupation at end of period

Critical occupation (permanent employees)	Number of posts	Number of posts filled	Vacancy rate (%) (includes frozen posts)	Number of posts filled additional to the establishment
Administrative related	182	158	13	68
Cleaners in offices, workshops, hospitals, etc	0	0	0	0
Communication and information related	5	5	0	0
Economists	7	6	14	2
Finance and economics related	64	50	22	0
Financial and related professionals	6	5	17	0
Financial clerks and credit controllers	1	0	100	0
Food services aids and waiters	14	12	14	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	2	1	50	0
Human resources clerks	0	0	0	0
Human resources related	54	43	20	2
Information technology related	32	29	9	0
Legal related	20	15	25	0
Librarians and related professionals	1	0	100	0
Library, mail and related clerks	26	23	12	0
Light vehicle drivers	3	3	0	0
Logistical support personnel	29	20	31	0
Messengers, porters and deliverers	10	8	20	0
Other administrative and related clerks and organisers	4	4	0	0
Other occupations	5	5	0	0
Risk management and security services	0	0	0	0
Secretaries and other keyboard operating clerks	162	139	14	3
Security officers	17	15	12	1

Critical occupation	Number of posts	Number of posts filled	Vacancy rate (%) (includes frozen posts)	Number of posts filled additional to the establishment
Senior managers*	249	215	14	8
Statisticians and related professionals	2	2	0	0
Trade and industry advisers and other related professionals	527	479	9	19
Total	1 426	1 241	13	103

* Not all SMS count under SMS due to different occupational classifications: Legal 5; Admin 1; HOD 1; Trade and Industry 1. There are 2 Administrative-related staff counted under SMS, corrected to Administrative-related.

18.4 Job evaluation

Table 18.4.1 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)	3	0	0	0	0	0	0
Contract (levels 6-8)	0	0	0	0	0	0	0
Contract (levels 9-12)	1	0	0	0	0	0	0
Contract (band A)	10	0	0	0	0	0	0
Contract (band B)	0	0	0	0	0	0	0
Contract (band C)	0	0	0	0	0	0	0
Contract (band D)	0	0	0	0	0	0	0
Lower skilled (levels 1-2)	0	0	0	0	0	0	0
Skilled (levels 3-5)	58	0	0	0	0	0	0
Highly skilled production (levels 6-8)	452	3	0.7	0	0	1	33.3
Highly skilled supervision (levels 9-12)	657	4	0.6	1	25	1	25

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)	168	2	1.2	0	0	0	0
Senior management service (Band B)	64	0	0	0	0	0	0
Senior management Service (Band C)	12	0	0	0	0	0	0
Senior management Service (Band D)	1	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	1 426	9	0.6	1	11.1	2	22.2

Table 18.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
Total	1	0	0	0	1
Employees with a disability	1	0	0	0	1

Table 18.4.3 Employees whose salary level exceeded the grade determined by job evaluation

Beneficiaries	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	Number of employees in department
Female	6	6	7	Out of adjustment (Foreign Economic Officers), JE, grievance settlement and retentions	1 344
Female	1	6	8		1 344
Female	2	7	8		1 344
Female	1	7	9		1 344
Female	1	7	10		1 344
Female	3	8	9		1 344
Female	1	8	10		1 344
Female	4	9	10		1 344
Female	6	10	11		1 344
Female	2	10	12		1 344
Female	17	11	12		1 344
Female	1	11	13		1 344
Female	3	12	13		1 344
Female	2	13	14		1 344
Female	1	15	16		1 344
Male	1	2	3		1 344
Male	1	6	7		1 344
Male	4	6	8		1 344
Male	1	7	8		1 344
Male	1	7	9		1 344
Male	1	8	9		1 344
Male	2	8	10		1 344
Male	8	9	10		1 344

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	1 344
Male	2	10	11		1 344
Male	1	10	12		1 344
Male	3	10	13		1 344
Male	16	11	12		1 344
Male	12	11	13		1 344
Male	2	12	13		1 344
Male	1	13	14		1 344
Male	3	14	15		1 344
Total*	111				1 344

* Total employment: 8.26%.

Table 18.4.4 Profile of employees whose salary level exceeded the grade determined by job evaluation

Beneficiaries	African	Asian	Coloured	White	Total
Female	30	6	3	12	51
Male	45	5	4	6	60
Total	75	11	7	18	111
Employees with a disability	3	1	0	2	6

18.5 Employment changes

Table 18.5.1 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	50	0	6	12
Highly skilled production (levels 6-8), permanent	408	7	22	5
Highly skilled supervision (levels 9-12), permanent	604	9	31	5
Senior management service Band A, permanent	159	0	9	6
Senior management service Band B, permanent	58	2	3	5
Senior management service Band C, permanent	10	0	1	10
Senior management service Band D, permanent	0	0	0	0
Other, contract	61	74	77	126
Contract (levels 1-2), permanent	0	0	0	0
Contract (levels 3-5), permanent	1	4	2	200
Contract (levels 6-8), permanent	7	12	4	57
Contract (levels 9-12), permanent	17	1	4	24
Contract Band A, permanent	7	3	2	29
Contract Band B, permanent	3	0	0	0
Contract Band C, permanent	3	1	0	0
Contract Band D, permanent	1	0	0	0
Total	1 390	113	161	12

