



# the dti's **THIRD QUARTER REPORT**

## **2019-2020**

DATE: 3 MARCH 2020  
PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE AND  
INDUSTRY

# PRESENTATION OUTLINE

- Strategic Imperatives**
- Economic Overview**
- Summary of Departmental Performance Information**
- Financial Performance**

# STRATEGIC IMPERATIVES

## Objectives

Grow the manufacturing sector to promote industrial development, job creation, investment and exports

Improved conditions for consumers, artists and opening up of markets for new patents players

Strengthened capacity to deliver on **the dti** mandate

## Goals

1. To facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation

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

3. Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth;

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

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

## Vision

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

# GLOBAL ECONOMIC OUTLOOK

- Global growth is projected to rise from an estimated 2.9 % in 2019 to 3.3 % in 2020;
- Across advanced economies, growth is projected to stabilize at 1.6 % in 2020 & 1.7 % in 2019;
- Economic growth for the Emerging Market & Developing Economies (EMDE) Group, is expected to increase to 4.4 % in 2020 from 3.7% in 2019;
- In sub-Saharan Africa, growth is expected to strengthen to 3.5% in 2020 from 3.3% in 2019;
- However, the projected recovery for global growth remains uncertain due to amongst others - downward revisions of India's growth, stressed and underperforming EMDEs.



# RISKS TO THE GLOBAL ECONOMIC OUTLOOK REMAIN ON THE DOWNSIDE

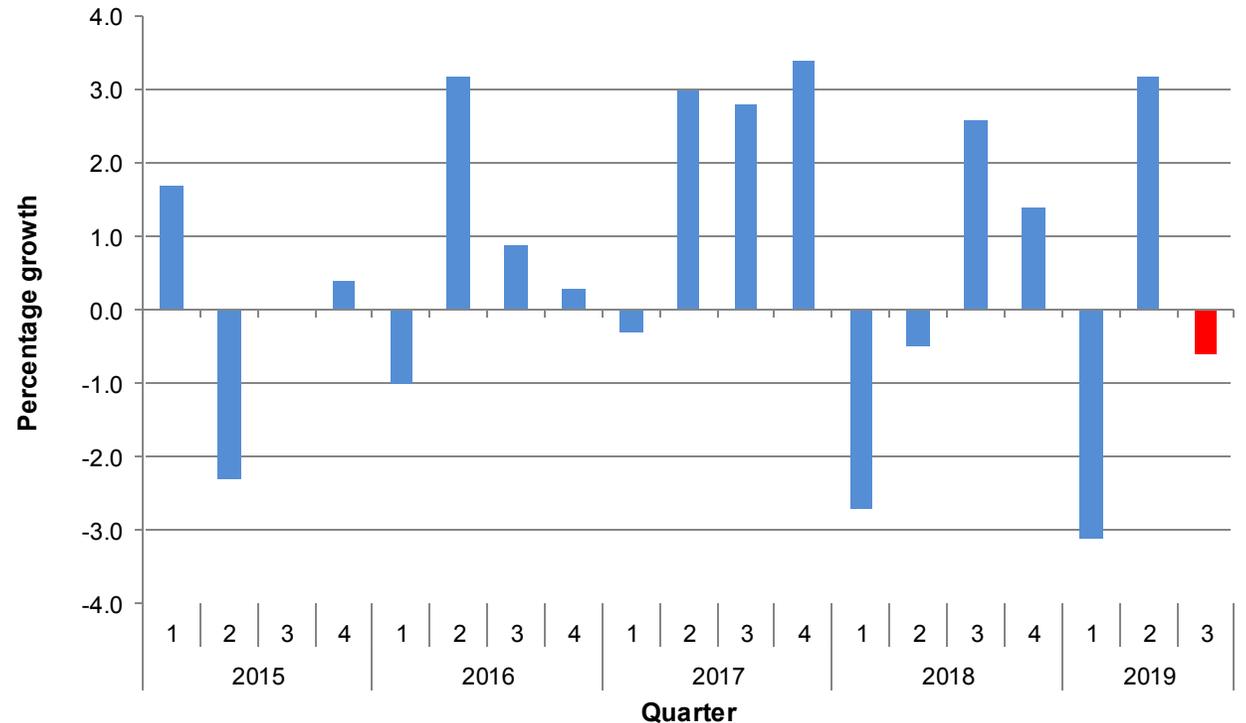
**The balance of risks to the global economic outlook remains on the downside and that increases the likelihood of much weaker-than-expected global growth in 2020. The downside risks include amongst others:**

- Rising geopolitical tensions, notably between the United States and Iran;
- Higher tariff barriers between the United States and China;
- Weather-related disasters such as tropical storms, floods, heat waves, droughts, and wild fires;
- Lack of capacity in the EMDEs to confront negative shocks, since policy buffers generally remain inadequate.

# DOMESTIC GDP CONTRACTS IN THE 3RD QUARTER

- ❑ Real gross domestic product (GDP) contracted by 0.6 % 2019 Q3;
- ❑ Sharp dips in mining, manufacturing and agriculture were the largest contributors to the negative growth;
- ❑ Agriculture affected by a severe drought which forced the government to begin rationing water supplies nationwide;
- ❑ Mining production fell 6.1% in the quarter, manufacturing down 3.9% and agriculture contracted by 3.6%;
- ❑ The three sectors taken together represent about a quarter of domestic product and a large chunk of taxes, revenues and employment;
- ❑ On a year-on-year basis, the GDP grew marginally by 0.1% (seasonally unadjusted).

GDP at market prices (Seasonally Adjusted Annualised Percentage Change At Constant 2010 Prices)

