

Department of Trade, Industry and Competition

2021/22 Fourth Quarter Presentation

- Some Highlights

Portfolio Committee on Trade and Industry

24 May 2022



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



OUTLINE

- ☐ **ECONOMIC OVERVIEW**
- ☐ **PERFORMANCE REPORT SUMMARY**
- ☐ **HIGHLIGHTS PER PROGRAMME**
- ☐ **NON-ACHIEVED TARGETS**
- ☐ **FINANCIAL PERFORMANCE**

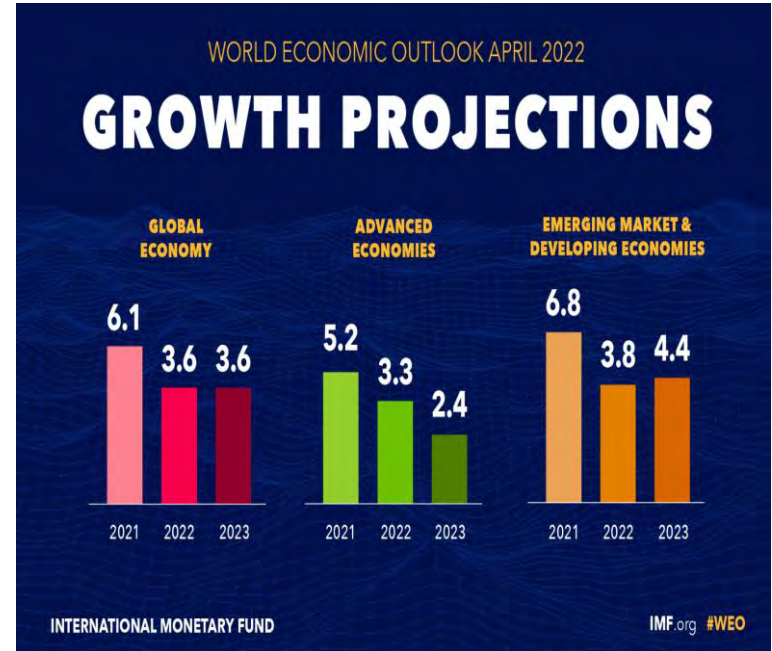
ECONOMIC OVERVIEW

Global Economic Outlook

- The global economy expanded by 6.1%% in 2021, reflecting expected recovery across regions in the second half of 2021.
- Global growth is projected to slow from 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points (pp) lower for 2022 and 2023 respectively, when compared to projections made in January. The downward revision is a consequence of the war in Ukraine.
- War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies – 1.8pp and 2.8pp higher than projected last January.

Risks to the Outlook

- However, overall risks have increased due to:
 - The emergence of more transmissible and deadlier COVID-19 variants which threaten the resilience of recovery,
 - The economic costs of war are expected to spread further afield through commodity markets, trade, and – to a lesser extent – financial interlinkages.
 - Fuel and food price rises are already having a global impact, and are expected to continue to have a negative economic impact on vulnerable populations particularly in low-income countries.

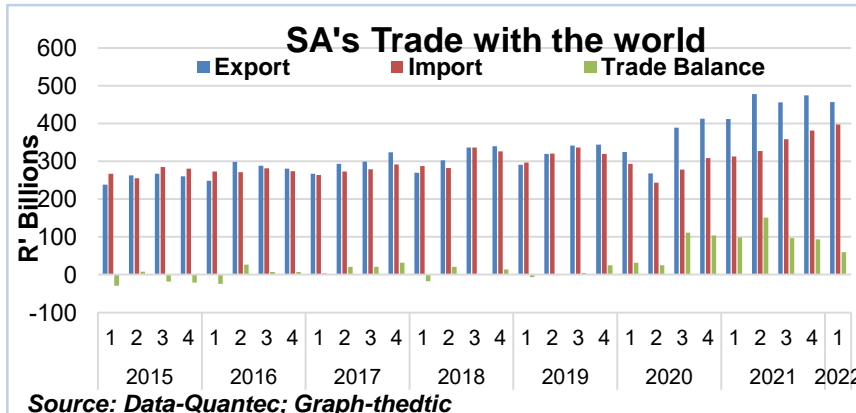


Source: IMF, World Economic Outlook (April, 2022)

ECONOMIC OVERVIEW

Recovery anchored on multiple sectors

- Real GDP increased by 1.2% in 2021Q4, following a decline of 1.7 in 2021Q3.
- The growth was driven by personal services (0.4pp), and trade, manufacturing and agriculture, in equal contribution of 0.3pp each – with agriculture growing the most (12.2%) amid increased production in animal products.
- On the year-on-year (y-on-y) basis, GDP increased by 4.9%.
- The GDP growth in Q4 is the result of a rebound in consumer spending and some improvement in fixed investment.



Trade performance eases

- After soaring by 4.1% to R475bn 2021Q4, the first quarter of 2022 saw SA exports dwindling by 3.7%, to R457 billion, while imports grew by 4.1%, to R397bn in 2022Q1, from R381bn in 2021Q4.
- Despite a gradual moderation in trade surplus, from R151bn in 2021Q2 to R60bn in 2022Q1, SA's trade balance with the rest of the world remains positive.
- The value of exports in 2022Q1, was largely driven by exports of precious metal; products of iron and steel; machinery; chemicals; prepared food stuff; wood pulp and paper; textiles; live animals; and photographic and medical equipment, which collectively dropped by 16% but still accounted for 51% of total SA exports to the world in 2022Q1.

