



the dti's THIRD QUARTER REPORT 2018-19

PRESENTATION TO THE PORTFOLIO COMMITTEE ON
TRADE AND INDUSTRY
DATE: 13 FEBRUARY 2019



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



PRESENTATION OUTLINE

ECONOMIC OVERVIEW

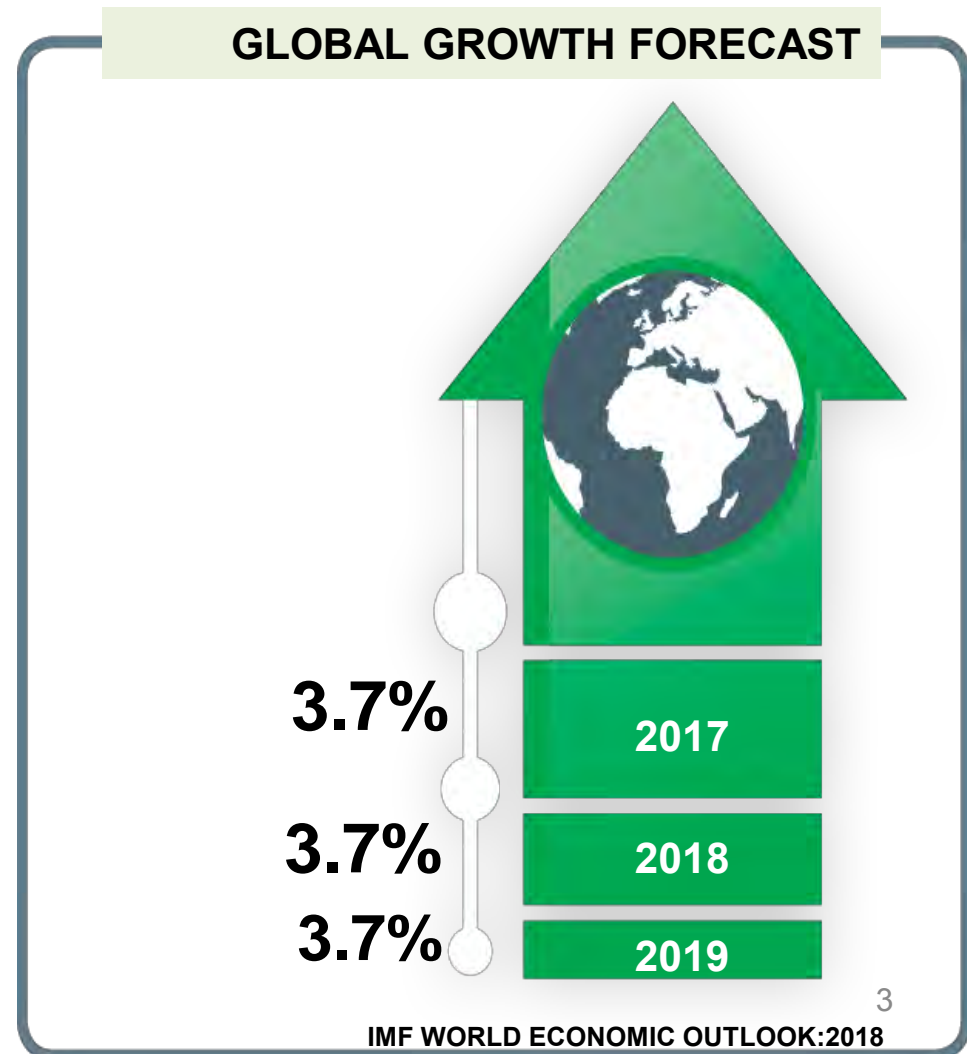
STRATEGIC IMPERATIVES

SUMMARY OF DEPARTMENTAL PERFORMANCE

FINANCIAL PERFORMANCE 2018/19

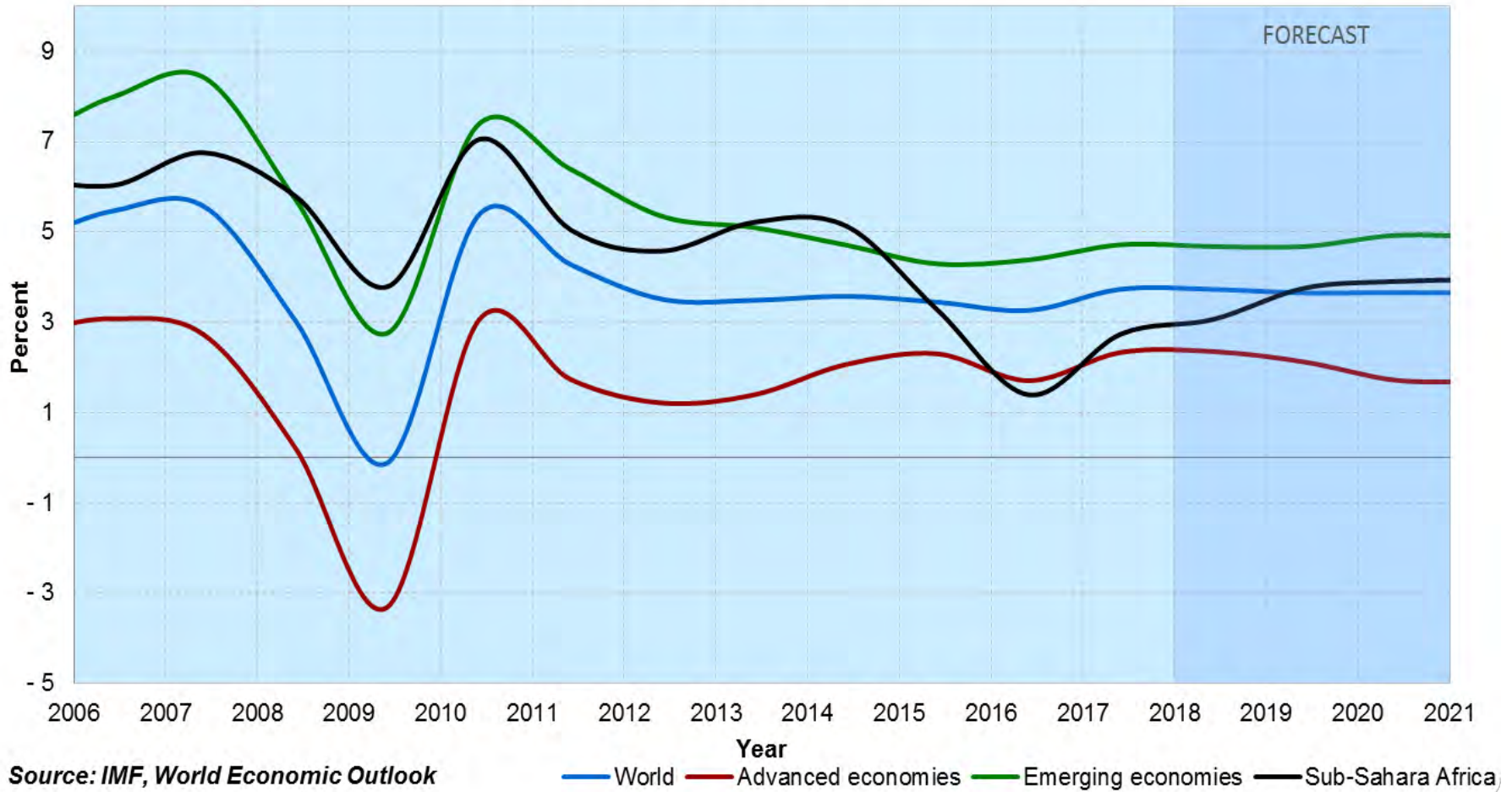
ECONOMIC OVERVIEW

- Global growth came in at 3.7% in 2017. The IMF's (WEO, October 2018) growth projections for both 2018 and 2019 is projected at 3.7%, 0.2 % pts lower than the July projection