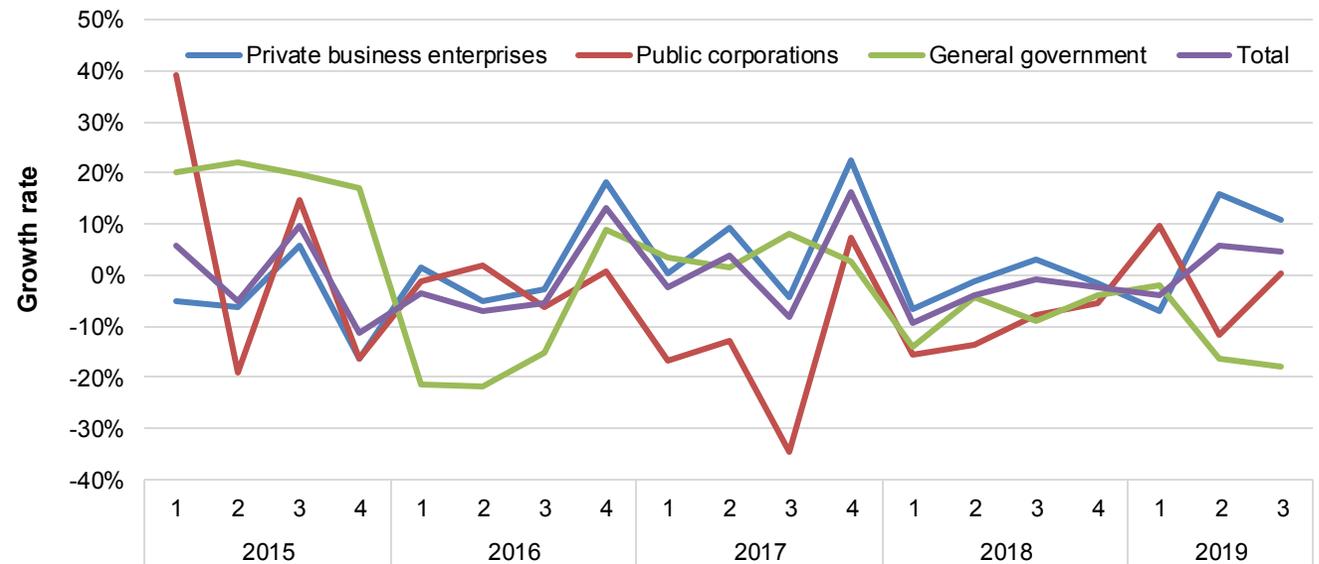


Source: Stats SA

# THE GROSS FIXED CAPITAL FORMATION POSITIVE

- ❑ Gross fixed capital formation (GFCF) rose by 4.5% 2019Q3 despite dismal GDP data, the second consecutive increase after 5 quarters of contraction;
- ❑ The main contributors to the increase were machinery and equipment, other assets and transport equipment;
- ❑ The private business enterprises recorded 10.8 % growth 2019Q3;
- ❑ Real capital expenditure by general government receded by 17.8% 2019Q3 marking the seventh consecutive quarterly contraction;
- ❑ Real gross fixed capital expenditure by public corporations increased marginally by 0.2% 2019Q3;
- ❑ The overall increase in total GFCF & in particular private business enterprises resonates well with investment summit commitments made in November 2019.

Gross Fixed Capital Formation by categories (Constant 2010 prices, seasonally adjusted % change quarter-on-quarter, annualised)

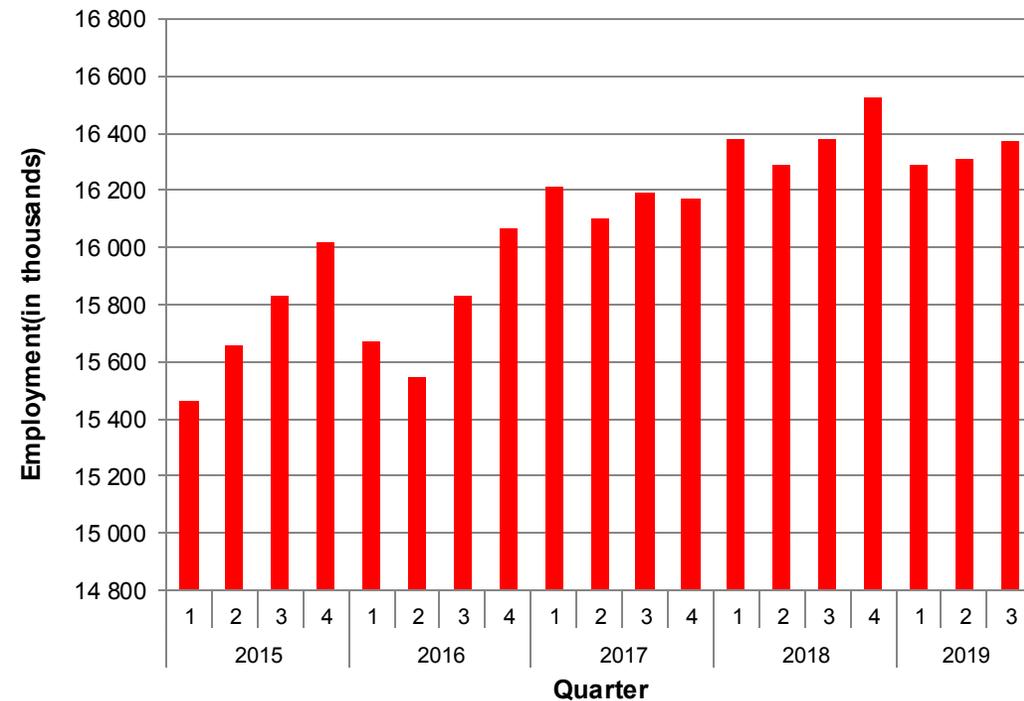


Source: StatsSA

# TOTAL EMPLOYMENT IS GROWING BUT NOT FAST ENOUGH TO ARREST UNEMPLOYMENT

- ❑ Total employment at the end of 2019 Q3 was 16,37 million jobs, representing an increase of 62 000 in the number of new jobs created;
- ❑ At a sectoral level, the number of employed persons increased in four of the ten industries, with the largest increase recorded in Community and social services (56 000), followed by Agriculture and Mining with 38 000 each, and Private households (35 000);
- ❑ Declines in employment were recorded in Manufacturing (30 000), Construction (24 000), Trade (21 000) and Utilities (18 000) industries;
- ❑ Despite the increase in the number of employment created, a number of unemployed persons increased by 78 000 thereby increasing unemployment to 29.1 %.