FOURTH QUARTER PERFORMANCE REPORT SUMMARY 2021/22

the dtic Performance Report Summary	Q4 KPIs	Q4 Targets	Targets Achieved	Percentage (%) Achievement	Budget Spent (%)
	57	57	48	84%	98.32

PERFORMANCE REPORT PER PROGRAMME	KPI	Q4 TARGET	ACHIEVED
Programme 1: Administration	6	6	4
Programme 2: Trade Policy, Negotiations and Cooperation	4	4	4
Programme 3: Spatial Industrial Development and Economic Transformation	7	7	6
Programme 4: Industrial Competitiveness and Growth	7	7	6
Programme 5: Consumer and Corporate Regulation	2	2	2
Programme 6: Industrial Financing	8	8	7
Programme 7: Export Development, Promotion and Outward Investments	6	6	4
Programme 8: Inward Investment Attraction, Facilitation and Aftercare	6	6	6
Programme 9: Competition Policy and Economic Planning	7	7	7
Programme 10: Economic Research and Coordination	4	4	2
Total	57	57	48

PROGRAMME 1: ADMINISTRATION

- All eligible creditors' payments processed within 30 days
- 3.9% of People with Disabilities employed, 0.4% above the quarterly as well as annual target of 3.5%. Above the Cabinet target of 2%.
- 54% of Women in SMS employed by 31 March 2022, 4% above the quarterly as well as annual target of 50%. Above the Cabinet target of 50%.
- 54 interns appointed for the 2 year period 2020 to 2022 against the target of 54. 40 Interns remained in service.

PROGRAMME 2: TRADE POLICY NEGOTIATIONS AND COOPERATION

AfCFTA

- SA Chairship of AfCFTA institutions extended to June 2022. SA was elected Chair of the Bureau in February 2021 for a period of 1 year.
- Since the 13th Extra-Ordinary Summit held in December 2020, the percentage of agreed Rules of Origin under the AfCFTA have increased from 81% to 87.7%. The remaining 12.3% of tariff lines include Textiles and Clothing, Sugar and Automotives. Accelerated work programme to finalise outstanding RoO by September 2022

SACU

- SACU increased its tariff offer to the AfCFTA to 7045 tariff lines

G20

- Led South Africa's participation and interventions at 1st G20 Trade, Industrialisation and Investment Working Group under the Indonesian Presidency. This meeting was held on 30-31 March 2022 and was led at Senior Officials level by the DDG:TPNC.

BRICS

- Led South Africa's participation and intervention at 1st BRICS Contact Group on Economic and Trade Issues (CGETI) meeting under the Chinese Presidency was held virtually on 24-25 February 2022

SA-TAIWAN (Economic Consultation held on 25th January 2022)

- Both sides agreed to strengthen investment and sectoral cooperation in Clothing, Textile, Footwear and Leather (CTFL). Information and Communication Technology (ICT) and Business Process Outsourcing (BPO), Special Economic Zones (SEZs), E-Commerce and Automotives and Auto parts
- Both sides further agreed to strengthen private sector partnerships by encouraging companies to participate in the Taiwan African Business Forum

SA-FRANCE (Bilateral Meeting held on 16 March 2022 and Political Dialogue Forum Review Meeting held on 29 March 2022)

- SA-France Bilateral meeting to review progress on trade relations took place
- Progress report on the implementation of Trade and Investment Agenda prepared. Progress included notable increase in bilateral trade amid pandemic, increase in SA exports of value added manufactured goods, increase in the value of commitments by French Companies at the Investment Conference and the implementation of the MoU on Export and Investment Promotion

SPECIAL ECONOMIC ZONES (SEZs)

- A reported 385 construction jobs have been created so far on the construction of the R 1.1 bn edible oils plant by Wilmar Processing SA Ltd that is currently underway in the Richards Bay Industrial Development Zone (RBDIZ). This project is expected to be completed in March 2023.
- The construction of the pipeline, which will be used to pump crude palm oil from the docked ship at the Port of Richards Bay to the Wilmar plant, has commenced
- 3 investment pledges were made at the 4th SA Investment Conference with respect to Saldanha Bay Industrial Development Zone (SBDIZ). Two of the pledges have long journeys with the SBIDZ, namely Cape Oceans Terminals (COT) and Anchora. The 3rd one is a newcomer in the name of Africa Quartz, a solar energy manufacturing plant for the South African and African markets
- The size of the pledged investment amounts in relation to the above is as follows:
 - R1.5 bn from African Quartz
 - R1.8 bn from Anchora Enterprises; and
 - R2 bn from COT

YOUTH TRAINING AND EMPOWERMENT

- Textile Centre of Excellence programme
 - 2 interns completed 12 months' work experience placement at the CSIR to enhance their employability in the industry
 - 1 Post Doctoral student financially supported to complete programme at NMMU and also hosted at a PE Lab to assist with textile testing
- Fashion Design Innovation Centre (FDIC) programme in Mthatha
 - 18 seamstresses trained in sewing techniques through a partnership with Department of Arts and Culture (DAC).
 - 6 Fashion Designers trained in CAD software.

BLACK ENTERPRISES SUPPORTED THROUGH THE WORKPLACE CHALLENGE

- A total of 101 enterprises (80 black owned; 52 women-owned; 25 youth-owned) supported through the Workplace Challenge (WPC) enterprise transformation intervention to enhance their productivity and competitiveness, boosting their survival capability in current economic conditions

AEROSPACE AND DEFENCE

- 149 highly skilled jobs created or retained through the Aerospace Industry Support Initiative (AISI)
- 20 SMMEs directly supported for technology enhancement as well as standards and accreditations. 85% of the SMMEs have B-BBEE Levels between 1- 4

CHEMICALS, COSMETICS, PLASTICS AND PHARMACEUTICALS

- Launched the Active Pharmaceutical Ingredients (API) Cluster
- Investment commitment of R500 million made by Aspen at the Investment Conference held on 24 March 2022
- International DFI Funding to Biovac towards increasing local manufacture of vaccines

PRIMARY MINERALS PROCESSING AND CONSTRUCTION

- Completion of Nyanza light metals technical services centre and lab. The first novel titanium dioxide processing plant in Richards Bay IDZ
- Participated in the Future Coal procurement inspection in terms of section 92 (a) & (b) of the Mineral and Petroleum Resources Development Act (MPRDA) which resulted in 8 suppliers being retained under the company's enterprise development program
- Developed an electronic booklet identifying supply chain opportunities in the mining value chain.

TEXTILES, CLOTHING, LEATHER AND FOOTWEAR

- Gelvenor Africa – Clothing, Textiles, Footwear and Leather Growth Programme (CTFLGP) funding of R12.5 million approved to address re-employment of 329 jobs and localisation of niche industrial textile material.