ECONOMIC OVERVIEW

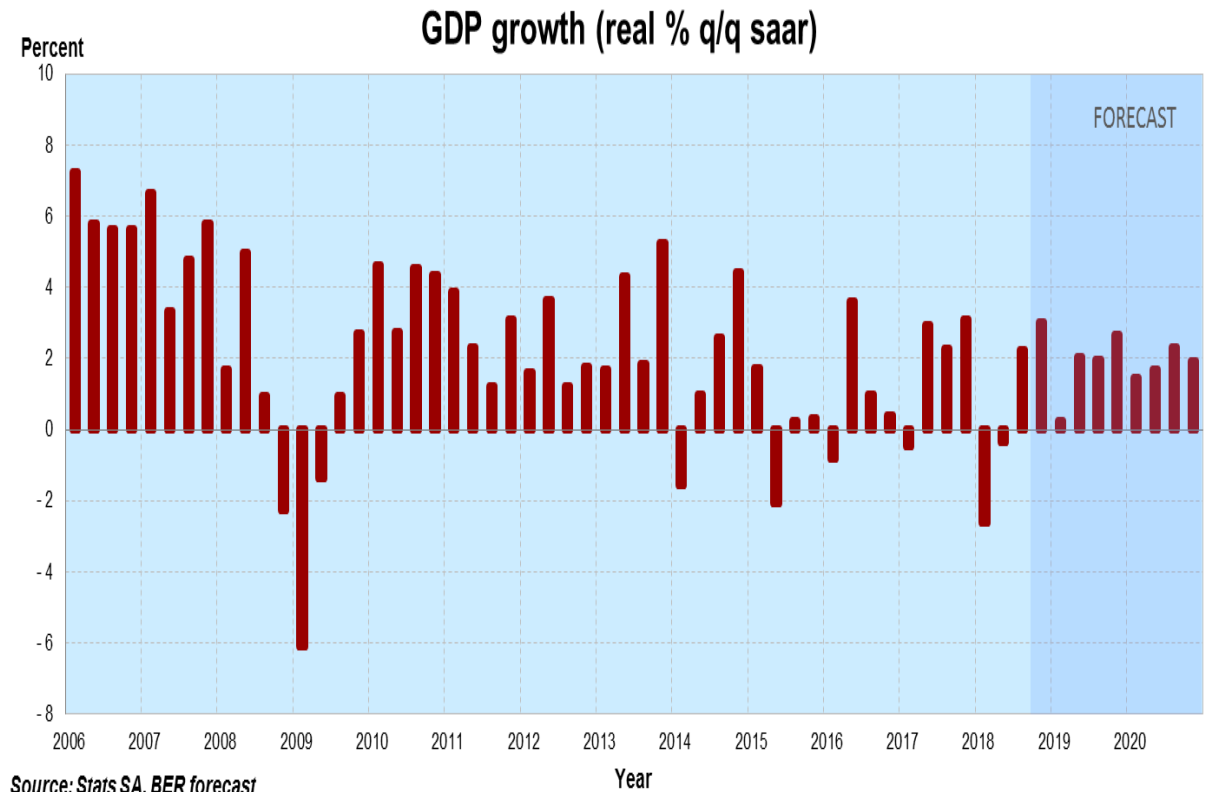
Annual global real GDP



ECONOMIC OVERVIEW

SA exits technical recession in 2018q3

- Real GDP expanded by 2.2% supported by manufacturing, transport and finance



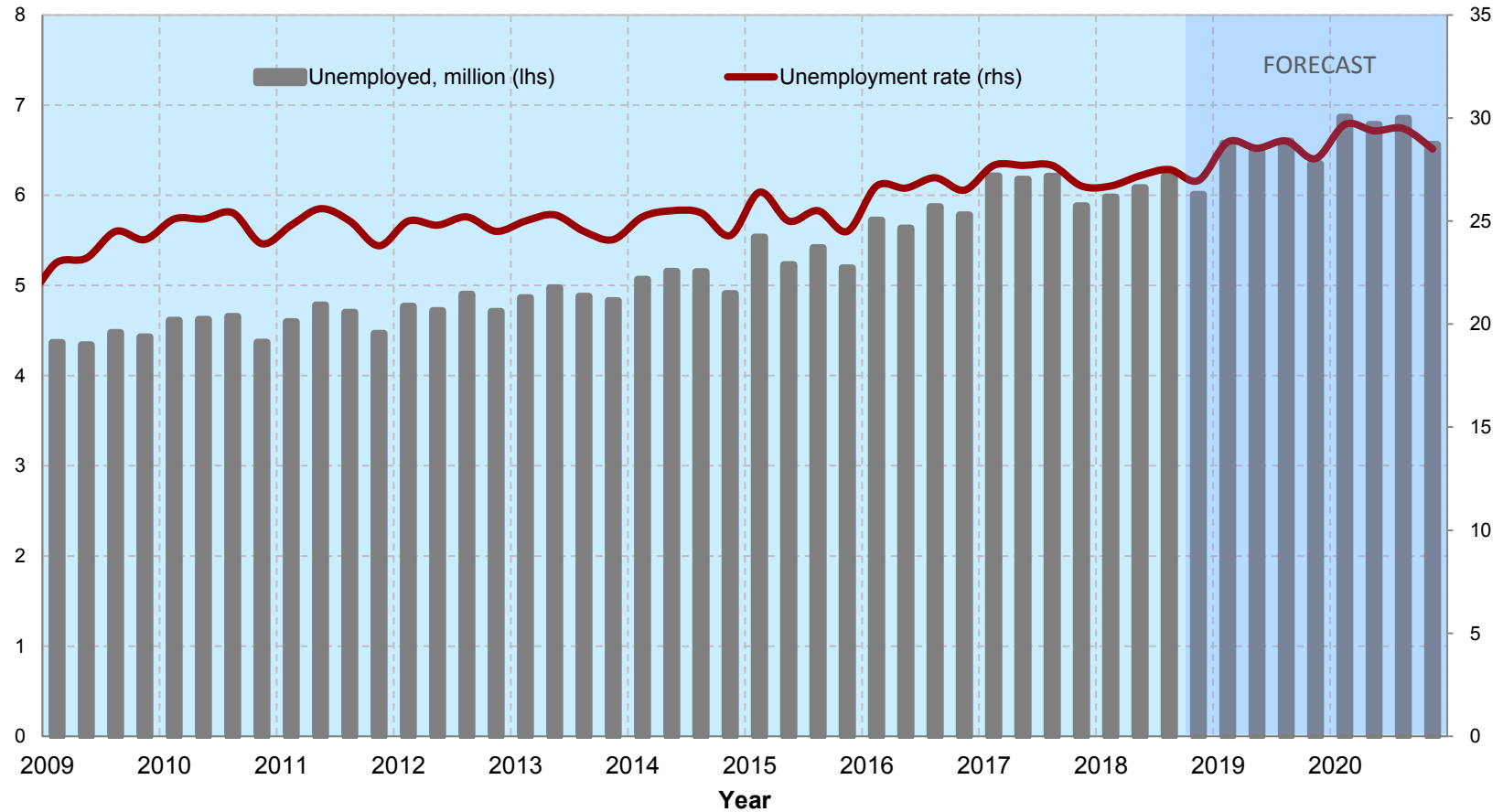
ECONOMIC OVERVIEW

Unemployment Rate remains high at 27.5%

Unemployment

Number (million)