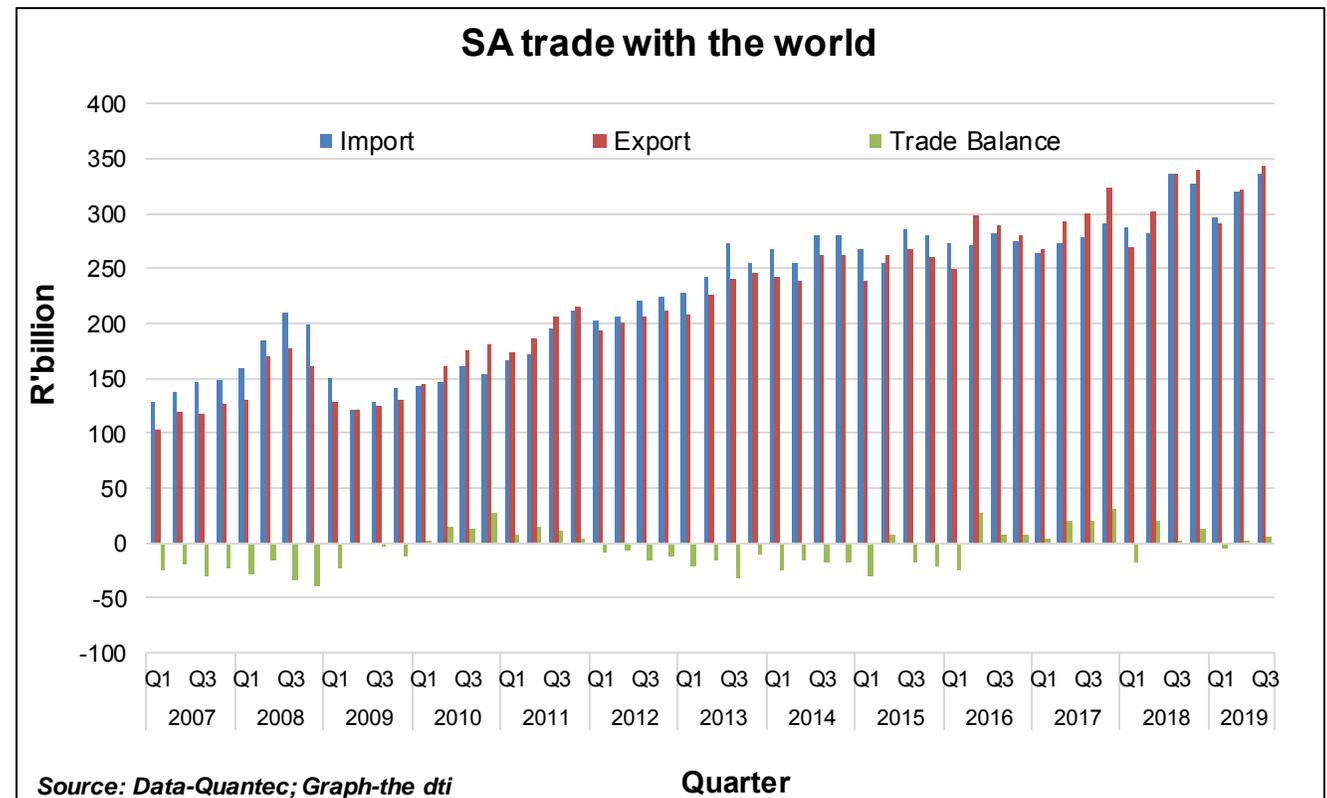
Total employment: QLFS



Source: Stats SA

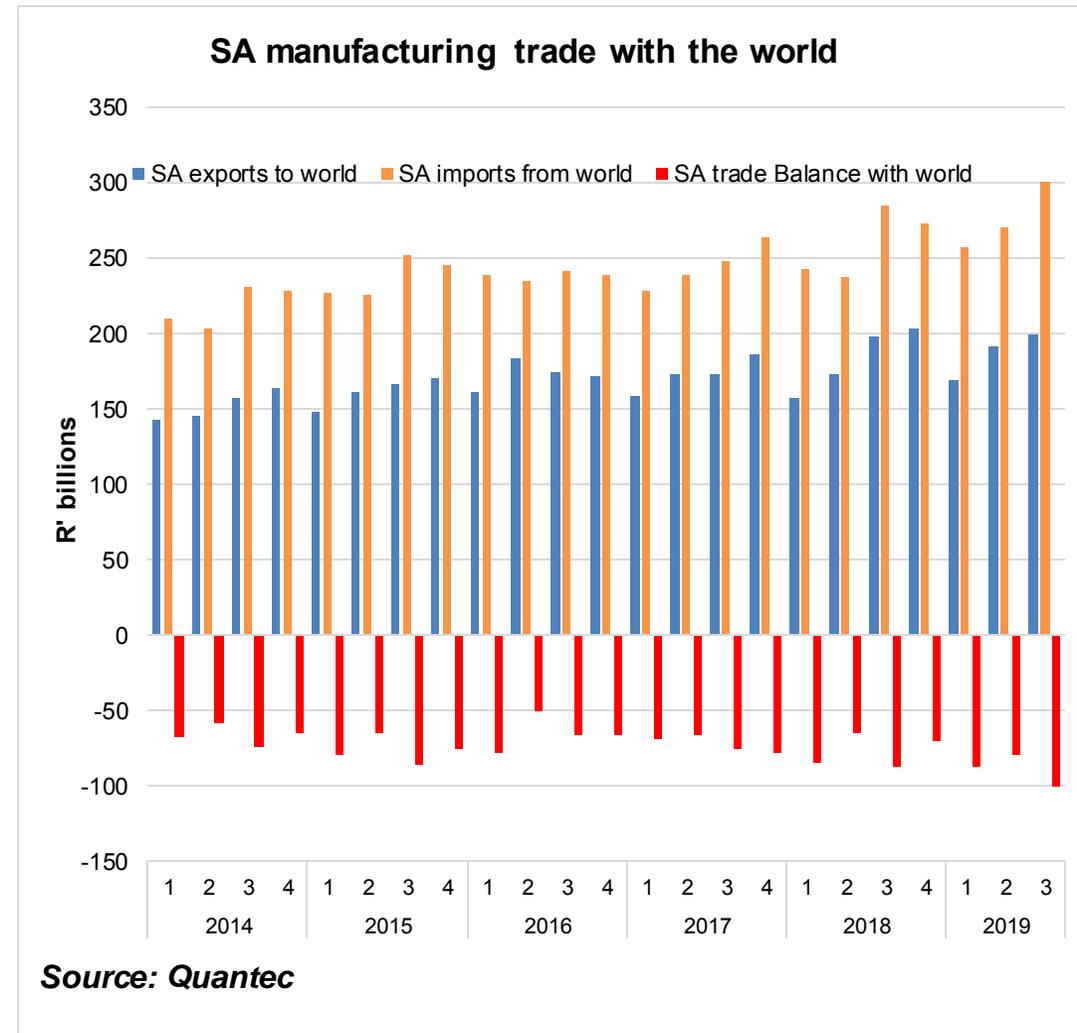
# SA RECORDS A TRADE SURPLUS WITH THE WORLD

- ❑ South Africa's trade balance with the rest of the world recorded a surplus of R6 billion in 2019Q3 from a surplus of R1 billion in 2019Q2;
- ❑ The trade surplus resulted from an increase in the value of net gold and merchandise exports, alongside a contraction in merchandise imports;
- ❑ Exports were driven largely by increased demand for citrus in the European market & also a sharp rise in the international prices of PGMs & iron ore;
- ❑ Imports contracted as a result of a decline in the value of imported minerals in particular crude oil amongst others.