AGRO PROCESSING AND RESOURCE BASED INDUSTRIES**Sugar Master Plan**

- Deep sea sugar imports showing a 4% decrease from 2021/22 season and increase of 15% from Eswatini and 45% from SADC
- South African Sugar Association(SASA) has allocated to South African Farmers Association (SAFDA) R60m minimum small-scale Grower(SSG) Premium Payment paid in January 2022 for three seasons (i.e. 2021/2022,2022/2023,2023/2024 seasons) and this is in line with Sugar Based Master Plan's purpose of ensuring long term success and retention of small-scale farmers in the sugar industry
- As at the end of Q4(i.e. end January 2022) R200 million was spent from the industry's 5yr R1billion transformation fund (i.e. allocation from South African Sugar Association to small scale sugar farmers)

Furniture Master Plan

- PG Bison successfully commissioned its latest expansion project with the installation of the higher capacity dryer and fibre preparation facilities at its eMkhondo (Piet Retief) manufacturing facility in Mpumalanga.

SUPPORT IN ACCREDITATION AND CERTIFICATION TO DEEPEN SA CAPABILITIES

- Two SMMEs were assisted under the Standards, Accreditation and Technology Enhancement Programme to the value of R474 477.83
 - AR Jones Engineering (R 369 477.84), Vredenburg, Western Cape, creating one permanent job, 3 temporary and 8 internships. The certified ISO 9001 Quality Management System gives them a bigger chance to be appointed by international companies. The support provided will give AR Jones Engineering the potential to penetrate a potential export market and provide increased local content. It will also give them access to new markets that they would not have previously been able to supply into;
 - Sonhar Projects (R 104 999.99), in Gqeberha, Eastern Cape completed the first of three phases of support. The international certification will give Sonhar Projects the potential to penetrate export markets and provide increased local content of their products.

METALS FABRICATION, CAPITAL AND RAIL TRANSPORT EQUIPMENT

- Wilec Technical Solutions Provider commissioned its first ever Continuous Transposed Conductor (CTC) production line in January 2022. CTC is a key component used in bigger sizes of transformers for winding. This new line will enhance local content and products can also be exported to other markets. Wilec is the only CTC manufacturer in Africa. This project is supported by the Black Industrialist Programme.
- In February 2022, Transnet Engineering awarded Lucchini SA an interim contract to support about 12 000 units of Forged Wheels. This award will close some supply gaps arising from technical challenges experienced by Cast Products SA in the production of Cast Wheels
- Naledi Ringrollers, a Black Industrialist commenced with the supply of rail wheel tyres after resolving long-standing working capital issues with the IDC and is ready to commence the supply of both 34 and 36 inch wheels contract recently awarded by Transnet Engineering. This has been possible due to the designation of wheels under the rolling stock local content requirements

LOCALISATION INTERVENTIONS






- **Magalies Water Board (Mafenya Pumping Station and Pipeline to Tlhabane Reservoir)**
 - In January 2022, a tender by Magalies Water Board specified pipe requirements that would not favour local manufacturing capabilities (steel and plastic pipes). The tender called for products that would be imported from Spain, despite the availability of other locally manufactured alternatives that would be price competitive compared to the imported pipes. The Board subsequently requested a deviation from local content policy, from National Treasury. However, subsequent to an engagement between **the dtic** and National Treasury (NT), the NT referred the matter back to **the dtic** to make a final determination. **the dtic** declined the request for importation in support of locally produced pipes.
- **Umzinyathi District Municipality (Nquthu Water Supply Scheme) New 15km , 600mm Diameter Rising Main**
 - In March 2022, the industry brought a non-compliance issue on the prescription of ductile iron pipes to be used in the Umzinyathi District Municipality Tender (Nquthu Water Supply Scheme). This is despite the exclusion of using these pipes for State Procurement as per the National Treasury Designation Circular on Steel Conveyancing Pipes. Accordingly, **the dtic** intervened in the matter and the Municipality has indicated that the tender will be amended to reflect the current policy position of the government to adhere to the local content requirements

BILLS

- Public and stakeholder submissions on the Companies Amendment Bill were reviewed. This follows the publication of the Bill in the Government Gazette for public comment in Quarter 3
- The Liquor Amendment Bill was reviewed. Inter-Departmental engagements on the government measures and approaches to liquor abuse continued to be held
- Lotteries Regulatory Impact Assessment (RIA) to review the provisions of the Lotteries Act, 1997, was finalized in February 2022 and the recommendations will inform the legislative changes.

Q4 2021/22 INCENTIVE PERFORMANCE OVERVIEW

FUNDING APPROVED IN Q4 2021/22 TO SUPPORT INDUSTRIALISATION

PROJECTS SUPPORTED	APPROVAL AMOUNT	PROJECTED INVESTMENT	NEW JOBS TO BE CREATED	JOBS TO BE RETAINED
				
		INVESTMENT MULTIPLIER 2.3		
49	R821 725 865	*R1 892 815 552	3 392	5 945

3
STATE-OWNED
ENTITIES**

OWNERSHIP OF ENTERPRISES
AND ORGANISATIONS
SUPPORTED

45
ENTERPRISES

27
PUBLICLY
LISTED
ENTERPRISES

18
PRIVATE
ENTERPRISES


Black-owned
enterprises and
industrialists

16

Black
Industrialis
ts

3

Black
emerging
filmmakers

9

Black
emerging
aquaculture
farmers


1

Other black
owned
projects

3


Women-owned
enterprises

6


Women-empowered
enterprises

2


Youth-owned
enterprises


1


Youth-empowered
enterprises

1


SMMEs

8


Special purpose
corporate vehicles for
Film and TV productions

14

* Includes SEZ Projected Investment

**2 state-owned SEZs and 1 state-owned CIP project approved

*** 1 publicly listed enterprise had 2 projects approved

PROJECTED LOCALISATION IN THE NEXT TWO TO THREE YEARS

Projected local procurement
from supported projects in the
automotive sector

R15 334 079 974



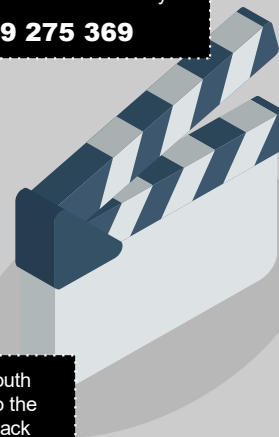
Supported productions in South
Africa have projected spending of
R1.2 billion in the local economy