Percent

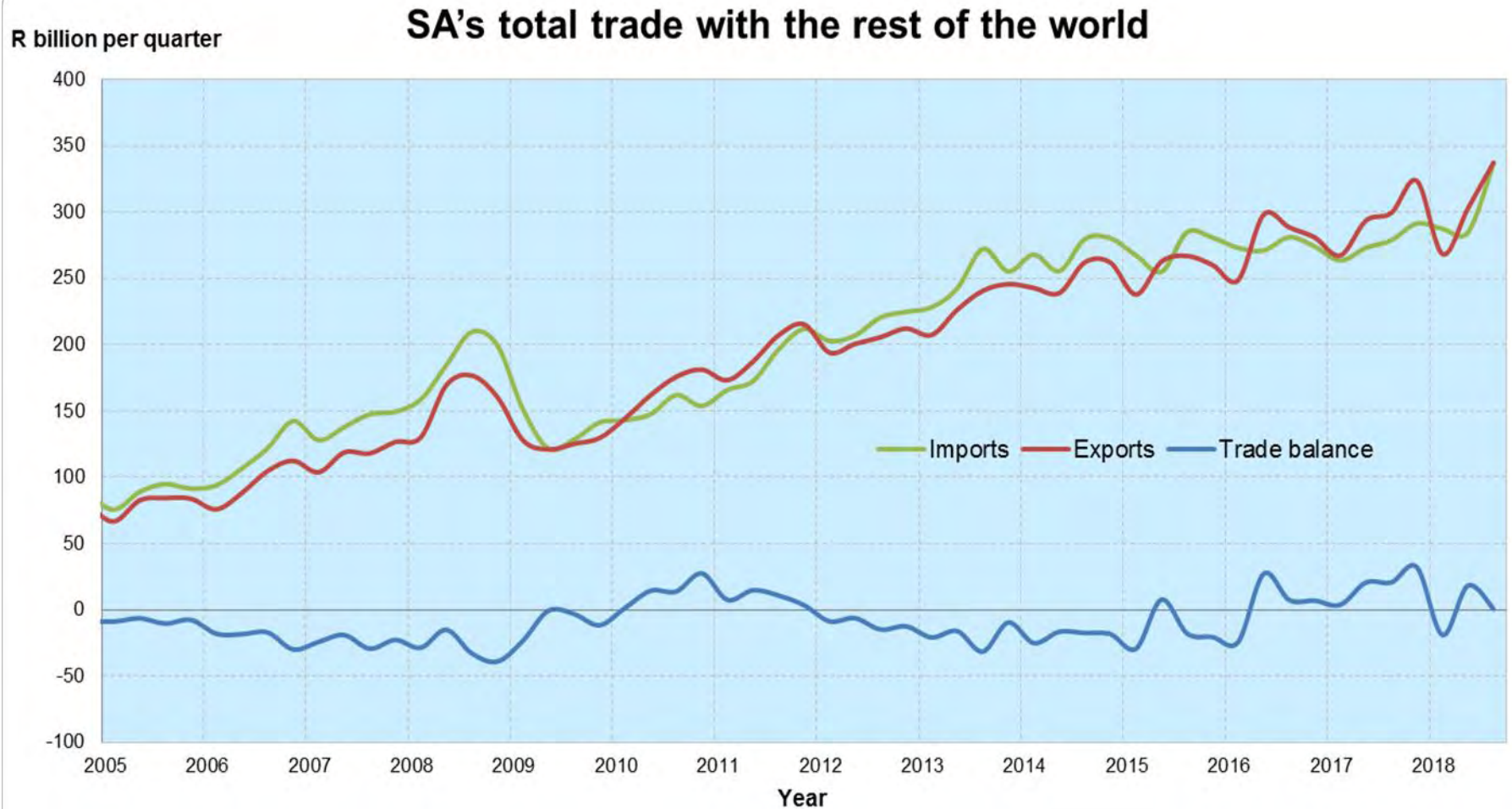


Source: Stats SA, BER forecast



ECONOMIC OVERVIEW

SA trade surplus with the world narrows