Table 18.5.2 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	225	82	92	41
Communication and information related	5	0	0	0
Economists	6	1	0	0
Finance and economics related	56	0	5	9
Financial and related professionals	5	0	1	20
Financial clerks and credit controllers	0	0	0	0
Food services aides and waiters	15	0	3	20
General legal administration and related professionals	3	0	0	0
Head of department / chief executive officer	1	0	0	0
Human resources and organisational development and related professionals	2	0	1	50
Human resources clerks	0	0	0	0
Human resources related	49	2	5	10
IT related	28	2	1	4
Legal related	16	1	2	13
Librarians and related professionals	1	0	1	100
Library mail and related clerks	25	0	2	8
Light vehicle drivers	3	0	0	0
Logistical support personnel	24	1	5	21
Messengers, porters and deliverers	8	1	1	13
Other IT personnel	3	0	0	0
Other administrative and related clerks and organisers	4	0	0	0
Other occupations	2	0	0	0
Risk management and security services	0	0	0	0
Secretaries and other keyboard-operating clerks	147	2	6	4
Security officers	16	2	2	13

Critical occupation (permanent employees)	Employment at beginning of period	Appointments, including transfers in	Terminations, including transfers out	Turnover rate (%)
Senior managers	239	5	15	6
Statisticians and related professionals	1	0	0	0
Trade and industry advisers and other related professionals	506	14	19	4
Total	1 390	113	161	12

Table 18.5.3 Reasons for leaving

Termination type	Number	Total resignations (%)	Total employment (%)	Total	Total employment
Death, permanent	1	0.6	0.1	161	1 344
Resignation, permanent	44	27.3	3.3	161	1 344
Expiry of contract, permanent	77	47.8	5.7	161	1 344
Transfers, permanent	23	14.3	1.7	161	1 344
Discharged due to ill health, permanent	2	1.2	0.1	161	1 344
Dismissal – misconduct, permanent	5	3.1	0.4	161	1 344
Retirement, permanent	9	5.6	0.7	161	1 344
Total	161	-	-	-	-

Table 18.5.4 Granting of employee-initiated severance packages

Category	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by the MPSA	Number of packages approved by the 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 service Band A	0	0	0	0
Senior management service Band B	0	0	0	0
Senior management service Band C	0	0	0	0
Senior management service Band D	0	0	0	0
Other	0	0	0	0
Contract (levels 1-2)	0	0	0	0
Contract (levels 3-5)	0	0	0	0
Contract (levels 6-8)	0	0	0	0
Contract (levels 9-12)	0	0	0	0
Contract Band A	0	0	0	0
Contract Band B	0	0	0	0
Contract Band C	0	0	0	0
Contract Band D	0	0	0	0
Total	0	0	0	0

Table 18.4.5 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	225	26	12	105	47
Communication and information related	5	0	0	1	20
Economists	6	0	0	1	17
Finance and economics related	56	1	2	41	73
Financial and related professionals	5	1	20	4	80
Financial clerks and credit controllers	0	0	0	0	0
Food services aides and waiters	15	0	0	0	0
General legal administration and related professionals	3	0	0	1	33
Head of department / chief executive officer	1	0	0	0	0
Human resources and organisational development and related professionals	2	0	0	2	100
Human resources clerks	0	0	0	0	0
Human resources related	49	0	0	26	53
IT related	28	0	0	15	54
Legal related	16	0	0	5	31
Librarians and related professionals	1	0	0	0	0
Library mail and related clerks	25	0	0	20	80
Light vehicle drivers	3	0	0	3	100
Logistical support personnel	24	0	0	12	50
Messengers, porters and deliverers	8	0	0	1	13
Other IT personnel	3	0	0	0	0
Other administrative and related clerks and organisers	4	0	0	2	50
Other occupations	2	0	0	0	0
Risk management and security services	0	0	0	1	0
Secretaries and other keyboard-operating clerks	147	0	0	108	73
Security officers	16	1	6	9	56

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	239	3	1	167	70
Statisticians and related professionals	1	0	0	1	100
Trade and industry advisers and other related professionals	506	6	1	342	68
Total	1 390	38	3	867	62

Table 18.5.6 Promotions by salary band

Salary band	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), permanent	1	0	0	0	0
Skilled (levels 3-5), permanent	50	0	0	14	28
Highly skilled production (levels 6-8), permanent	408	2	0	298	73
Highly skilled supervision (levels 9-12), permanent	604	8	1	378	63
Senior management (levels 13-16), permanent	227	6	3	172	76
Other, permanent	61	22	36	0	0
Contract (levels 1-2), permanent	0	0	0	0	0
Contract (levels 3-5), permanent	1	0	0	1	100
Contract (levels 6-8), permanent	7	0	0	0	0
Contract (levels 9-12), permanent	17	0	0	1	6
Contract (levels 13-16), permanent	14	0	0	3	21
Total	1 390	38	3	867	62