R1 229 275 369



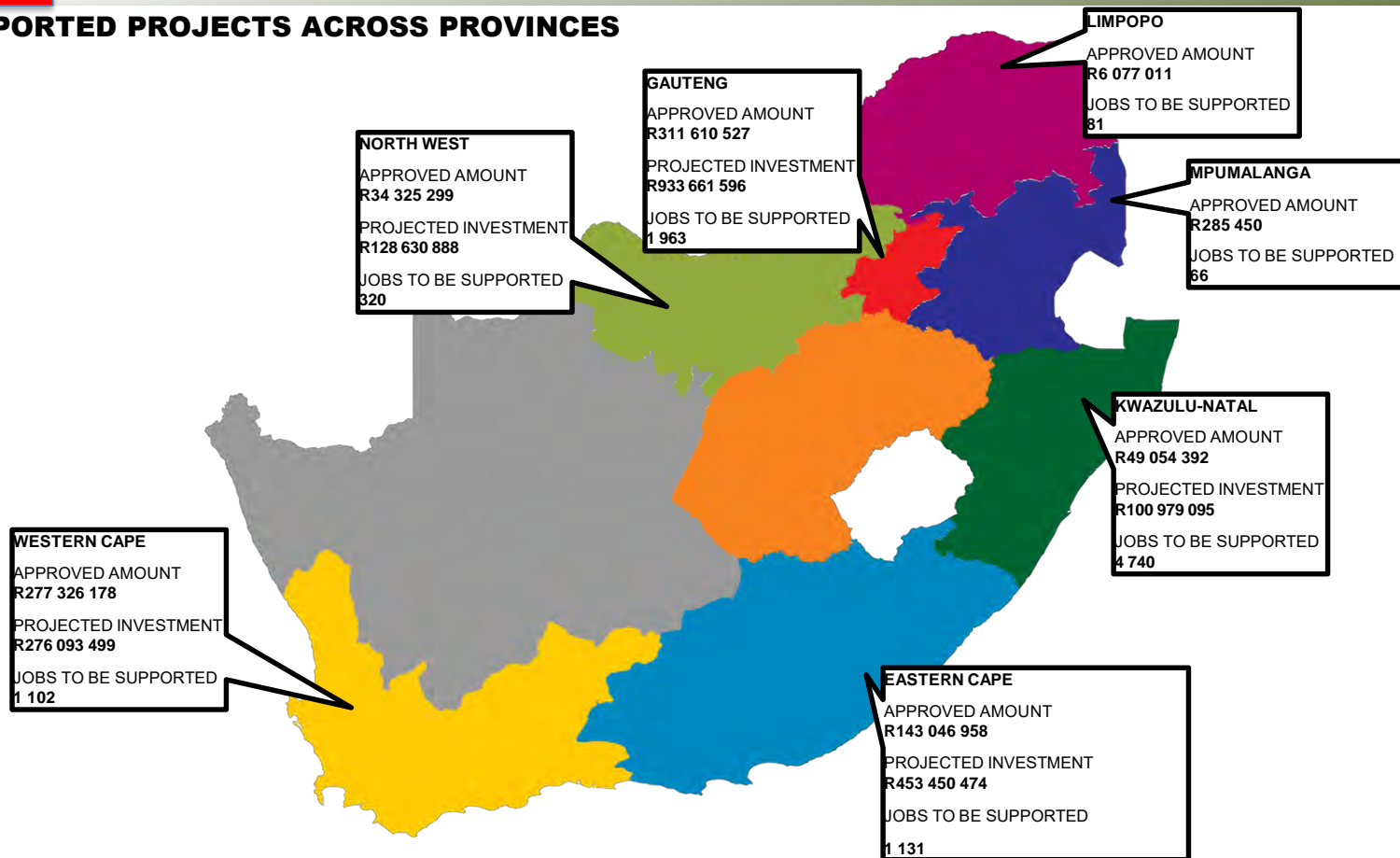
Supported productions in South
Africa will procure services to the
value of R868 million from Black
suppliers