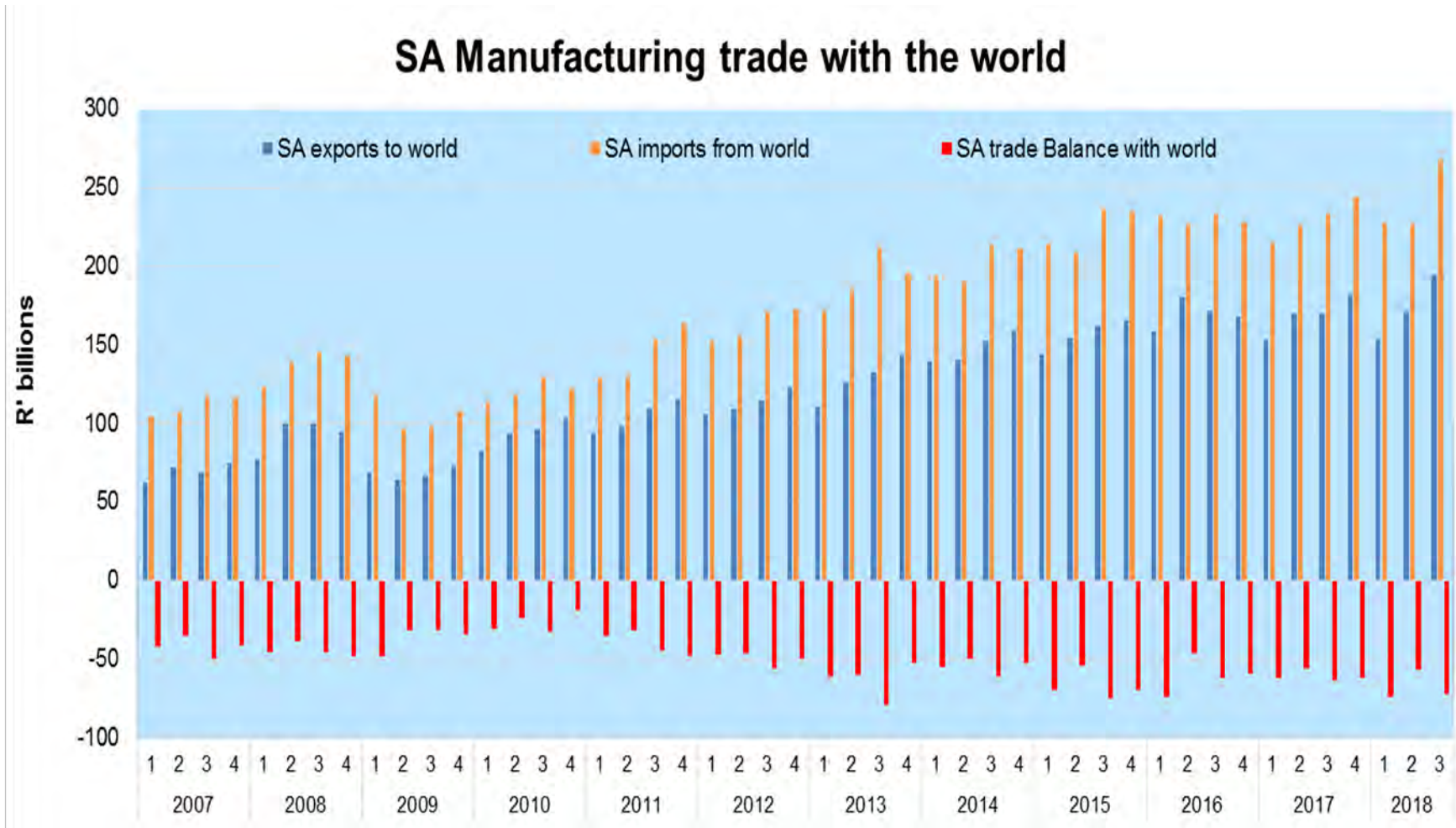


Source: SARS



ECONOMIC OVERVIEW

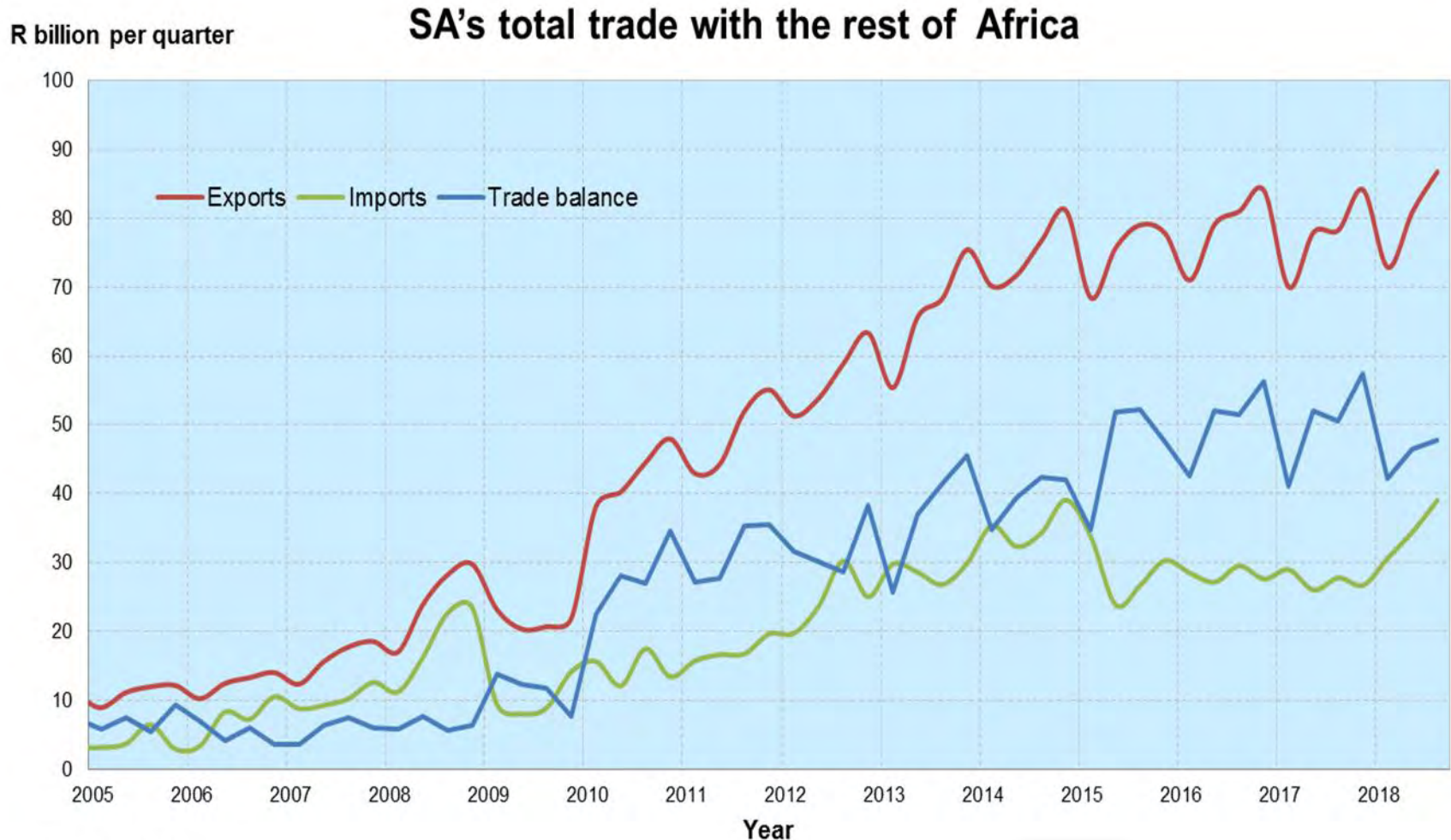
Manufacturing Trade Deficit widen sharply