18.6 Employment equity

Table 18.6.1 Number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational category	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Senior officials and managers	74	16	9	99	19	68	8	22	98	14	230
Professionals	264	11	8	283	21	279	14	23	316	25	645
Technicians and associate professionals	95	5	3	103	1	130	10	3	143	15	262
Clerks	20	0	0	20	0	126	9	0	135	10	165
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	5	0	0	5	0	16	1	0	17	0	22
Total	465	34	22	521	42	626	42	48	716	65	1 344
Employees with disabilities	18	0	1	19	4	14	3	3	20	3	46

Table 18.6.2 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	3	2	2	7	0	4	1	0	5	0	12
Senior management, permanent	72	12	6	90	21	70	9	24	103	13	227
Professionally qualified and experienced specialists and mid-management, permanent	229	14	11	254	13	209	15	18	242	27	536
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	102	4	2	108	3	271	16	6	293	24	428
Semiskilled and discretionary decision-making, permanent	16	1	0	17	0	29	1	0	30	0	47
Not available, permanent	29	0	1	30	1	33	0	0	33	0	64
Contract (top management)	0	1	0	1	2	1	0	0	1	0	4
Contract (senior management)	3	0	0	3	2	0	0	0	0	1	6
Contract (professionally qualified)	3	0	0	3	0	1	0	0	1	0	4
Contract (skilled technical)	5	0	0	5	0	7	0	0	7	0	12
Contract (semiskilled)	3	0	0	3	0	1	0	0	1	0	4
Contract (unskilled)	0	0	0	0	0	0	0	0	0	0	0
Total	465	34	22	521	42	626	42	48	716	65	1 344

Table 18.6.4 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	2	0	2	4	0	5
Professionally qualified and experienced specialists, and mid-management, permanent	3	0	0	3	0	5	0	1	6	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	1	0	0	1	0	1	0	0	1	0	2
Semiskilled and discretionary decision-making, permanent	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 (semiskilled)	0	0	0	0	0	0	0	0	0	0	0
Contract (unskilled)	0	0	0	0	0	0	0	0	0	0	0
Contract other	11	0	0	11	0	9	0	0	9	0	20
Total	17	0	0	17	0	18	0	3	21	0	38
Employees with disabilities	0	0	0	0	0	1	0	1	2	0	2

Table 18.6.5 Terminations

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top management, permanent	0	0	1	1	0	0	0	0	0	0	1
Senior management, permanent	4	1	1	6	0	2	1	0	3	1	10
Professionally qualified and experienced specialists, and mid-management, permanent	10	2	0	12	0	12	2	2	16	2	30
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	7	0	0	7	0	12	2	0	14	1	22
Semiskilled and discretionary decision-making, permanent	4	0	0	4	0	1	1	0	2	0	6
Not available, contract	31	0	1	32	1	28	0	0	28	0	61
Contract (top management)	1	0	0	1	1	0	0	0	0	0	2
Contract (senior management)	0	0	0	0	2	1	0	0	1	0	3
Contract (professionally qualified)	6	0	0	6	0	5	1	0	6	0	12
Contract (skilled technical)	6	0	0	6	0	4	0	0	4	0	10
Contract (semiskilled)	3	0	0	3	0	1	0	0	1	0	4
Total	72	3	3	78	4	66	7	2	75	4	161
Employees with disabilities	0	0	0	0	0	1	0	0	1	0	1

Table 18.6.6 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 18.6.7 Skills development

Occupational category	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Legislators, senior officials and managers	74	17	9	100	19	67	8	22	97	14	230
Professionals	264	11	8	283	21	279	14	23	316	25	645
Technicians and associate professionals	95	4	3	102	1	131	10	3	144	15	262
Clerks	20	0	0	20	0	126	9	0	135	10	165
Service and sales workers	5	1	2	8	1	7	0	0	7	1	17
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	2	1	0	3	0	0	0	0	0	0	3
Elementary occupations	0	0	0	0	0	0	0	0	0	0	0
Labour and related workers	5	0	0	5	0	16	1	0	17	0	22
Total	465	34	22	521	42	626	42	48	716	65	1 344
Employees with disabilities	18	0	1	19	4	14	3	3	20	3	46

18.7 Performance rewards

Table 18.7.1 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	277	626	44.2	5 390	19
African male	184	465	39.6	4 549	25
Indian female	22	48	45.8	866	39
Indian male	5	22	22.7	207	41
Coloured female	19	42	45.2	514	27
Coloured male	7	34	20.6	174	25
Total Black female	318	716	44.4	6 770	21
Total Black male	196	521	37.6	4 930	25
White female	42	65	64.6	1 194	28
White male	10	42	23.8	425	43
Total	566	1 344	42.1	13 319	24
Employees with disabilities	19	46	41.3	307	16