R867 808 847



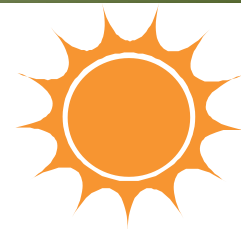
PROGRAMME 6: INDUSTRIAL FINANCING





























SUPPORTED PROJECTS ACROSS PROVINCES





PROGRAMME 6: INDUSTRIAL FINANCING


INCREASED STRATEGIC INVESTMENT TOWARDS INCLUSIVE GROWTH OF THE SOUTH AFRICAN ECONOMY: KEY INDUSTRIES

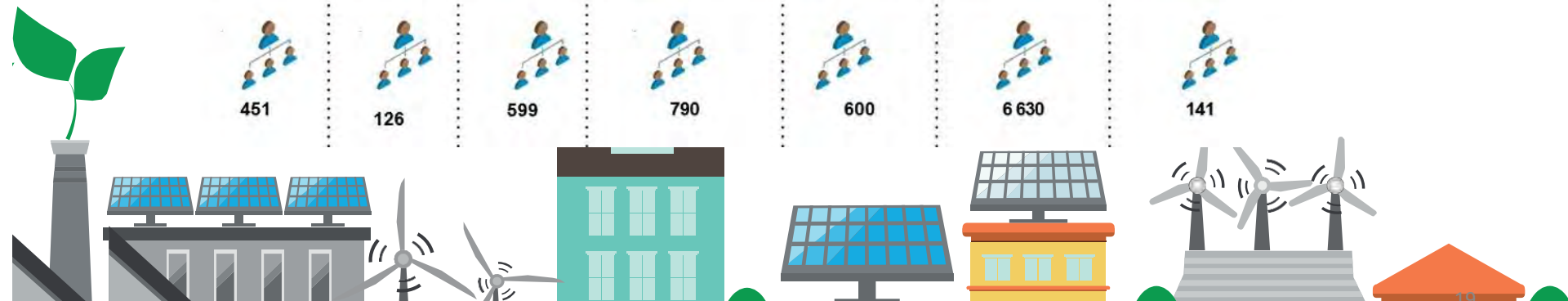


						
Industrial Infrastructure	Agro-Processing	Business Process Services	Creative Industries	Mineral Beneficiation	Automotive	Renewables/ Green Economy
 R167 013 683	 R30 191 425	 R1 824 500	 R264 623 578	 R54 214 037	 R263 384 561	 R27 310 093
 R418 289 458	 R89 817 669	 R1 507 192 821	 R1 229 275 369	 R270 000 000	 R1 053 538 239	 R61 170 186
 451	 126	 599	 790	 600	 6 630	 141


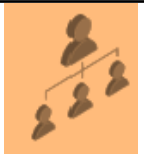
 Approval Amount

 Projected Investment

 Jobs to be Supported



DISBURSEMENTS IN Q4 2021/22 TO SUPPORT INDUSTRIALISATION

				
*DISBURSEMENTS	ACTUAL INVESTMENT	NEW DIRECT JOBS	CONSTRUCTION JOBS	JOBS RETAINED
R1 448 548 430	R5 502 580 396	19 103	63	5 091
* Excludes 121 draw downs INVESTMENT MULTIPLIER 3.8				



PROGRAMME 6: INDUSTRIAL FINANCING

ECONOMIC REBUILDING (UNREST FUNDING)

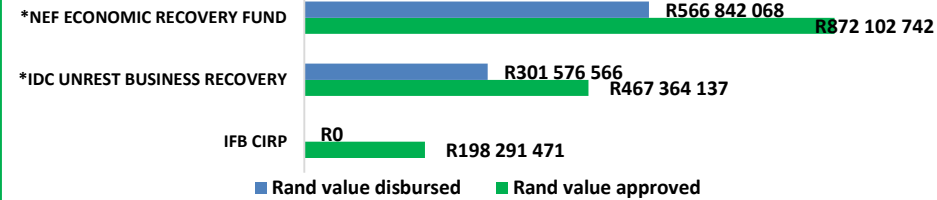
1

217 ECONOMIC REBUILDING APPROVALS



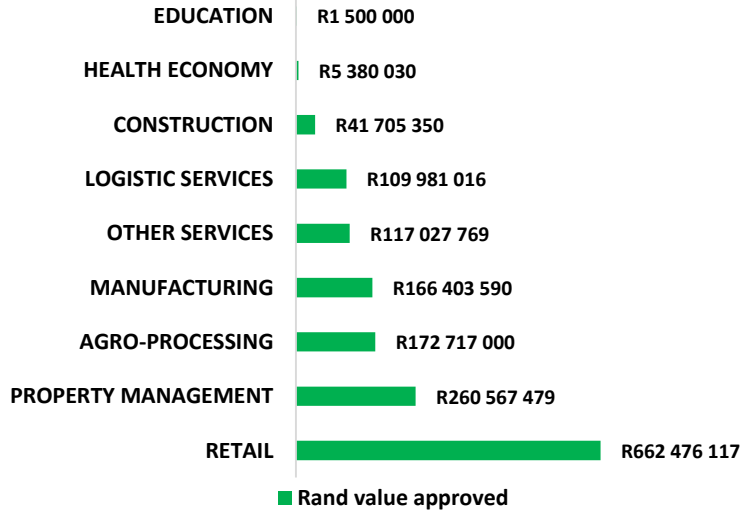
2

Total approvals is R1.5bn with R868m disbursed as at 31 March 2022



3

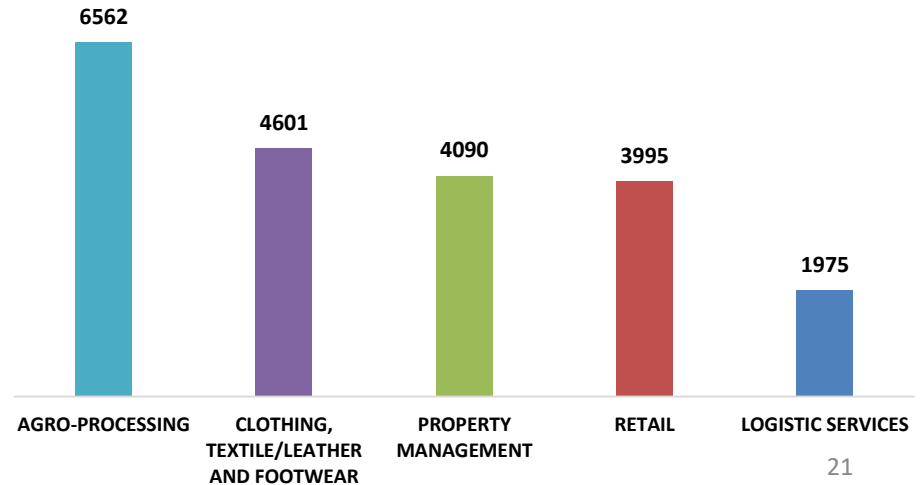
SUPPORTED INDUSTRIES



4

23 426 JOBS TO BE RETAINED

TOP 5 INDUSTRIES: JOBS TO BE RETAINED



PROGRAMME 7:EXPORT DEVELOPMENT, PROMOTION AND OUTWARD INVESTMENTS

Arranged and participated in **8 business-to-business engagements** and events



Participated **1 Bi-National Commission**



Funded through Export Marketing and Investment Assistance (EMIA) the participation of **43 companies** in **3 trade and investment missions**



A total of **253** individuals benefited from **15 export training and export awareness** initiatives