Source: Data-Quantec; Graph-the dti

ECONOMIC OVERVIEW

South Africa's Trade balance with Africa remains positive



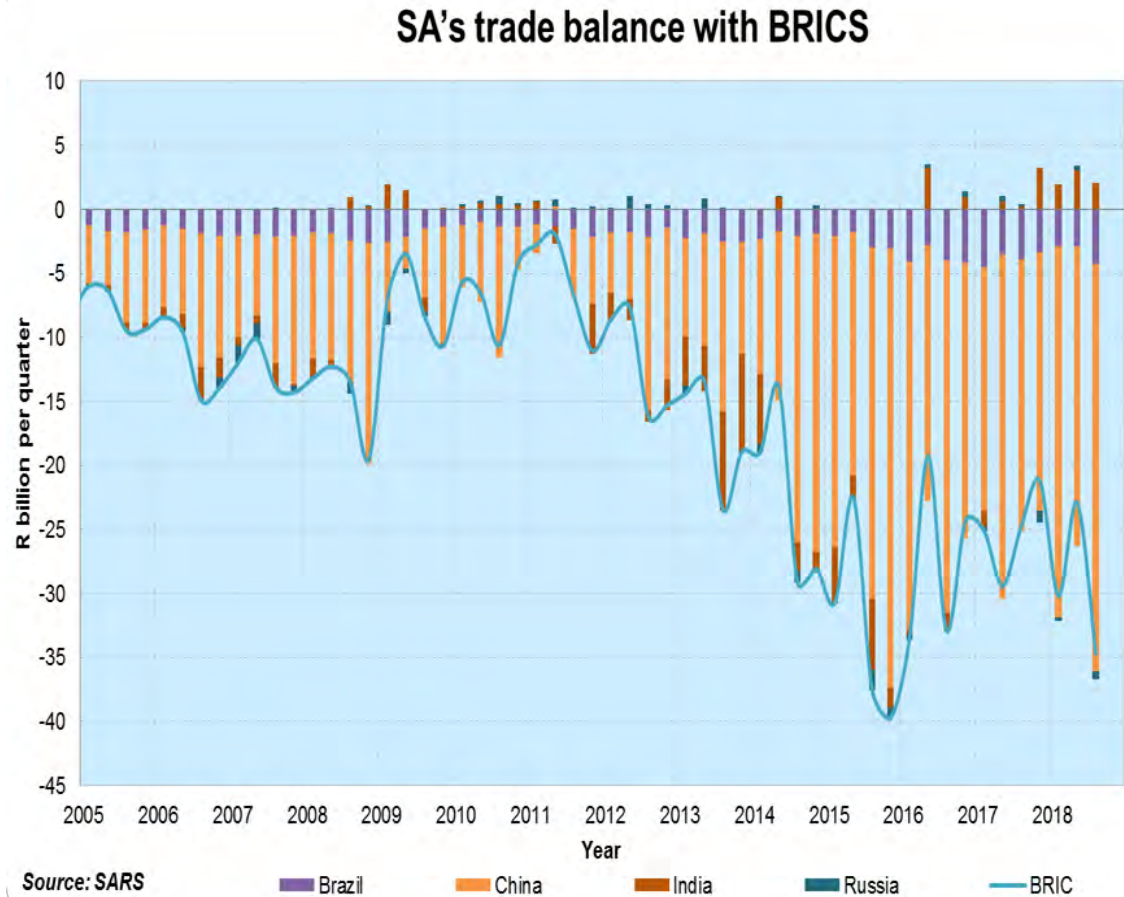
Source: SARS



ECONOMIC OVERVIEW

SA trade deficit with BRICS widened

- SA trade deficit with BRICS widen
- However, focusing on country to country trade within the bloc, SA had trade surplus with India in 2018q3



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.



INDUSTRIAL DEVELOPMENT

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

- ❑ R1.3-billion for on woven manufacturing facility is currently being built in Atlantis, in the Western Cape, creating 200 jobs.

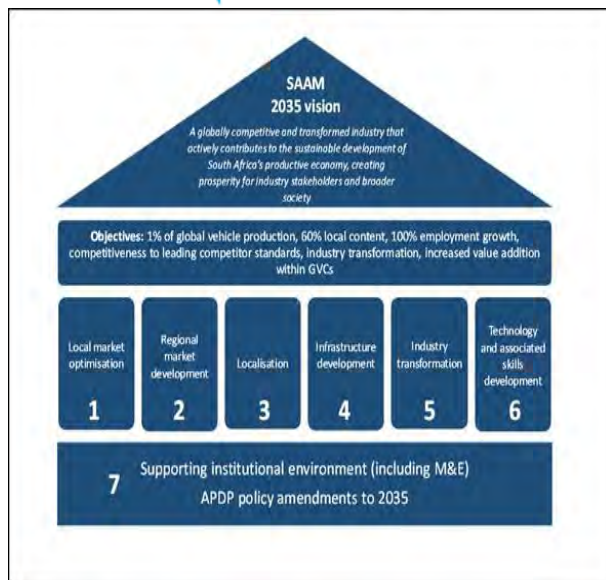


INDUSTRIAL DEVELOPMENT

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



- ❑ Launched the medical devices and diagnostics mentorship (accelerator) programme for SMME's and SME's involved in innovation.
- ❑ Cabinet approved the post 2020 Automotive Production and Development Programme (APDP) Framework and SA Automotive Masterplan 2035.
- ❑ The Automotive industry committed to invest at least R40 billion in South Africa during the next 5 years.



INDUSTRIAL DEVELOPMENT

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

- ❑ Bidvest and Petredec launched an Liquefied Petroleum Gas (LPG) import facility in the Richard's Bay SEZ which will stimulate the Kwa-Zulu Natal province economic development through stimulation of amongst other; LPG energy switching, LPG processing, and LPG value chain goods and services.



INDUSTRIAL DEVELOPMENT

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

- ❑ Improvements in steel industry are evident due to government interventions in terms of localisation, trade remedy as well as regional export growth:
- ❑ AMSA's (ArcelorMittal South Africa) interim results reported a profit of R1 587 million, an increase in sales of 10% and a production increase of 8%. Imports declined by 31% and exports increased by 26%.
- ❑ Veer Steel Mills capacity expansion producing 160 000 tons of long steel created **700 direct new full time jobs** and at least **150 indirect job opportunities** supported by the IDC



INDUSTRIAL DEVELOPMENT

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

- The Minister launched the revised Business Processing Services incentive, namely, the Global Business Services (GBS) Incentive in London, United Kingdom in December 2018.



INDUSTRIAL DEVELOPMENT

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



- ❑ **179** enterprises financially supported across all incentives and that will result in over **7 000 jobs projected** to be retained and over **1 000 new jobs** projected to be created through these approvals.

- ❑ Over **R6 billion** of private sector **investment** was leveraged across all incentives.

- ❑ **24 interventions to support BIs in the IPAP sectors.**

- ❑ **18 BI's** attended the Black Supplier Day session hosted by **the dti**, Sandvik and DMR in November 2018.



TRADE, INVESTMENT AND EXPORT

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



- ❑ Successfully assisted the South African domestic industry from being excluded from safeguard duties imposed by the EU on steel imports.
- ❑ Concluded work programme towards 2nd round of Services negotiations in SADC on outstanding issues and the liberalisation of remaining services sectors
- ❑ SA position developed and advanced during the 8th Triennial Review of the Agreement on Technical Barriers to Trade (TBT Agreement) in the WTO leading to new procedures that will be applied in 2019 on Specific Trade Concerns (STCs).

TRADE, INVESTMENT AND EXPORT

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

- ❑ Hosted the FDI Strategy Consultations & Capacity Building Workshop in collaboration with the World Bank in November 2018



- ❑ Export sales of **R1.475 billion** recorded against a target of **R950 million**.