Table 18.7.2 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 (R000)
Semiskilled (level 2)	1	1	100	5	5
Skilled (levels 3-5)	32	43	74.4	207	6
Highly skilled production (levels 6-8)	217	396	54.8	2 628	12
Highly skilled supervision (levels 9-12)	252	590	42.7	7 138	28
Other	0	0	0	0.00	0
Contract (levels 1-2)	0	0	0	0.00	0
Contract (levels 3-5)	0	66	0	0.00	0
Contract (levels 6-8)	1	12	8.3	9	9
Contract (levels 9-12)	0	5	0	0.00	0
Total	503	1113	45.2	9 987	20

Table 18.7.3 Performance rewards by critical occupation

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R)
Administrative related	67	226	29.6	1 038	15
Communication and information related	6	5	120	128	21
Economists	0	8	0	0	0
Finance and economics related	37	50	74	626	17
Financial and related professionals	5	5	100	88	18
Food services aides and waiters	13	12	108.3	71	5
General legal administration and related professionals	3	3	100	109	36
Head of department / chief executive officer	0	1	0	0	0
Human resources and organisational development and related professionals	0	1	0	0	0
Human resources clerks	0	0	0	0	0
Human resources related	10	45	22.2	182	18

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R)
IT related	13	29	44.8	223	17
Legal related	10	15	66.7	381	38
Librarians and related professionals	0	0	0	0	0
Library mail and related clerks	18	23	78.3	216	12
Light vehicle drivers	2	3	66.7	14	7
Logistical support personnel	13	20	65	230	18
Messengers, porters and deliverers	6	8	75	36	6
Other administrative and related clerks and organisers	3	4	75	54	18
Other occupations	2	5	40	14	7
Other IT	1	0	0	18	18
Risk management and security services	0	0	0	0	0
Secretaries and other keyboard-operating clerks	76	142	53.5	971	13
Security officers	8	16	50	154	19
Senior managers	61	223	27.4	3 227	53
Statisticians and related professionals	1	2	50	53	53
Trade and industry advisers and other related professionals	211	498	42.4	54 477	258
Total	566	1 344	42.1	62 310	110

Table 18.7.4 Performance-related rewards (cash bonus) by salary band for SMS

SMS band	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R)	% of SMS wage bill	Personnel cost SMS (R'000)
Band A	44	155	28.4	2 146	48 772.73	1.5	146 827.36
Band B	14	62	22.6	831	59 357.14	1.4	60 559.14
Band C	5	13	38.5	352	70 400.00	2.1	16 910.60
Band D	0	1	0	0	0	0	6 220.82
Total	63	231	27.3	3 329	52 841.27	1.4	230 517.92

Table 18.7.5 Signed performance management (PM) agreements by SMS members as at 31 July 2016

SMS level	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed PM agreements per level	Signed PM agreements as % of total number of posts
DG/HOD	1	1	1	100
Level 16 but not HOD	0	0	0	0
Level 15	13	15	14	93.3
Level 14	63	61	61	100
Level 13	172	151	145	96
Total	249	228	221	96.9

Table 18.7.6 Reasons for not having concluded performance agreements for all SMS members as at reporting date

DG/HOD	N/A
Level 16 but not HOD	N/A
Level 15	1 employee: 1 employee on sabbatical
Level 14	N/A
Level 13	6 employees: 1 employee finalised but was submitted late 4 employees not finalised and no reasons provided 1 employee on unpaid leave
Actions taken	
Employees who did not comply with the target date for submission of performance agreements will automatically be disqualified from cash awards and package progression for the 2016/17 PM cycle, irrespective of their performance score as per their performance appraisal. Letters have been forwarded to members of the SMS who did not comply with the PM prescripts, the public service legislative framework and the the dti policies. Members of the SMS are also informed of the penalties instituted for non-compliance.	

18.8 Foreign workers

Table 18.8.1 Foreign workers by salary band

Salary band	Employment at beginning of period	% of total	Employment at end of period	% of total	Change in employment	% of total
Highly skilled production (levels 6-8)	1	11	1	11	0	0
Highly skilled supervision (levels 9-12)	5	56	4	44	-1	-11
Senior management (levels 13-16)	2	22	4	44	2	22
Contract (levels 6-8)	0	0	0	0	0	0
Contract (levels 9-12)	0	0	0	0	0	0
Contract (levels 13-16)	1	11	0	0	-1	-11
Total	9	100	9	100	0	0%

Table 18.8.2 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
Administrative office workers	1	11	2	22	-1	0
Professionals and managers	8	89	7	78	1	0
Total	9	100	9	100	0	0

18.9 Leave utilisation

Table 18.9.1 Sick leave for January 2016 to December 2016

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)	450	25.8	44	100	10	316	44	116
Highly skilled production (levels 6-8)	3 657	74	400	100	9	4 587	400	2 705
Highly skilled supervision (levels 9-12)	4 158	73.9	534	100	8	10 312	534	3 072
Senior management (levels 13-16)	1 204	73.1	191	100	6	4 677	191	880
Contract (other)	129	46.5	53	100	2	52	53	60
Contract (levels 3-5)	3	100	1	100	3	2	1	3
Contract (levels 6-8)	79	70.9	15	100	5	108	15	56
Contract (levels 9-12)	24	91.7	5	100	5	58	5	22
Contract (levels 13-16)	40	82.5	5	100	8	154	5	33
Total	9 744	71.3	1 248	100	8	20 266	1 248	6 947