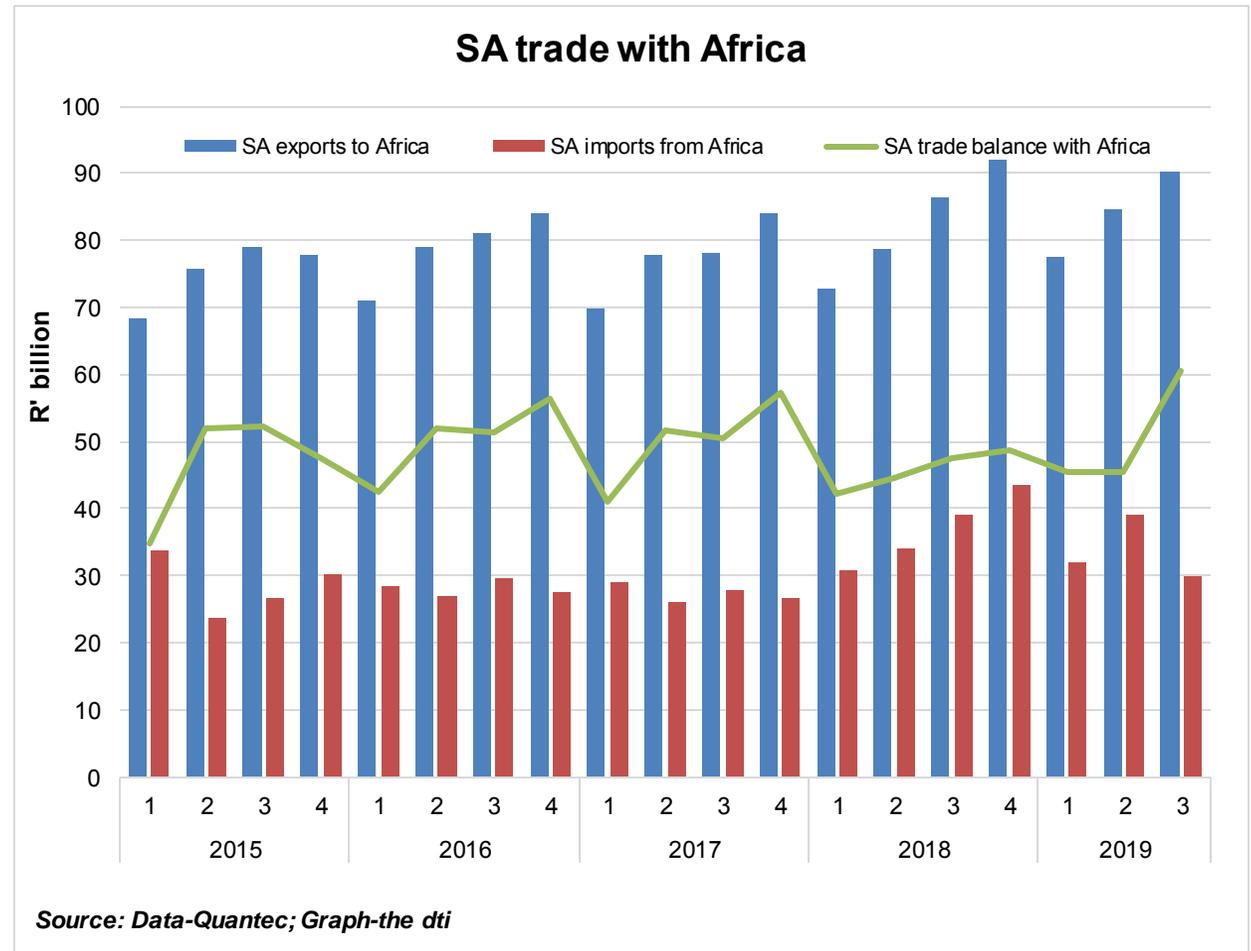
# MANUFACTURING TRADE DEFICIT WIDENED

- ❑ Prospects for the domestic manufacturing sector are still negative, with ABSA PMI still below 50 point mark in December 2019;
- ❑ Several manufacturing sub-sectors are operating below production capacity, largely due to insufficient demand from both local & foreign markets;
- ❑ Imports increased dramatically compared to exports in 2019 Q3 largely due to a rise in importation of machinery & electrical equipment;
- ❑ This is fuelled by a rise in demand for domestic wind powered generators & automatic data processing machines;
- ❑ As a result, the manufacturing trade deficit widened to R101 billion at the end of 2019 Q3 from R80bn recorded 2019 Q2.



# SA TRADE SURPLUS WITH AFRICA DECLINED

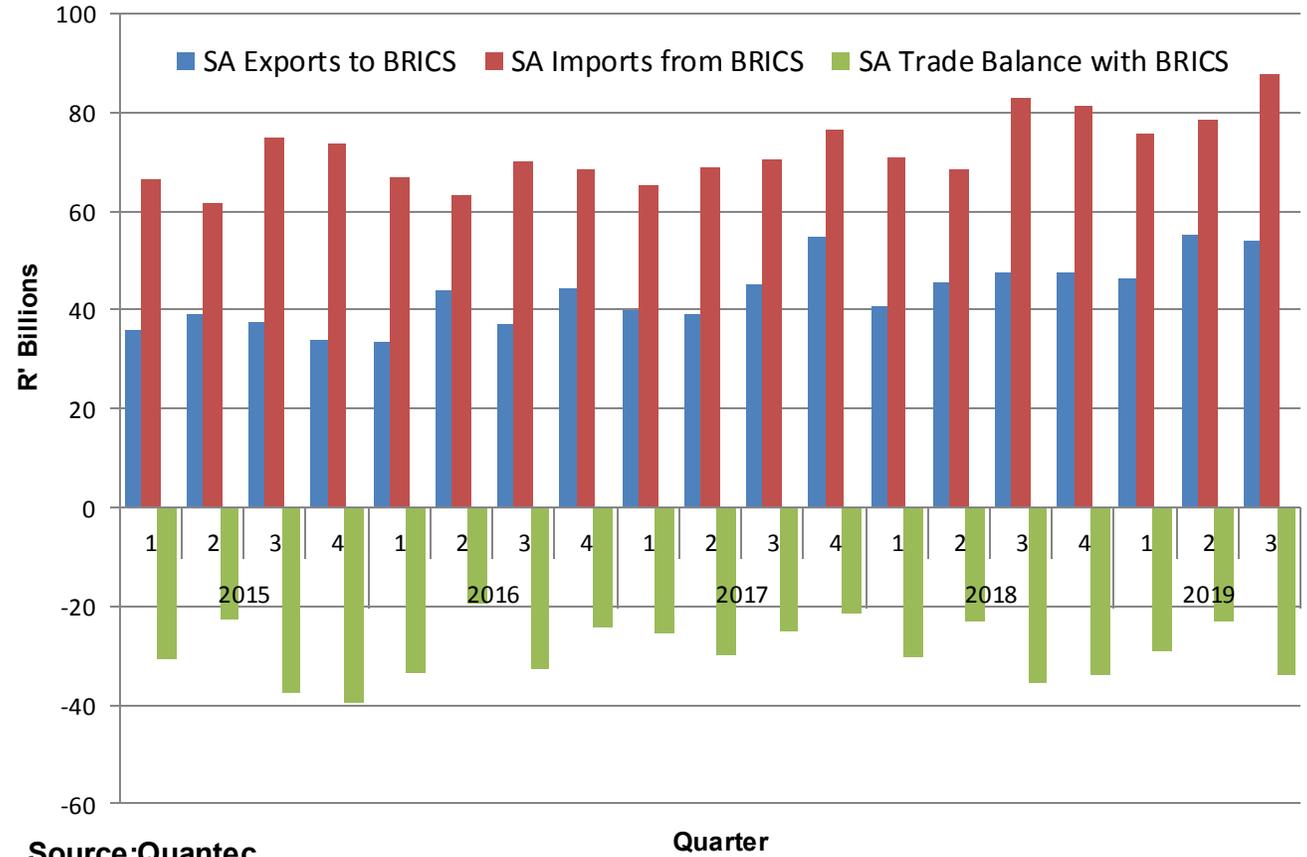
- ❑ Exports to Africa amounted to R90 billion in Q3 of 2019 while imports from the region amounted to R30 billion resulting in a trade surplus of R60 billion;
- ❑ However, South African exports to the continent were largely driven by preferential trade arrangements in Southern Africa region (SADC & SACU);
- ❑ With opening of markets in Africa through the Continental Free Trade Area, higher export penetration to other sub-Saharan African economies is anticipated; and
- ❑ In an effort to expand trade beyond the SADC region, the government amongst other, is developing master plans for key industries to be implemented and take advantage of the continental free trade opportunities.