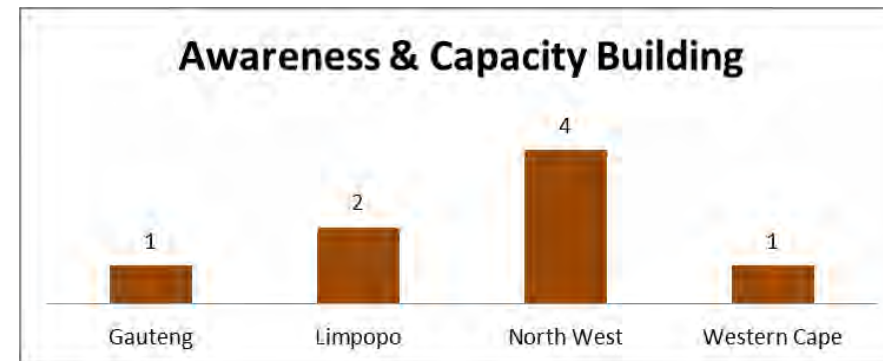
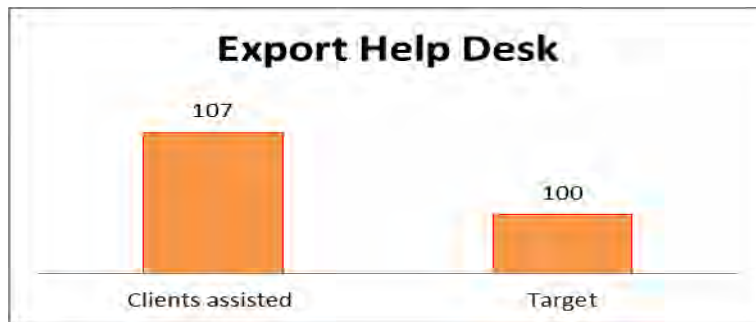
- ❑ A total of **234 companies assisted under EMIA**
- ❑ Achieved investment pipeline of **R 193.504 billion**.
- ❑ Presidential Investment Conference in October 2018 resulting in investment announcements of **R300 billion**.



TRADE, INVESTMENT AND EXPORT

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

- ❑ **222** companies benefitted from Global Exporter Passport Programme (GEPP) training against the target of 160
- ❑ A total of **107 clients** assisted with export information through Export Help Desk against the target of 100



- ❑ **Eight (8)** Awareness Raising and Capacity Building against target of 6

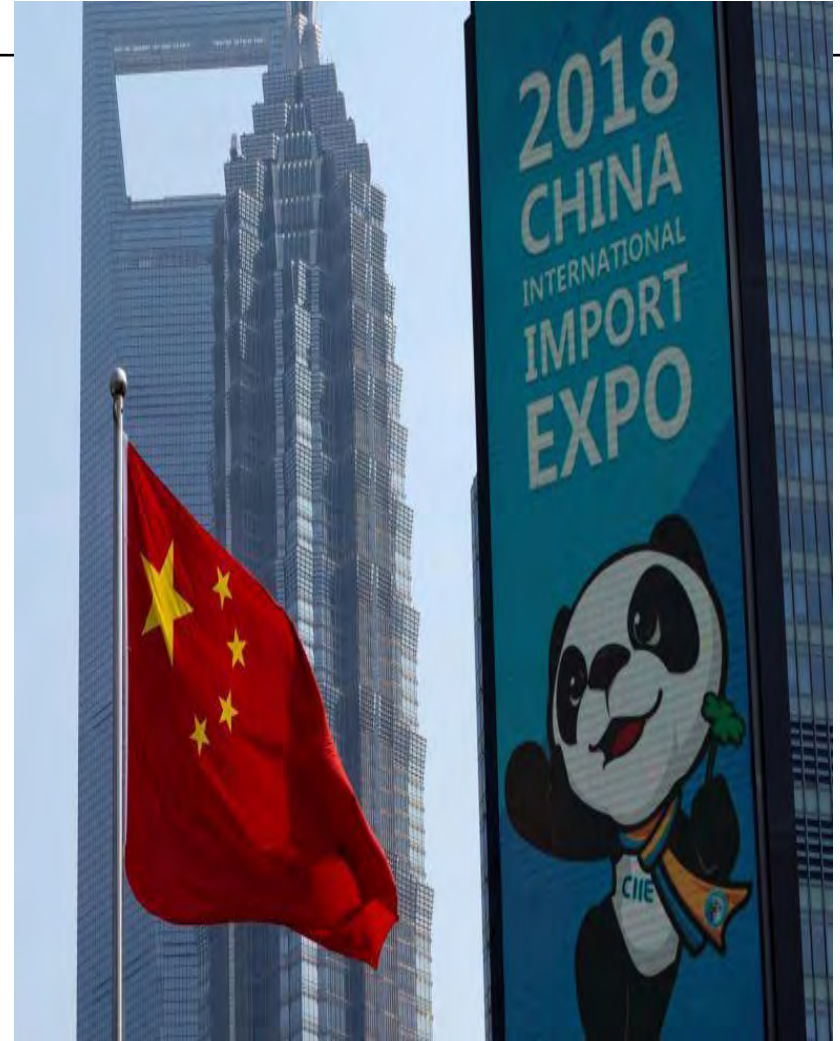
TRADE, INVESTMENT AND EXPORT

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

- ❑ Inaugural China International Import Expo in November 2018- Two (2) exhibitors reported export sales of **R15,5 million** on the spot
- ❑ OSM to Qatar and Kuwait in November 2018 generated **R379 million** of export sales on the spot
- ❑ 14 exhibitors reported export sales of R64 million at SIAL Paris
- ❑ OSM to Sweden-SA reported **R1 million** in Expot Sales



OCTOBER 2018
SIAL
PARIS
21-25/10/2018



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

❑ SEZ General Performance

- Cabinet approved the designation of the Mpumalanga – Nkomazi SEZ.
- The SEZ Advisory Board recommended the approval of the Gauteng IDZ application on land expansion.
- The Atlantis SEZ was successfully launched by the President on the 6th of December 2018.



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

❑ Revitalisation of Industrial Parks

- Phuthaditshaba Industrial Park in Free State was launched in October 2018.
- 3rd Symposium on Industrial Parks held at DBSA in November 2018



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

❑ Implementation of B-BBEE

- Gazette No. 41975 with Practice Note 1 of 2018 on the implementation of the Youth Employment Service (Y.E.S) Initiative was issued in October 2018.
- The Defence Sector Code Gazette No. 42021 aligned to the Broad-Based Black Economic Empowerment (B-BBEE) Act No. 53 of 2003 as amended was published on the 9th of November 2018.



LEGISLATION AND REGULATION

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

- ❑ The 2nd reading debates on the Copyright Amendment Bill, the Performers Protection Amendment Bill and the National Gambling Amendment Bill in November 2018 by the Portfolio Committee.
- ❑ The adoption of the 3 bills the Copyright Amendment, the Performers Protection Amendment, and the National Gambling Amendment Bills, by the National Assembly Chamber in December 2018.
- ❑ Approval by Cabinet to consider the accession/ ratification of the following international instruments: the **Beijing** Treaty for the Protection of Audio Visual Performances; the World Intellectual Property Organisation (WIPO) on **Performers and Phonograms** Treaty; and the **Rome Convention**, (International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations).

ADMINISTRATION AND CO-ORDINATION

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

- All eligible creditor payments processed well within 30 days.

Female SMS



Women in SMS at **52%** against quarterly target of **49%**.

- The number of people with **disabilities employed** was at **3.75%** against annual target of **3.55%**.