Table 18.9.2 Disability leave (temporary and permanent) for January 2016 to December 2016

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)	0	0	0	0	0	0	0	0
Highly skilled production (levels 6-8)	176	100	6	100	29.33	229	176	6
Highly skilled supervision (levels 9-12)	104	100	7	100	14.86	260	104	7
Senior management (levels 13-16)	61	100	1	100	61	265	61	1
Contract (levels 9-12)	0	0	0	0	0	0	0	0
Total	341	100	14	100	23	754	341	14

Table 18.9.3 Annual leave for January 2016 to December 2016

Salary band	Total days taken	Number of employees who took leave	Average days per employee
Lower skilled (levels 1-2)	0	0	0
Skilled (levels 3-5)	1 166	54	21.59
Highly skilled production (levels 6-8)	8 680	404	21.49
Highly skilled supervision (levels 9-12)	13 309	603	22.07
Senior management (levels 13-16)	5 883	251	23.44
Contract (levels 1-2)	0	0	0
Contract (levels 3-5)	57	4	14.25
Contract (levels 6-8)	165	17	9.71
Contract (levels 9-12)	190	15	12.67
Contract (levels 13-16)	150	10	15
Not available	659	92	7.16
Total	30 259	1 450	20.87

Table 18.9.4 Capped leave for January 2016 to December 2016

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 2016	Number of employees who took capped leave	Total number of capped leave days available at 31 December 2016	Number of employees as at 31 December 2016
Highly skilled production (levels 6-8)	0	0	0	0	528	13
Highly skilled production (levels 6-8)	1	1	16	1	531	34
Highly skilled supervision (levels 9-12)	0	0	33	0	2 512	76
Senior management (levels 13-16)	20	7	30	3	2 171	73
Total	21	5	29	4	5 742	196

Table 18.9.5 Leave payouts

Reason	Total (R'000)	Number of employees	Average payment per employee (R)
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle	772	29	26 621
Capped leave payouts on termination of service for 2016/17	767	4	191 750
Current leave payout on termination of service for 2016/17	2 654	89	29 820
Total	4 193	122	34 369

18.10 HIV/AIDS and health-promotion programmes

Table 18.10.1 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 18.10.2 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		Subdirector: Quality of Work Life with designated staff members (Deputy Director: QWL and ASD: Professional Nurse)
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 and support programme: Life, health, work, legal, financial; and directory information
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		Health and Wellness Committee and Transformation Committee
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
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		Counselling
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results you have achieved	Yes		VCT testing quarterly
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		Reviewed annual milestones covering all the health programmes

18.11 Labour relations

Table 18.11.1 Collective agreements

Subject matter	Date
None	N/A

Table 18.11.2 Misconduct and disciplinary hearings finalised

Outcome of disciplinary hearings	Number	% of total
Dismissal	6	17
Final written warning	6	17
Written warning	10	28
Verbal warning	8	22
Corrective counselling	1	3
Withdrawal	2	6
Pending	3	8
Total	36	100

Table 18.11.3 Types of misconduct addressed and disciplinary hearings

Outcome of disciplinary hearings	Number	% of total
Misuse of state property	1	3
Gross negligence	4	11
Contravention of PFMA	2	6
Non-compliance with policies	4	11
Insubordination	3	8
Unprofessional conduct	8	22
Failure to disclose financial interests	2	6
Fraud	5	14
Abscondment	5	14
Corruption	2	6
Total	36	100

Table 18.11.4 Grievances lodged

Number of grievances addressed	Number	% of total
Not resolved	61	70
Resolved	26	30
Total	87	100

Table 18.11.5 Disputes lodged

Number of disputes addressed	Number	Forum
Unfair labour practice	10	GPSSBC and High Court
Interpretation and application of a collective agreement	6	PSCBC
Dismissal	3	GPSSBC
Disclosure of information	2	CCMA
Benefits	1	GPSSBC
Total	22	

Table 18.11.6 Strikes

Strikes	Number
None	N/A

Table 18.11.7 Precautionary suspensions

Reason for suspension	Number	Number
Misrepresentation and dishonesty	2	Finalised
Bribery and conflict of interest	2	Finalised
Breach of sabbatical leave policy	1	Finalised
Disgraceful / unprofessional conduct	1	Pending
Total	6	

18.12 Skills development

Table 18.12.1 Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	111	0	217	0	217
	Male	119	0	182	0	182
Professionals	Female	341	0	802	0	802
	Male	304	0	584	0	584
Technicians and associate professionals	Female	159	0	319	0	319
	Male	103	0	240	0	240
Clerks	Female	145	0	373	0	373
	Male	20	0	44	0	44
Service and sales workers	Female	8	0	7	0	7
	Male	9	0	14	0	14
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	3	0	0	0	0
Elementary occupations	Female	17	0	0	0	0
	Male	5	0	3	0	3
Subtotals	Female	781	0	1 718	0	1 718
	Male	563	0	1 067	0	1 067
Total		1 344	0	2 785	0	2 785