1 Impact Assessment Report on export promotion and development initiatives was developed

GRAMME 7: EXPORT DEVELOPMENT, PROMOTION AND OUTWARD INVESTMENTS

Dubai EXPO 2020

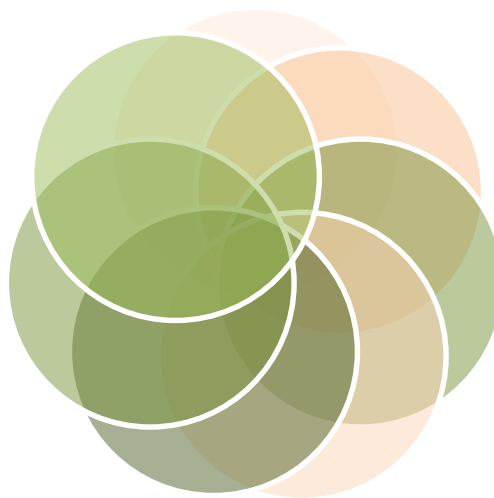
- South Africa's participation at Expo 2020 held in Dubai, served as a showcase to present to the world the best South Africa has to offer in terms of trade, investment, tourism as well as sports, arts and culture
- In addition to a physical presence through the South African pavilion, our 6-month programme also encompassed off-site activations and events in the United Arab Emirates (UAE), while embracing virtual participation through webinars, virtual exhibition and e-commerce platforms.
- Through these initiatives, the country was able to profile a range of sectors including agriculture, agribusiness, clothing and textiles, automotive, mining, capital equipment, tourism, hospitality and manufacturing.
- Opportunities in renewable and clean energy, fintech, healthcare, digital technologies, defence and aerospace were also presented
- Initial indications are that close to 90 business leads were generated, with an estimated R290 million in potential returns.

PROGRAMME 8: INVESTMENT ATTRACTION, FACILITATION AND AFTERCARE

Achieved an
investment pipeline of
R124.390 bn

Co-hosted the 4th
South African
Investment
Conference

11 Ease of Doing
Business
Engagements i.e.
Technical Working
Groups, Business
Meetings, Stakeholder
Engagements



114 investor consultation
engagements for rapid
implementation

Assisted with
evaluation of **57** visa
recommendations for
technical experts of
various companies

49 intra-company
transfers, critical skills
& permanent residency
visas facilitated

PROGRAMME 9: COMPETITION POLICY AND ECONOMIC PLANNING

MERGERS AND ACQUISITIONS

- Minister was notified of 63 mergers. Minister was advised to participate in 7 mergers on public interest considerations that included employment, localisation and ownership considerations.

DP WORLD LOGISTICS FZE/IMPERIAL LOGISTICS MERGER

- Participated in the merger on public interest grounds in terms of section 12A3 (a) to (e) of the Competition Act no 89 of 1998 (as amended). Following engagements/negotiation between the Competition Commission, the merger parties and the Minister, the Tribunal approved the merger subject to the following conditions:

Condition 1: Enterprise and supplier development and corporate social responsibility initiatives

- Imperial will increase its enterprise and supplier development expenditure in South Africa. It will increase its spend on corporate social responsibility initiatives by not less than 10% per annum over and above the current R16.5 million per annum;
- Imperial will spend an additional R15 million over three years on training and development of Black persons; and
- It will increase its annual procurement expenditure targets for Black-owned and Black women-owned businesses, qualifying small enterprises and exempted micro-enterprises

PROGRAMME 9: COMPETITION POLICY AND ECONOMIC PLANNING

Condition 2: Employee Share Ownership Program (ESOP)

- Within 24 months of the merger implementation date, the merged entity must establish an ESOP through which Imperial employees (excluding top and senior management) will benefit from an effective 5% interest in Imperial Logistics SA through an employee trust; and
- Among others: Imperial employees will not be required to pay to participate in the ESOP; the ESOP shareholding should not substitute the existing HDP shareholding in Imperial Logistics SA; before establishing the ESOP, the merged entity must provide the Commission with the principles which it proposes to apply in the ESOP, consult with the Commission on these and not implement the ESOP before obtaining the Commission's written approval

Condition 3: Employment

- No employees may be retrenched as a result of the merger for a period of three years from the merger's implementation date.

Condition 4: Capital Expenditure

- Imperial shall incur no less than R2.1 billion of capital expenditure in its South African operations (during the period of four years expiring on 30 June 2025)

PROGRAMME 10 : ECONOMIC RESEARCH AND COORDINATION

INCLUSIVE GROWTH KNOWLEDGE NETWORK WEBINAR

- Hosted an Inclusive Growth Knowledge Network Webinar entitled “Just Transition for Local Economic Development” on 29 March 2022, which was attended by a mix of National Sector Departments, Provincial Economic Departments and their Entities, Business and Labour representatives. The aim of the webinar was to exchange knowledge and ideas to enhance the just transition social dialogue process and unpack the theoretical and policy norms associated with the concept, whilst addressing practical socio-economic constraints and limitations associated with the required transformation.

Non-Achieved Targets for the Quarter

A total number of nine (9) targets were not achieved, details are as follows:

Programme 1

Output Indicator	Quarterly Target	Actual Achievement	Reason for deviation	Corrective action
% implementation of the Internal Capacity Building Plan: Structure fit for purpose, culture change, coaching upskilling and reskilling as well as recognition framework	13% Internal Capacity Building Plan: Structure fit for purpose, culture change, upskilling and reskilling as well as recognition framework:	<p>4.9% Internal Capacity Building Plan: Structure fit for purpose, culture change, upskilling and reskilling as well as recognition framework:</p> <p>Structure fit for purpose: RfQ process initiated and failed due to no responses received. BSC appointed and Terms of Reference (ToR) drafted and reviewed. ToR submitted to BAC for consideration and advertisement of the tender.</p> <p>Culture Change Plan: Culture change intervention presented at ExBo</p> <p>Upskilling and reskilling Procured service providers:. CIP Excellent Customer Care AMDP Gender Mainstreaming Monitoring & Evaluation Breaking Barriers</p>	<p>Structure fit for purpose: No responses on RfQ. Hold by National Treasury on procurement</p> <p>Tender Process halted due to procurement restrictions by NT</p>	<p>Structure fit for purpose: National Treasury to provide guidance regarding the SCM process</p> <p>BSC processes in progress. It is anticipated that the process will be concluded in Q1 2022/23 financial year. National Treasury to provide guidance regarding the SCM process</p>
Improved governance at entities	Implementation of identified actions	Review still underway	Shortage of resources contributed to the delays in finalizing the review	Review to be carried over to the next financial year with the assistance of ERC

28

Non-Achieved Targets for the Quarter cont..