People with Disabilities

Departmental Performance Matrix

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT POLICY DEVELOPMENT (IDD)						
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 2019/20 submitted to Minister for tabling in Cabinet by March 2019	Q1: Launch the Annual Rolling IPAP 2018/19	Q1: Launch the Annual Rolling IPAP 2018/19	Q1: Launched the Annual Rolling IPAP 2018/19 on 15 May 2018.	Q1: N/A
			Q2: Nil	Q2: Nil	Q2: N/A	Q2: N/A
			Q3: Nil	Q3: N/A	Q3: Nil	Q3: Nil

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT POLICY DEVELOPMENT (IDD)						
Annual rolling IPAP aimed at facilitating a process of structural change, involving upgrading and diversification to achieve sustained growth and job creation	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	Q1: 1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	Q1: 1 Implementation report on IPAP prepared for the Minister's Review Meeting	Q1: Implementation report was presented in the Minister's Review Meeting held in Q4 of the 17/18	Q1: N/A
			Q2: 1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	Q2: 1 Implementation report on IPAP prepared for the Minister's Review Meetings held on 6 July 2018	Q2: N/A	Q2: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT POLICY DEVELOPMENT (IDD)						
Annual rolling IPAP aimed at facilitating a process of structural change, involving upgrading and diversification to achieve sustained growth and job creation	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	Q3: 1 Implementation report on IPAP prepared for the Minister's Review Meetings per quarter	Q3: 1 Implementation report on IPAP prepared for the Minister's Review Meetings held on 3 October 2018.	Q3: N/A	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT POLICY DEVELOPMENT (IDD)						
Instruments rolled out to facilitate strategic use of public procurement to enhance local productive capabilities	Number of designation requests prepared for Minister per year	2 designation requests prepared for Minister per year	Q1: Nil	Q1: Nil	Q1: N/A	Q1: N/A
			Q2: 1 designation request prepared for Minister per quarter	Q2: Nil	Q2: Designation request was prepared for Minister however, there were delays in obtaining approval for the submission.	Q2: Submission to be submitted to Minister in Q3
			Q3: Nil	Q3: One (1) designation request prepared for Minister i.e. 1) Medium Voltage (MV) switchgear products.	Q3: Designation request was prepared in Q2 and received Minister's approval in Q3.	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT: INCENTIVES ADMINISTRATION DIVISION (IDAD)						
Private Sector Investment leveraged across all incentives	Value (Rand) of projected investments to be leveraged from projects/enterprises approved	R15 bn	Q1: R2bn	Q1: R3.1 bn	Q1: Approved AIS, BIS, and Film & TV projects resulted in high value of projected investments	Q1: N/A
			Q2: R4 bn	Q2: R10.9 bn	Q2: Approved AIS, BIS, CIP and Film & TV projects resulted in high value of projected investments	Q2: N/A
			Q3: R6 bn	Q3: R6.6 bn	Q3: Approved AIS, CIP, and Film & TV projects resulted in high value of projected investments/	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT: INCENTIVES ADMINISTRATION DIVISION (IDAD)						
Jobs supported	Projected number of new jobs supported from enterprises approved	10 000	Q1: 2000	Q1: 2 161	Q1: Approved AIS, APSS, BIS, and CIP projects were both capital and labour intensive.	Q1: N/A
			Q2: 4 000	Q2: 3 948	Q2: The number of applications/ projects received during this quarter projected fewer number of new jobs to be created	Q2: Industry consultations to encourage job creation and retention
			Q3: 3000	Q3: 1490	Q3: The number of applications/ projects received during this quarter projected fewer number of new jobs to be created	Q3: Incentive specific consultations to encourage the projects that support job creation and retention.

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INDUSTRIAL DEVELOPMENT: INCENTIVES ADMINISTRATION DIVISION (IDAD)						
Jobs supported	Projected number of jobs to be retained from approved enterprises	20 000	Q1: 4 000	Q1: 8 085	Q1: Approved AIS projects are sustaining high number of jobs	Q1: N/A
			Q2: 6 000	Q2: 7 726	Q2: Approved AIS projects are sustaining high number of jobs	Q2: N/A
			Q3: 8 000	Q3: 7 434	Q3: The number of applications/ projects received during this quarter projected fewer number of jobs to be retained	Q3: The annual target of the number of enterprises or projects approved has been met at the end of quarter 3.

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION:INDUSTRIAL DEVELOPMENT: INCENTIVES ADMINISTRATION DIVISION (IDAD)						
Financial support	Number of enterprises/projects approved for financial support across all incentives	850	Q1: 150	Q1: 178	Q1: Approved EMIA and SSAS projects contributed to approximately half of the approved projects	Q1: N/A
			Q2: 200	Q2: 209	Q2: Approved enterprises/ projects were more than anticipated.	Q2: N/A
			Q3: 300	Q3: 179	Q3: The number of applications/ projects received during this quarter were less than anticipated hence fewer applications were approved for financial support	Q3: 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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT (ITED)						
Trade negotiations concluded: EPA with the EU, SADC-EAC-COMESA FTA (T-FTA)	Number of status reports on regional economic integration	2 status reports produced on progress towards conclusion of T-FTA and CFTA trade negotiations.	Q1: Nil	Q1: N/A	Q1: N/A	Q1: N/A
			Q2: 1 status report produced on progress on TFTA negotiations 1 status report produced on progress on CFTA negotiations	Q2: 1 status report produced on the progress of the TFTA negotiations 1 Status report produced on the progress of the CFTA negotiations	Q2: N/A	Q2: N/A
			Q3: 1 status report produced on progress on CFTA negotiations	Q3: 1 status report produced on progress on CFTA negotiations	Q3: N/A	Q3: 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 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT (ITED)						
Africa regional development programme implemented	Number of reports on Implementation of SADC-EU Economic Partnership Agreement (EPA)	2 reports on implementation of SADC-EU EPA	Q1 Nil	Q1: N/A	Q1: N/A	Q1: N/A
			Q2: 1 Status report on the implementation of the EPA	Q2: 1 Status report produced on the implementation of the EPA	Q2: N/A	Q2: N/A
			Q3:Nil	Q3:N/A	Q3: N/A	Q3: 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 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT (ITED)						
Bilateral engagements with Rest of World Status reports on Global fora (e.g. BRICS, G20, AGOA)	Number of status reports on Global fora (e.g. BRICS, G20, AGOA, UK Brexit)	16 status reports produced on engagements in Global Fora	Q1: 1 status report produced on engagements in Global Fora	Q1: 1 status report prepared on BRICS engagements. 1 status report prepared on UK Brexit engagements 1 status report G20 engagements 1 status report prepared on AGOA engagements	Q1: The intention of the annual target in the APP is 1 status report per quarter per global fora	Q1: This is to be amended in the APP to 16 Reports (4 status reports per quarter on each of the 4 global for a)
			Q2: 4 status reports produced on engagements in Global Fora	Q2: 4 Status report produced on BRICS, G20, AGOA and UK Brexit.	Q2: N/A	Q2: 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 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT (ITED)						
Bilateral engagements with Rest of World Status reports on Global fora (e.g. BRICS, G20, AGOA)	Number of status reports on Global fora (e.g. BRICS, G20, AGOA, UK Brexit)	16 status reports produced on engagements in Global Fora	Q3: 4 status report produced on progress on engagements in Global Fora	Q3: 4 status reports prepared on engagements in Global Fora.	Q3: N/A	Q3: 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 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
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DIVISION: TRADE INVESTMENT SOUTH AFRICA (TISA)