Table 18.12.2 Training provided

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	111	0	34	0	34
	Male	119	0	48	0	48
Professionals	Female	341	0	286	0	286
	Male	304	0	236	0	236
Technicians and associate professionals	Female	159	6	298	0	304
	Male	103	0	215	0	215
Clerks	Female	145	0	136	0	136
	Male	20	0	40	0	40
Service and sales workers	Female	8	0	3	0	3
	Male	9	0	7	0	7
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	3	0	0	0	0
Elementary occupations	Female	17	0	7	0	7
	Male	5	0	2	0	2
Subtotals	Female	781	0	764	0	764
	Male	563	0	548	0	548
Total		1 344	0	1 312	0	1 312

18.13 Injury on duty

Table 18.13.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	4	100

18.14 Use of consultants

Table 18.14.1 Consultant appointments using appropriated funds

Project title	Total number of consultants who worked on the project	Duration (work days)	Contract value
Consulting services to conduct the development of a consolidated baseline report for IPAP sectors in South Africa	7	70	492 930.30
Consulting services to conduct a job evaluation process for the National Liquor Trading Entity	1	720	470 820
Study on development of effective policy, regulations and incentives	5	80	420 000
Consulting services to conduct science and engineering due diligence on projects considered for the Technology and Human Resources Industry Programme	5	60	472 500
Study to review MCEP and develop an economic rationale for a manufacturing sector support programme	4	70	663 936

Project title	Total number of consultants who worked on the project	Duration (work days)	Contract value
Consulting services to provide communication research services	4	120	748 250.40
Study on the national state of transformation and trends analysis	15	35	410 400
Study against best practices on economic transformation	5	60	346 843.90
Mediation services between South African Farmer Development Association and South African Cane Growers Association	1	10	320 636.40
Impact assessment study on the empowerment Codes of Good Practice	4	210	467 097.12
Consulting services to develop country and sector value propositions for marketing South Africa	4	720	4 858 949
Conduct an assessment on SMS members for an organisational development intervention	1	1	9 740.16
Consulting services relating to the management of the hotline of the Broad-Based Black Economic Empowerment Commission	4	240	41 040
Consulting services to assist with SMS competency-based assessments	5	240	152 120
Consulting engineering services for manufacturing investment incentives	5	80	500 000
Consulting services to assist with a grievance process	1	3	28 642.50
Research and development of an industrial financing strategy	10	720	2 272 982.59
Consulting services to conduct investigations on behalf of the B-BBEE Commission	3	60	445 204
Quantity surveying services	1	240	212 040
Consulting services to conduct investigations on behalf of the B-BBEE Commission	3	20	196 636
Consulting services to conduct investigations on behalf of the B-BBEE Commission	13	60	445 375
Consulting services to conduct MBTI assessment on employees	1	20	23 633.91
Consulting services to conduct MBTI assessment on employees	2	15	14 257.41
Consulting services to assess capital equipment and machinery and/or processes, infrastructure and associated costs related to investment schemes	30	720	5 000 000
Consulting services to assist with a disciplinary process	3	7	22 500
Consulting services to assist with a disciplinary process	3	5	16 500
Total	26 projects	140	19 053 034.69

Table 18.14.2 Analysis of consultant appointments using appropriated funds

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 the development of a consolidated baseline report for IPAP sectors in South Africa	100	100	7
Consulting services to conduct a job evaluation process for the National Liquor Trading Entity	100	100	1
Study on development of effective policy, regulations and incentives	0	0	1
Consulting services to conduct science and engineering due diligence on projects considered for the Technology and Human Resources Industry Programme	100	100	4
Study to review MCEP and develop an economic rationale for a manufacturing sector support programme	100	40	3
Consulting services to provide communication research services	100	0	4
Study on the national state of transformation and trends analysis	25	20	7
Study against best practices on economic transformation	0	0	5
Mediation services between South African Farmer Development Association and South African Cane Growers Association	50	50	0
Impact assessment study on the empowerment Codes of Good Practice	0	0	4
Consulting services to develop country and sector value propositions for marketing South Africa	0	0	2
Conduct an assessment on SMS members for an organisational development intervention	0	0	0
Consulting services relating to the management of the hotline of the B-BBEE Commission	25	10	3
Consulting services to assist with SMS competency based assessments	100	100	1
Consulting engineering services for manufacturing investment incentives	53	18	2
Consulting services to assist with a grievance process	0	0	0
Research and development of an industrial financing strategy	0	0	7
Consulting services to conduct investigations on behalf of the B-BBEE Commission	30	9	2
Quantity surveying services	69	31	1
Consulting services to conduct investigations on behalf of the B-BBEE Commission	51	0	2
Consulting services to conduct investigations on behalf of the B-BBEE Commission	25	10	8
Consulting services to conduct MBTI assessment on employees	0	0	0

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 MBTI assessment on employees	0	0	0
Consulting services to assess capital equipment and machinery and/or processes, infrastructure and associated costs related to investment schemes	50	0	10
Consulting services to assist with a disciplinary process	0	0	3
Consulting services to assist with a disciplinary process	0	0	3