# SA TRADE DEFICIT WITH BRIC WIDENED

- ❑ SA's trade with other BRIC countries expanded substantially with the expansion having been particularly impressive in the case of China and, to a lesser extent, India;
- ❑ Despite the progress, SA recorded a huge trade deficit of R34 billion with the BRIC grouping in 2019 Q3;
- ❑ The increase in imports, particularly manufactured imports from BRIC remains four times higher than exports on average;
- ❑ This disparity is reflected in the country's trade balance, which has been consistently negative; and
- ❑ With stronger & more effective interaction at the governmental level & greater private sector participation, intra-BRIC trade could increase significantly and bring along considerable economic gains for the South African economy.

South Africa's Trade with BRIC



Source: Quantec

# INDUSTRIAL DEVELOPMENT

## SG 1: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation

### Clothing, Textiles, Leather and Footwear

- ❑ The first ever Cotton Indaba in SA took place in Nov presented by Cotton SA. Cotton SA launched their new green Cotton Mark distinguishing SA produced cotton;
- ❑ Mr Price retail committed another R30 million to small-scale farmers. They are already supporting 250 small-scale farmers to grow cotton;
- ❑ Completion of the Clothing, Textiles, Leather and Footwear Industry Master Plan and sign-off by all key stakeholders at the Investment Summit held in November 2019.

### Agro-processing

- ❑ Completion of the Poultry Industry Master Plans and sign-off by all key stakeholders at the Investment Summit held in November 2019;
- ❑ Investment commitment by South African Poultry Association (SAPA) to the tune of R1.7 billion, in poultry productive capacity;
- ❑ SA Sugar Association (SASA) committed to a R1 billion five-year transformation plan, which is currently being implemented;
- ❑ SAPPI, Mondi and York Timbers announced investments of over R16 billion towards the development of the paper and timber industries.

# INDUSTRIAL DEVELOPMENT

## SG 1: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation

### Africa Industrial Development

- ❑ The development of South Africa's list of projects in Africa with the Africa Steering Committee led by the DPE;
- ❑ The development of Mining projects lists through the Africa Trade Group in collaboration with South African Capital Equipment Council (SACEEC).

### Business Process Services, Electro-Technical

- ❑ Designation of Industrial Batteries and Medium Voltage Switchgear signed off by Minister of Finance.

### Pharmaceuticals and Medical Devices

- ❑ Medtex Pty Ltd established first manufacturing lines for latex and nitrile gloves production facility in Gauteng;
- ❑ Biovac (local manufacturer of vaccines) was awarded 85% of the Expanded Programme on Immunization 3 year tender, a transversal health contract of the Dept of Health. This will sustain the 318 specified jobs in the manufacturing facility in Cape Town, preserve the technology transfer received from pharmaceutical multinational companies (Sanofi Pasteur and Pfizer) and maintain local production of vaccine

# INDUSTRIAL DEVELOPMENT

## SG 1: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation

### Cosmetics

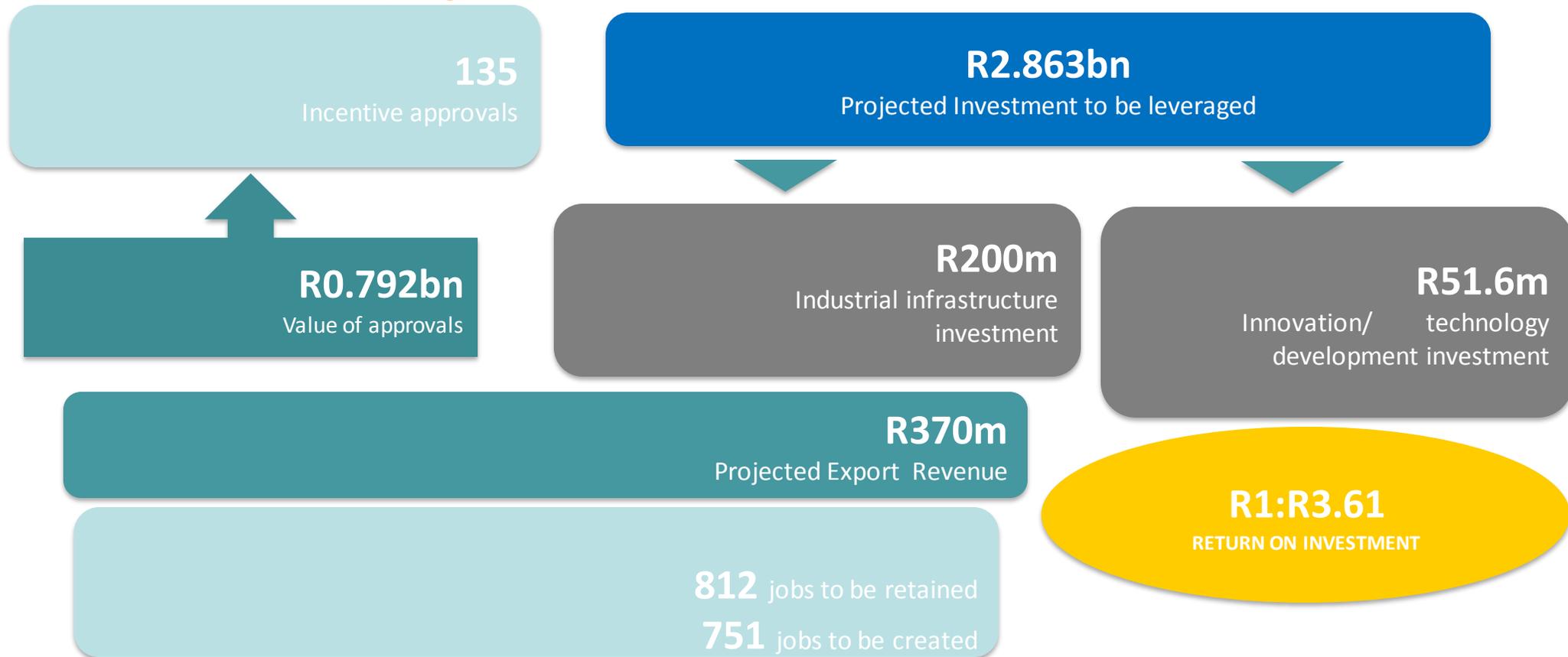
- ❑ Established the SABS sanitary towels compliance programme funded by **the dti**, 8 SMMEs audited by SABS under the programme;
- ❑ The launch of Procter & Gamble Company (P&G) sanitary towels with an investment of R300 million, to make Always pads in SA.