Programme 3

Output Indicator	Quarterly Target	Actual Achievement	Reason for deviation	Corrective action
Approved regulations to address recognition of Broad Based vehicles that promote participation of marginalised groups	Annual report on worker, community and HDI ownership	Report in the form of spreadsheet on ownership schemes and participation by workers produced	Quarterly target not aligned with Annual target. APP was corrected but could not be tabled on time to correct the misalignment.	Regulations were developed and the annual target was met

Programme 4

Number of Master Plans developed as per Re-imagined Industrial Strategy	1 Master Plan as per Re-imagined Industrial Strategy	Nil	Draft Plastics Master Plan was presented and approved by ExBo	Master Plan to be submitted to Minister for approval
---	--	-----	---	--

Programme 6

Value (Rand) of projected investments to be leveraged from projects/enterprises approved*	R7bn	R6.529 bn	Fewer applications with low investment value received for the quarter due to economic downturn and COVID 19	N/A (The annual target of the projected investments to be leveraged from enterprises/projects approved has been met and exceeded at the end of quarter 3.)
---	------	-----------	---	---

Non-Achieved Targets for the Quarter cont..

Programme 7

Output Indicator	Quarterly Target	Actual Achievement	Reason for deviation	Corrective action
Number of barriers processed by the Export Barriers Monitoring Mechanism.	60	1 New Barrier Registered in Q4	<ul style="list-style-type: none"> Total of 61 barriers registered for FY Annual target of 60 achieved in Q3 already Q4 less than expected number of requests for Barrier registration received. 	N/A
Develop the District AfCFTA Strategy Helper (DASH) as part of the Export Data Assistant (EDA) platform.	1	Nil (DASH completed in Q2)	<ul style="list-style-type: none"> The DASH tool was developed, tested and adopted ahead of schedule. The DASH Tool is being used to develop inputs for the District Development Model. 	N/A

Programme 10

Number of District Economic Briefs produced	2	Nil	Brief was produced in Q2 as a request from the Executives.	N/A
Number of research studies to identify future growth areas produced	1	Nil - Report not completed, will be rolled over to the next financial year	Active Pharmaceuticals Ingredient Study is a highly specialized scientific field. ERC does not have expertise in-house in this area. The study has to be outsourced. Only two proposals for the study were received. The preferred service provider was non compliant with SARS and one of their Board Directors was employed by government.	Restart the procurement process to secure a service provider to conduct the study using the Department's Strategic Research Partners.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE OVERVIEW

1 April 2021



31 March 2022



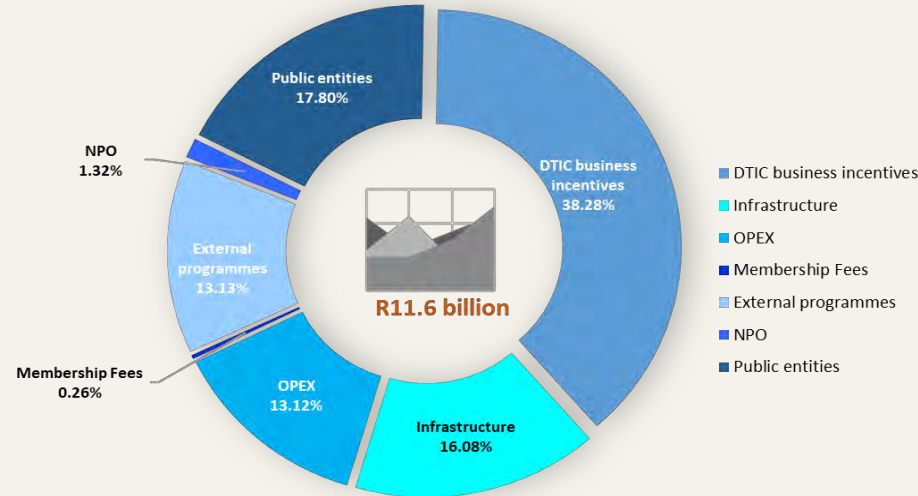
R11 812 005 000 Adjusted Budget



R11 614 095 000 spent as at 31 March 2022

Spent as % of adjusted budget = **98.32%**

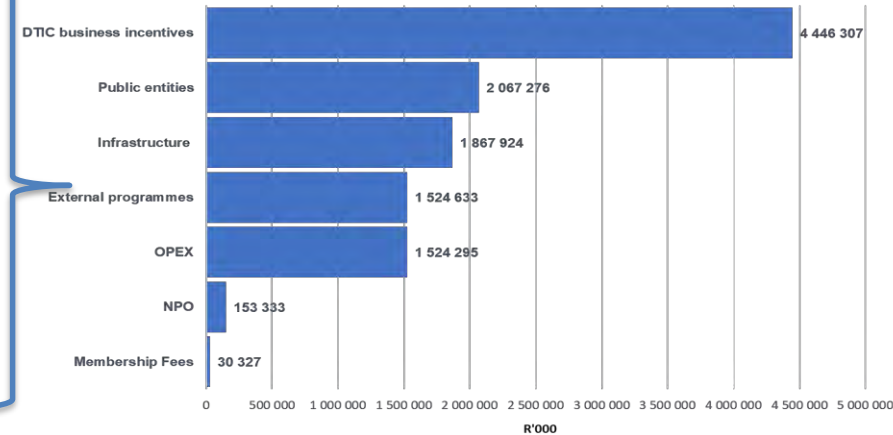
Q4 expenditure by type of spending



The R11.6 billion spent as at 31 March 2022 comprises of:

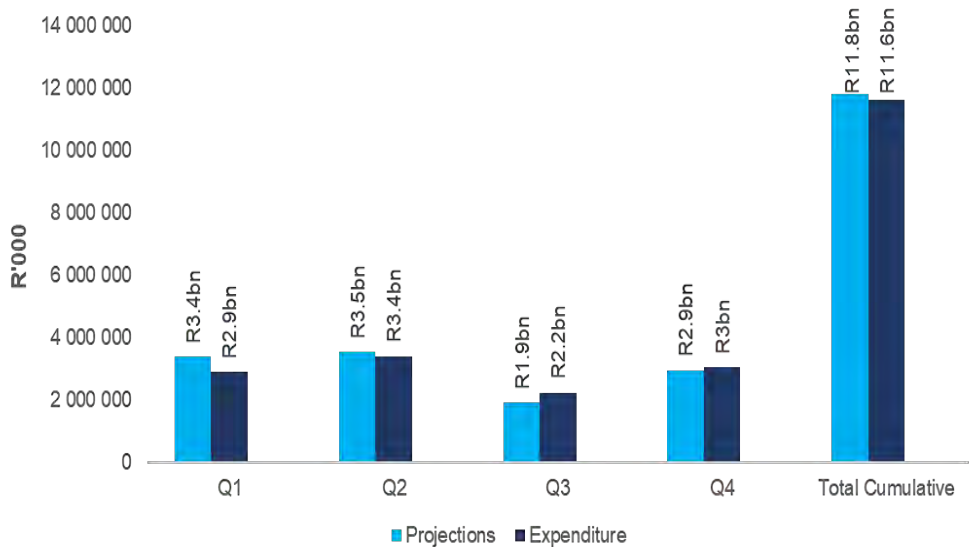
- R6.3 billion or 54.4% (i.e. business incentives and infrastructure) was disbursed to the beneficiaries across the various incentive programmes, followed by R2.1 billion or 17.8% transferred to the public entities.
- R1.5 billion or 13.1% was disbursed to various external programmes at the IDC (such as the Social Employment Fund) and CSIR.
- Both the international organizations, which South Africa is a member and non-profit organisations accounted for R184 million or 1.6%.
- Spending on operational costs was R1.5 billion or 13.1%.

Rand value by type of spending – Q4



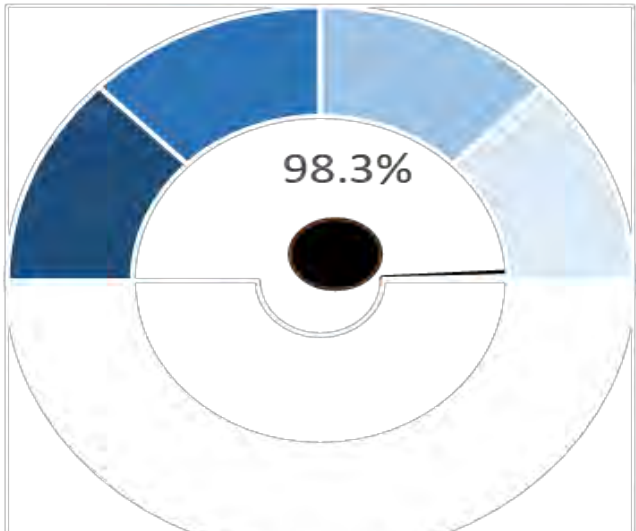
FINANCIAL PERFORMANCE OVERVIEW

Quarterly expenditure against projections



When compared with quarter 3 [R2.2 billion], expenditure for quarter 4 recorded a 37% growth and stood at R3 billion.

YTD expenditure as % of YTD projections



When compared to the YTD projections of R11.8 billion, spending is R11.6 billion or **98.3%**.

FINANCIAL PERFORMANCE PER PROGRAMME AND ECONOMIC CLASSIFICATION

	Adjusted Budget 2021/22	Actual expenditure	Under/(Over) expenditure	% Under/(Over) expenditure
Description	R'000	R'000	R'000	
Programme 1: Administration	787 258	721 265	65 993	8,38%
Programme 2: Trade Policy, Negotiations and Cooperation	218 786	217 790	996	0,46%
Programme 3: Spatial Industrial Development and Economic Transformation	159 008	122 403	36 605	23,02%
Programme 4: Industrial Competitive and Growth	1 638 387	1 638 077	310	0,02%
Programme 5: Consumer and Corporate Regulation	324 629	323 386	1 243	0,38%
Programme 6: Industrial Financing	6 494 979	6 465 947	29 032	0,45%
Programme 7: Export Development, Promotion and Outward Investments	415 155	399 015	16 140	3,89%
Programme 8: Inward Investment Attraction, Facilitation and After-care	65 653	53 712	11 941	18,19%
Programme 9: Competition Policy and Economic Planning	1 643 136	1 634 535	8 601	0,52%
Programme 10: Economic Research and Coordination	65 014	37 965	27 049	41,61%
Total	11 812 005	11 614 095	197 910	1,68%
Economic classification				
Current payments	1 650 191	1 513 350	136 841	7,31%
Compensation of employees	1 064 551	1 018 507	46 044	4,33%
Goods and services	585 640	494 843	90 797	15,50%
Transfers and subsidies	10 140 376	10 096 844	43 532	0,43%
Incentive payments	6 343 232	6 314 231	29 001	0,46%
Department entities	2 067 276	2 067 276	0	0,00%
External Programmes	1 538 822	1 524 633	14 189	0,92%
Non profit organisations (Partnerships with business associations, NEDLAC)	153 334	153 333	1	0,00%
Membership fees (International organisations)	30 656	30 327	329	1,07%
Households	7 056	7 043	13	0,18%
Payments for capital assets	20 321	2 786	17 535	86,29%
Payments for financial assets	1 117	1 116	1	0,00%
Total	11 812 005	11 614 095	197 910	1,68%

THANK YOU

NGIYATHOKOZA

KE A LEBOHA

KE A LEBOGA

SIYABONGA

INKOMU

NDO LIVHUWA

ENKOSI

NGIYABONGA

DANKIE