Table 18.14.3 Consultant appointments using donor funds

Project title	Total number of consultants that worked on the project	Duration (work days)	Donor and contract value (R)
None	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value (R)
None	N/A	N/A	N/A

Table 18.14.4 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
None	N/A	N/A	N/A

18.15 Filling of SMS posts

Table 18.15.1 SMS post information as at 31 March 2017

SMS level	Total number of funded SMS posts per level	Total number of SMS posts per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
DG/HOD	1	1	100	0	0
Level 16 but not HOD	0	0	0	0	0
Level 15	13	13	100	0	0
Level 14	64	66	94	4	6
Level 13	175	183	85	28	15
Total	253	263	88	32	12

Table 18.15.2 SMS post information as at 30 September 2016

SMS level	Total number of funded SMS posts per level	Total number of SMS posts per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
DG/HOD	1	1	100	0	0
Level 16 but not HOD	0	0	0	0	0
Level 15	13	13	100	0	0
Level 14	62	66	92	5	8
Level 13	166	182	88	21	13
Total	242	262	90	26	11

Table 18.15.3 Advertising and filling of SMS posts as at 31 March 2017

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
Level 16 but not HOD	0	0	0
Level 15	0	0	0
Level 14*	2	0	1
Level 13**	6	0	2
Total	8	0	3

* None advertised after 6 months; 1 filled after 12 months

** 5 advertised after 6 months and 14 not yet advertised; 2 filled after 12 months

Table 18.15.4 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 filling of posts in place. Posts advertised only after approval was obtained to fill certain priority posts
Reasons for vacancies not filled within 12 months
Recruitment process delayed due to moratorium on filling of posts. All posts were filled within 12 months from obtaining DG approval to fill as priority posts
Reasons for vacancies not advertised within 12 months
Moratorium on filling of posts in place. Posts have not been identified as priority posts and therefore remain unadvertised
Disciplinary steps taken not complying with the prescribed timeframes from filling of SMS posts within twelve months
None

Part F

Foreign Economic Offices



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	Ms Marcia Kennof Secretary	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)	T 0044 20 7451 / 7243 / 7248 / 7251
	Mr Jacob Mothopeng Marketing officer	M 0044 77 1448 7143 0044 77 3062 2304 (Thobile)
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	Vacant Secretary	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	T 0039 02 885 8581
	Mr Anwar Majal Secretary	M 0039 3483 333043
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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)	T 007 495 926 1177
	Mr Vladislav Krivosheev Marketing officer	M 007 985 182 8765
	Ms Irina Cheburkova Secretary	E vladislav@econsa.ru tradesa@econsa.ru irina.thedti@gmail.com mleshaba@thedti.ru
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Stockholm (also Denmark, Norway, Finland, Iceland and Baltic states) South African Embassy, Flemmegatan 20, S – 112 26 Stockholm, Sweden -1 hour	Vacant Marketing officer	T 0046 8 783 7743 (trade) 0046 8 243950 (switchboard)
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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
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Mission	Economic office staff	Telephone / Fax / E-mail
Berlin South African Embassy, Economic Section, Tiergartenstrasse 18, 10785 Berlin, Germany -1 hour	Mr Hans-Friedrich Schmeding Marketing officer	T 0049 30 22073152 F 0049 30 22073207 E hfschmeding@suedafrika.org schmedingf@dirco.gov.za
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	Mr Jacob Moatshe 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 moatshe@suedafrika.org 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) 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
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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)
	Mustaqeem De Gama Counsellor (economic)	F	0041 22 735 7365
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	Miguel Ghannam Secretary		
Mr Federico Tolentino Driver			

Annexures

Annexure A: B-BBEE initiatives

In terms of Section 13G(1) of the B-BBEE Act, 2003 (Act No. 53 of 2003), read with Regulation 12(1) and Regulation 12(2), all organs of state and public entities are required to report on their compliance and report to the B-BBEE Commissioner within 30 days of the audited Annual Financial Statements and Annual Report being approved.

The summary below sets out the dti's compliance with this Act and regulations

the dti implemented the B-BBEE Amendment Act, 2013 (Act No. 46 of 2013) regulations and code of good practice. The regulations were gazetted in June 2016. The finalisation of the regulations gave effect to the implementation of the B-BBEE Commission, and provided an allowance for the implementation of Section 10 of the Act, which includes deviation or exemption from a code of good practice. During this process, the department incorporated public comments and proposed a threshold for major B-BBEE transactions. The commission is playing an important role in the advocacy and enforcement of the B-BBEE Act and its regulations.

In an effort to promote economic transformation, the department fully implemented the requirements of the B-BBEE Amendment Act and its regulations for all procurement requirements within the dti.

The department has engaged in a number of initiatives to ensure the transformation and inclusivity of the economy. To support black entrepreneurs more effectively, especially in townships, the department launched a programme to revitalise South Africa's local industrial parks. This has rapidly proven itself to be an important and effective mechanism to support black enterprises. Given the large number of people dependent on these industrial parks for direct and indirect employment, the department is convinced that further support to industrial parks is a critical investment in South Africa's long-term development.