### Plastics

- ❑ Polypropylene (PP) compounding facility which will be supplying Volkswagen South Africa has been established;
- ❑ The new Polyethylene Terephthalate (PET) investment of above R800m has been established;
- ❑ A new High-Density Polyethylene (HDPE) fuel tank manufacturing production for Mercedes Benz has been secured to supply tanks for the W206 Model (new C-Class). The facility is well-positioned to meet global stringent automotive standards and thereby replacing imports. Through this partnership, two distinct export opportunities have been created: potential exports of the chemical input material (High-Density Polyethylene) and local produced fuel tanks.

# INDUSTRIAL DEVELOPMENT

## SG 1: Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation



# TRADE, INVESTMENT AND EXPORTS

## SG 2: Build mutually beneficial regional & global relations to advance South Africa's trade, industrial policy & economic development objective

- ❑ During the 7<sup>th</sup> Session of the Joint Economic and Trade Committee of the Bi-National Commission between South Africa and China, held in Oct 2019, both countries agreed to establish a working group on enhancing trade and investment which, amongst others, will discuss how to effectively address illicit trade and the under-invoicing of goods;
- ❑ Participation in the 14<sup>th</sup> session of the SA-Iran Joint Commission in October 2019 wherein South Africa and Iran agreed to operationalise the bilateral relations “Roadmap” with the target of achieving a \$1 billion trade volume by 2024;
- ❑ SA and Iran finalised an MOU on Trade Facilitation, and an MOU on Cooperatives, which is ready to be signed;
- ❑ The Radionuclide Laboratory located at NECSA, was certified in December 2019 and now forms part of the network of the International Monitoring System of the Comprehensive Nuclear-Test-Ban Treaty Organisation;
- ❑ InvestSA collaborated with various strategic partners for the development of an Investor Relations Management System that will further increase coordination on investment projects and reporting;
- ❑ Stakeholder consultations on the establishment of InvestSA one-stop-shops in the Limpopo, Eastern Cape and Northern Cape Provinces.

# TRADE, INVESTMENT AND EXPORTS

## SG 2: Build mutually beneficial regional & global relations to advance South Africa's trade, industrial policy & economic development objective

- ❑ Following the conclusion of the negotiations on the UK-SACU Mozambique Economic Partnership Agreement on 9 September 2019 in Gaborone, the Agreement was signed by all parties in October 2019;
- ❑ The trade track in the BRICS engagement completed its work for the year under Brazil's chairship with a meeting of the Contact Group on Economic and Trade Issues, the 9<sup>th</sup> BRICS Trade Ministers Meeting, and the 11<sup>th</sup> BRICS Summit. The Minister particularly raised the issue of under-invoicing and the need to take action to curb same in intra-BRICS trade;
- ❑ South Africa-Czech Republic Joint Committee on Economic Co-Operation (JCEC) was held in October 2019 and a Joint Protocol on the outcomes of the engagement was developed;
- ❑ South Africa-Slovakia JCEC was held in October 2019 and a Joint Protocol on the outcomes of the engagement was developed

# SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION

## SG3: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth

- ❑ President Cyril Ramaphosa officially launched the Tshwane Automotive SEZ on 5 November 2019;
- ❑ SEZ Investment Roadshows were undertaken in Spain (09-12 November 2019), Monaco (12-16 November 2019), India (14-23 November 2019) & Zimbabwe (25-28 November 2019);
- ❑ Approval of R5 Million was granted by the Small Enterprise Development Agency (seda) for the establishment of Botshabelo Digital Hub;
- ❑ The first Digital Hub was launched in Isithebe on 31 October 2019 by the Deputy Minister, Nomalungelo Gina;
- ❑ 96 company registrations through the Youth Employment Service (Y.E.S) digital portal, 9845 jobs created and 25 companies have received Y.E.S B-BBEE Recognition;
- ❑ 25 advocacy and educational campaigns on B-BBEE were conducted to ensure standardised implementation.

# SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION

## SG3: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth

- ❑ MOA for the implementation of Equity Equivalent Investment Programme (EEIP) by Amazon was signed on 8 November 2019;
- ❑ The EEIP Business Plan for the Auto Companies (BMW, ISUZU, Toyota, Mercedes Benz, VW, NISSAN, FORD) was approved on 2 December 2019. The collective contribution is R 6 billion for the next ten years;
- ❑ Fifteen (15) interventions to support BIs in the IPAP Sectors (non-financial);
- ❑ On 31 October and 1 November 2019, the Deputy Minister, Nomalungelo Gina, launched the Black Industrialists Microsoft Digital Transformation Programme at the Isithebe Industrial Park in Mandeni, KwaZulu-Natal. The launch signalled the Microsoft on-boarding process for **the dti**-funded Black Industrialists from across South Africa to apply for the programme.

# LEGISLATION AND REGULATION

## SG 4: Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner

- ❑ Seven (7) education and awareness workshops were conducted in three (3) provinces, namely: Gauteng (1), North West Province (3) and the Eastern Cape (3); to create awareness of the various legislation **the dti** is responsible for.