In 2016/17, the department embarked on the first phase to revitalise 10 identified industrial parks. Botshabelo Industrial Park in Free State was the first to be launched, followed by Seshego Industrial Park in Limpopo, Isithebe Industrial Park in KwaZulu-Natal and Queendustria Industrial Park in Eastern Cape. The first phase of the revitalisation programme included security infrastructure upgrades, the replacement of top structure and repairs to wastewater treatment plants.

Six industrial parks (Phuthaditjhaba, Garankuwa, Seshego, Nkowankowa, Ekandustrial, and Bodirelo) were approved for refurbishment under the Critical Infrastructure Programme, and 13 SEZ projects were approved for top structure infrastructure.

To date, the EEIP has made provision for the approval of seven multinational companies, including a company approved in January 2017. Two-thirds of the existing programmes are in the ICT sector, with the rest in the engineering sector. The total investment value of the initial six programmes is R980 million. This includes research, and skills and enterprise development, and has led to the creation of 241 job opportunities. The largest EEIP approved in 2016/17, totalling R1.3 billion for supplier development, was Caterpillar (Pty) Ltd. It is expected that 2 300 jobs would be created. The total investment of the EEIP is expected to be R2.2 billion. Other applications in the pipeline under review are in the agriculture and engineering sectors.

the dti and IBM South Africa signed a memorandum of understanding in August 2016 for developing digital platforms aimed at creating an interactive electronic environment for black industrialists. The department and Trade Invest Africa led trade missions to Nigeria, Ghana and Madagascar to seek trade and investment opportunities. Seven black industrialists participated in these missions during the period under review.

The previous financial year saw the implementation of the first-ever policy of radical economic transformation, which seeks to address the need for an inclusive, transformed and growing economy. The Black Industrialists Policy, which was approved by Cabinet in November 2015, is a catalyst for the implementation and realisation of the ethos of B-BBEE Act. Therefore, it aims to assist with the removal of barriers to access to capital and markets, and non-financial support for black-owned manufacturing companies in the IPAP sectors of the economy.

The policy seeks to achieve the following objectives:

- Accelerate the quantitative and qualitative increase and participation of black industrialists in the national economy, selected industrial sectors and value chains, as reflected by their contribution to growth, investment, exports and employment.
- Create multiple and diverse pathways and instruments for black industrialists to enter strategic and targeted industrial sectors and value chains.

The Black Industrialists Programme, through the Black Industrialists Scheme, provides access to capital for black industrialists. Financial support will be provided through concessional loans, investment grants, concessional export insurance funding and export market exploration support.

Summary of the incentive

- The Black Industrialists Scheme offers a cost-sharing grant ranging from 30% to 50% to a maximum of R50 million.
- The quantum of the grant will depend on the level of black control, and the project's economic benefit and value.

The Black Industrialists Policy calls for the leveraging of the state's capacity to unlock the industrial potential that exists within black-owned and managed businesses through deliberate, targeted and well-defined financial and non-financial interventions.

This policy emphasises a need for government departments and state-owned companies to set targeted procurement for the promotion of black industrialists in manufacturing sectors, and for the private sector to explore collaborations with government to assist black Industrialists with sustainable procurement opportunities.

The policy outlines that state-owned companies, as tools of government delivery across strategic sectors of the economy, can anchor the Black Industrialists Policy through procurement and supplier development mechanisms.

The department is working with various institutions to facilitate market access opportunities.

Summary of the incentive

The Black Industrialists Policy calls for further technical support to enable the sustainability of black industrialists. Such support includes training and capacity building, research and innovation support, quality standards and productivity support, and information and other relevant technical support.

High-level engagements with various institutions, including Productivity SA, CSIR, SABS, and the Technology Innovation Agency, are at an advanced stage to provide technical support to black industrialists.

The B-BBEE Act allows for the development of a sectoral approach to transformation using a sector charter as an instrument intended to address sector-specific challenges and peculiarities on transformation that would otherwise not be addressed fully by generic provisions of the policy. The sector charter development process enables sector stakeholders and social partners to negotiate and graft a roadmap for sector-specific transformation imperatives. To create a standardised and consistent application and measurement of B-BBEE across all sectors, the legislation prescribes that all

sector codes must be aligned with the B-BBEE policy and that approval is therefore the responsibility of the Minister of Trade and Industry.

The department will commence with the monitoring and evaluation of the Black Industrialists Programme to provide feedback to Cabinet, through the Minister, biannually, as per the policy.

To date, the department has supported 36 black industrialists to the value of R3 billion, creating about 7 000 jobs, mainly in IPAP sectors such as agro-processing; renewable energy; electronics; pulp, paper and furniture; clothing and textiles; plastic; automotive components; and pharmaceutical, electro equipment and metals.

Annexure B: Auditor-General's responsibility for the audit

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

Financial Statements

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

Communication with those charged with governance

3. I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the Accounting Officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, here applicable, related safeguards.



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