# ADMINISTRATION AND CO-ORDINATION

**SG 5: Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient services delivery**

## Women in SMS



❑ Women in SMS at **54%** against a quarterly target of **49%**

❑ The number of people with **disabilities employed** was at **4.1%** against quarterly target of **3.65%**



**People with Disabilities**

❑ All eligible creditor payments processed well within 30 days

**SG 1: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation**

Output	Performance Indicator/ Measure	Annual Targets for 2019/2020	Milestones	Actual Achievement	Reasons for variance	Corrective Action
<b>INDUSTRIAL DEVELOPMENT DIVISION (IDD)</b>						
Annual rolling IPAP aimed at facilitating a process of structural change, involving upgrading and diversification to achieve sustained growth and job creation	New iteration of IPAP submitted to Minister for tabling in Cabinet annually	Annual Rolling IPAP 2020/21 submitted to Minister for tabling in Cabinet by March 2020	Nil	N/A	N/A	N/A
	Number of implementation reports on IPAP prepared for the Minister's Review Meetings per year	4 Implementation reports on IPAP prepared for the Minister's Review Meetings per year	1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	No implementation report on IPAP prepared	The Re-imagined Industrial Strategy was approved by Cabinet Lekgotla in June 2019 and the emphasis is on developing Sector Development Plans (MasterPlans)  2 Master Plans were launched at the Investment Conference	A request was made to revise the 2019/2020 APP
	Number of designation requests prepared for Minister per year	2 designation requests prepared for Minister	Nil	All outstanding designations including amended Instruction Notes were approved by National Treasury on 2 December 2019, i.e. Lead Acid Batteries, MV Switchgear and Bulk Material Handling Equipment.	N/A	N/A

**SG 1: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation**

Performance Indicator/ Measure	Annual Targets for 2019/2020	Q3 Milestones	Actual Achievement	Reasons for variance	Corrective action
<b>INDUSTRIAL DEVELOPMENT AND ADMINISTRATION DIVISION (IDAD)</b>					
Value (Rand) of projected investments to be leveraged from projects/enterprises approved	R18 bn	R5 bn	R2.8 bn	The number of applications in quarter 2 was substantially higher than anticipated, this slowed down in quarter 3 resulting in a lower than anticipated investment for the quarter. The annual target has been met.	The annual target of the value (rand) of projected investments to be leveraged has been met at the end of quarter 1.
Projected number of new jobs supported from projects/enterprises approved	8 000	3 000	751	The number of applications in quarter 2 was substantially higher than anticipated, this slowed down in quarter 3 resulting in a lower than anticipated new jobs supported for the quarter. The annual target has been met.	The annual target of the projected number of new jobs supported from enterprises approved has been met at the end of quarter 2.
Projected number of jobs retained from approved enterprises	10 000	3 500	812	The number of applications in quarter 2 was substantially higher than anticipated, this slowed down in quarter 3 resulting in a lower than anticipated projected number of jobs retained for the quarter. The annual target has been met.	The annual target of the projected number of jobs retained from approved enterprises has been met at the end of quarter 1.
Number of enterprises/projects approved for financial support across all incentives	900	300	135	Fewer than anticipated applications were received for the quarter.	Increased incentive specific consultations to encourage enterprises to apply for financial support and ensure compliance with guidelines.

**SG 2: Build mutually beneficial regional & global relations to advance South Africa's trade, industrial policy & economic development objective**

Performance Indicator/ Measure	Annual Targets for 2019/2020	Q3 Milestones	Actual Achievement	Reasons for variance	Corrective action
<b>INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT DIVISION (ITED)</b>					
Number of status reports on regional economic integration	2 status reports produced on progress for T-FTA negotiations	Nil	N/A	N/A	N/A
	4 status reports produced on progress of CFTA negotiations	1 status report produced on progress on CFTA negotiations	Status report prepared on the CFTA negotiations	N/A	N/A
Number of reports on Implementation of SADC-EU Economic Partnership Agreement (EPA)	2 reports on implementation of SADC-EU EPA	Nil	N/A	N/A	N/A
Number of status reports on engagements in Global fora (BRICS, G20, AGOA, UK Brexit)	16 status reports produced on engagements in Global Fora	4 status report produced on engagements in Global Fora	4 status reports on engagements in Global Fora produced	N/A	N/A

**SG 2: Build mutually beneficial regional & global relations to advance South Africa's trade, industrial policy & economic development objective**

Performance Indicator/ Measure	Annual Targets for 2019/2020	Q3 Milestones	Actual Achievement	Reasons for variance	Corrective action
<b>TRADE AND INVESTMENT SOUTH AFRICA (TISA)</b>					
Value of export sales generated	R4.25bn	R500m	R369 m	6 months' post event reports due in next quarter	Reporting to be done bi-annually in 2020/21
Number of companies assisted under EMIA in supporting value added exports	864	216	231 companies financially assisted through EMIA Group Participation scheme	The recruitment strategy has improved as many applicants met the EMIA criteria, hence the number of companies assisted exceeded the target	N/A

**SG 2: Build mutually beneficial regional & global relations to advance South Africa's trade, industrial policy & economic development objective**

Output	Performance Indicator/ Measure	Annual Targets for 2019/2020	Q3 Milestones	Actual Achievement	Reasons for variance	Corrective action
<b>INVESTMENT SOUTH AFRICA (ISA)</b>						
Investment facilitation in targeted sectors	Value (Rand) of investment projects facilitated in pipeline	R50 bn	R15 bn	R133.3 bn	Increased investment commitments from the Investment Conference 2019	N/A

**SG 3: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth**

Performance Indicator/ Measure	Annual Targets for 2019/2020	Q3 Milestones	Actual Achievement	Reasons for variance	Corrective action
<b>SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION(SEZ &amp;ET)</b>					
Number of SEZs submitted to Minister for designation	1	Nil	Tshwane Auto SEZ gazetted, launched by the State President, SEZ entity establishment process and bulk infrastructure initiated.  Dube Trade Port SEZ application gazetted for designation.	N/A	N/A
Number of implementation reports on the Industrial Parks submitted to Minister	1	Nil	N/A	N/A	N/A
Number of reports on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister	2	Nil	N/A	N/A	N/A
Number of interventions to support BIs in the IPAP Sectors (non-financial)	80 interventions to support BIs in the IPAP sectors (non-financial)	15 interventions to support BIs in the IPAP sectors (non-financial)	15 interventions done to support BIs in the IPAP sectors (non-financial support)	N/A	N/A

**SG 4: Create a fair regulatory environment that enables investment, trade & enterprise development in an equitable & socially responsible manner**

Performance Indicator/ Measure	Annual Targets for 2019/2020	Q3 Milestones	Actual Achievement	Reasons for variance	Corrective action
<b>CONSUMER AND CORPORATE REGULATION DIVISION (CCRD)</b>					
Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval.	1 SEIAS report on the Companies Amendment Bill developed for Minister's approval.	Second draft SEIAS report on the Companies Amendment Bill developed for Minister's approval.	SEIAS report revised based on the changes made on the Bill during the NEDLAC process.  The report to be sent to DPME for certification upon approval of the NEDLAC report by the constituencies and endorsement of the Bill as final.	N/A	N/A
Number of progress reports developed for Minister's approval.	4 progress reports on the development of the Companies Amendment Bill developed for Minister's approval.	1 progress report on the development of the Companies Amendment Bill developed for Minister's approval.	1 progress report on the Bills and regulations developed for Ministers approval. Companies Amendment Bill has gone through the NEDLAC task team and process has concluded in Q3.	N/A	N/A
Number of education and awareness workshops on policies and legislation conducted and report produced for Minister's approval.	24 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval.	6 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval.	7 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval.	The workshop in Gauteng was requested by the Winterveldt Municipality.	N/A

**SG 5: Promote a professional, ethical, dynamic, competitive & customer-focused working environment that ensures effective & efficient service delivery**

<b>Performance Indicator/ Measure</b>	<b>Annual Targets for 2019/2020</b>	<b>Q3 Milestones</b>	<b>Actual Achievement</b>	<b>Reasons for variance</b>	<b>Corrective action</b>
<b>GROUP SYSTEMS AND SUPPORT SERVICES DIVISION (GSSSD)</b>					
Percentage (%) of staff turnover (unexpected).	6.8%	1.7%	Turnover is at 0.7% against the target of 1.7%.	The economic slowdown led to a more stable work environment and lower turnover.	N/A
Percentage (%) of people with disability employed.	3.7%	3.6%	4.1 % People with Disability employed.	Change due to lower headcount	N/A
Percentage (%) of Women employed in senior management positions.	50%	49%	54% Women employed in Senior Management.	% of women in SMS remained unchanged in Q3 despite 2 male SMS appointments vs 1 female SMS appointment and 1 male resignation vs 2 female SMS members resigning.	N/A
<b>OFFICE OF THE DIRECTOR GENERAL (ODG)</b>					
Percentage (%) of eligible creditors payments processed within legal timeframes.	100% eligible creditors' payments made within 30 days.	100% eligible creditors' payments made within 30 days.	100% of 4 823 eligible creditors payments were made within 30 days.	Target exceeded due to more stringent reviews on the turnaround times through daily statistics.	N/A

# FINANCIAL PERFORMANCE 31 DECEMBER 2019

# FINANCIAL PERFORMANCE, to be continued

	Adjusted appropriation 2019/20	Actual drawings	YTD Expenditure	Variance from actual drawings	% Variance from actual drawings	Available Budget
Programmes	R'000	R'000	R'000	R'000	%	R'000
Administration	890 976	621 601	562 282	59 318	9,54%	328 694
International Trade and Economic Development	130 442	78 755	80 283	-1 528	-1,94%	50 159
Special Economic Zones and Economic Transformation	160 044	112 692	124 456	-11 764	-10,44%	35 588
Industrial Development	2 100 814	1 938 024	1 771 105	166 919	8,61%	329 709
Consumer and Corporate Regulation	339 705	302 470	294 973	7 497	2,48%	44 732
Industrial Development Administration	5 953 330	2 759 277	2 936 653	-177 376	-6,43%	3 016 677
Trade and Investment South Africa	440 391	373 050	369 129	3 921	1,05%	71 262
Investment South Africa	69 025	37 984	42 351	-4 367	-11,50%	26 674
<b>TOTAL</b>	<b>10 084 727</b>	<b>6 223 853</b>	<b>6 181 232</b>	<b>42 621</b>	<b>0,68%</b>	<b>3 903 495</b>

# FINANCIAL PERFORMANCE, continues

Economic classification	Adjusted appropriation 2019/20	Actual drawings	YTD expenditure	Variance from actual drawings	% Variance from actual drawings	Available Budget
	R'000	R'000	R'000	R'000	%	R'000
<b>Current payments</b>	<b>1 820 048</b>	<b>1 295 398</b>	<b>1 205 887</b>	<b>89 510</b>	<b>6.91%</b>	<b>614 161</b>
Compensation of employees	1 046 769	772 132	733 446	38 686	5,01%	313 323
Goods and services	773 279	523 266	472 442	50 824	9,71%	300 837
<b>Transfers and subsidies</b>	<b>8 247 241</b>	<b>4 924 621</b>	<b>4 965 447</b>	<b>-40 826</b>	<b>-0,83%</b>	<b>3 281 794</b>
<b>Payment of capital assets</b>	<b>17 435</b>	<b>3 834</b>	<b>9 894</b>	<b>-6 060</b>	<b>-158,07%</b>	<b>7 541</b>
<b>Payment of financial assets</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>-3</b>	<b>0,00%</b>	<b>0</b>
<b>TOTAL</b>	<b>10 084 727</b>	<b>6 223 853</b>	<b>6 181 232</b>	<b>42 621</b>	<b>0,68%</b>	<b>3 903 495</b>

# FINANCIAL PERFORMANCE, continues

- ❑ As at 31 December 2019, the department's spending stood at R6.2 *billion* or 99.3% when compared with the actual drawings of R6.2 *billion* (see above table for ease of reference);
- ❑ Of the R6.2 billion spent, R3.5 *billion* or 57.5% was disbursed to the beneficiaries across the various incentive programmes; followed by R1.4 *billion* or 23% to departmental entities, international organisations which South Africa is a member and non-profit organisations;
- ❑ Operational expenditure spent was R1.2 *billion* or 19.5%;
- ❑ Spending is largely on track with most Divisions spent within a 10% variance of actual drawings. Four (4) of the eight (8) programmes' spending was higher than what was projected, however, expenditure is still within the allocated budget. This was a result of:
  - trade policy, negotiations and cooperation work undertaken by International Trade and Economic Development;

# FINANCIAL PERFORMANCE

- Increased investment promotion activities being carried out by programme 8: Investment South Africa;
  - Investments by companies/beneficiaries across the various incentive programmes, which have since realised under programme 6: Incentive Development and Administration; as well as projected expenditure, which was brought forward from the 3<sup>rd</sup> quarter to the 2<sup>nd</sup> quarter to support the B-BBEE Commission and the National Productivity Institute under programme 3: Special Economic Zones and Economic Transformation.
- ❑ Spending is closely monitored and there are continuous engagements with Divisions to ensure that spending is largely on track with performance objectives.

<sup>1</sup> The increase in the main appropriation was mainly revenue from office accommodation rental of R75.7 million generated from the department's public entities, the Department of Economic Development and the Department of Small Business Development. This was returned to the vote from the National Revenue Fund and will be used to supplement payments for the public-private partnership contract for the department's campus.

THANK YOU

NGIYATHOKOZA

KE A LEBOHA

KE A LEBOGA

SIYABONGA

INKOMU

NDO LIVHUWA

ENKOSI

NGIYABONGA

DANKIE