Increased export sales of value-added products and services	15 Value of export sales generated	R4 bn	Q1: R750 m	Q1: R2.123 bn	Q1: High export sales emanated from Anuga (Germany, Agro-Processing exhibition) because of vigorous targeted recruitment.	Q1: N/A
			Q2: R1.2 bn	Q2: R1.475 bn	Q2: High export sales are derived from Agro-Processing National Pavilions from Fruit Logistica (Germany), Gulfood (UAE) and Foodex (Japan) No OSM's or NP's were scheduled in Q2 for the Middle East Directorate	Q2: N/A
			Q3: R1.2 bn	Q3: R426 m	Q3: As at 15 January 2019 companies were still providing feedback as most companies only reopened on 14 January 2019 on their six months report and the figure of R426 million may increase. At the current figure the annual target of R4 billion has already been surpassed.	Q3: A concerted effort is being made to contact companies to obtain their six month reports.

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 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: TRADE INVESTMENT SOUTH AFRICA (TISA)						
Increased manufactured exports under EMIA	Number of companies assisted under EMIA in supporting value added exports	823	Q1: 205	Q1: 284 10 National Pavilions and 7 Trade Missions were Managed in Q1	Q1: OSM Qatar and Iran was deferred to Q1 from 2017/18 financial year. OSM Turkey was added during the financial year	Q1: N/A
			Q2: 205	Q2: 304 companies benefited from EMIA	Q2: Positive variance is due to quality recruitment of companies mainly for IBM Cape Wine event.	Q2: N/A
			Q3: 206	Q3: 234 companies benefited from EMIA	Q3: The positive variance was due to the quality recruitment of companies	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: INVESTMENT SOUTH AFRICA (ISA)						
Investment facilitation in targeted sectors	Value (Rand) of investment projects facilitated in pipeline	R50 bn	Q1: R12.5bn	Q1: R27.65 bn	Q1: Renewed investor sentiment and large project from China	Q1: N/A
			Q2: R14 bn	Q2: R17.329 bn	Q2: Large investment projects in Services & Manufacturing Sectors	Q2: N/A
			Q3: R10 bn	Q3: R193.504 bn	Q3: Investment commitments flowing from the Presidential Investment Summit in October 2018	Q3: No corrective action required as this is further a consequence of the announced Presidential Investment Target

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
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DIVISION: SPECIAL ECONOMIC ZONE ECONOMIC TRANSFORMATION(SEZ &ET)

SEZs designated	Number of SEZs submitted to Minister for designation	1	Q1:Nil	Q1:N/A	Q1:N/A	Q1:N/A
			Q2:Nil	Q2:N/A	Q2:N/A	Q2:N/A
			Q3:Nil	Q3:N/A	Q3: N/A	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
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DIVISION: SPECIAL ECONOMIC ZONE ECONOMIC TRANSFORMATION(SEZ &ET)

Revitalisation of industrial parks	Number of implementation reports on the Industrial Parks submitted to Minister	2	Q1 Nil	Q1:N/A	Q1:N/A	Q1:N/A
			Q2:1	Q2:1	Q2:N/A	Q2:N/A
			Q3:Nil	Q3:N/A	Q3:N/A	Q3:N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: SPECIAL ECONOMIC ZONE ECONOMIC TRANSFORMATION(SEZ &ET)						
Implemented B-BEE Amendment Act and Code of Good Practice for B-BBEE	Number of reports on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister	2	Q1:Nil	Q1:N/A	Q1:N/A	Q1:N/A
			Q2:1	Q2:1	Q2:N/A	Q2:N/A
			Q3: Nil	Q3:N/A	Q3:N/A	Q3:N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
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DIVISION: SPECIAL ECONOMIC ZONE ECONOMIC TRANSFORMATION(SEZ &ET)

Black Industrialists Development programmes implemented	Number of interventions to support BIs in the IPAP Sectors (non-financial)	70 interventions to support BIs in the IPAP sectors (Non-financial).	Q1: 19 interventions to support BIs in the IPAP sectors	Q1: 20 interventions to support BIs in the IPAP sectors (Non-financial support)	Q1: Due to strategic partnerships and collaborations with the private sector, multinationals and provincial agreements there has been an increase in the number of BIs supported.	Q1: N/A
			Q2: 18 interventions to support BIs in the IPAP sectors	Q2: 20 interventions to support BIs in the IPAP sectors	Q2: Due to regular engagements with relevant stakeholders the BI Unit managed to meet its targets	Q2: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: SPECIAL ECONOMIC ZONE ECONOMIC TRANSFORMATION(SEZ &ET)						
Black Industrialists Development programmes implemented	Number of interventions to support BIs in the IPAP Sectors (non-financial)	70 interventions to support BIs in the IPAP sectors (Non-financial).	Q3: 15 interventions to support BIs in the IPAP sectors	Q3: 24 interventions to support BIs in the IPAP sectors	Q3: Due to strategic partnerships and collaborations with the private.	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: CORPORATE AND CONSUMER REGULATION (CCRD)						
Impact assessment of regulation on business and economic citizens	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 Ministers approval	Q1: First draft SEIAS report on the Companies Amendment Act developed for Ministers approval	Q1: First draft SEIAS report on the Companies Amendment Act developed, certified by the DPME and submitted with the Bill to Cabinet.	Q1: N/A	Q1: N/A
			Q2: Second draft SEIAS report on the Companies Amendment Act developed for Ministers approval	Q2: SEIAS report developed, certified by the DPME and submitted with the Bill to Cabinet during Q1.	Q2: Bill only presented at the Cabinet meeting scheduled for August 2018.	Q2: SEIAS Report for the Companies Amendment Bill will be revised after the public consultation process for the Bill

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: CORPORATE AND CONSUMER REGULATION (CCRD)						
Impact assessment of regulation on business and economic citizens	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 Ministers approval	Q3: Nil	Q3: N/A	Q3: N/A	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: CORPORATE AND CONSUMER REGULATION (CCRD)						
Policies, Bills and Regulations to enforce fair business practices	Number of progress reports developed for Minister's approval	4 progress reports on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q1: 1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q1: 1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q1: N/A	Q1: N/A
			Q2: 1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q2: 1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q2: N/A	Q2: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: CORPORATE AND CONSUMER REGULATION (CCRD)						
Policies, Bills and Regulations to enforce fair business practices	Number of progress reports developed for Minister's approval	4 progress reports on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q3: 1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q3: 1 progress report on the development of the Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Ministers approval	Q3: N/A	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: CORPORATE AND CONSUMER REGULATION (CCRD)						
Establishment of Trading Entities	Number of education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	24 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q1: 6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q1: 6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q1: N/A	Q1: N/A
			Q2: 6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q2: 7 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q2: Additional workshops were convened as per the request from communities	Q2: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: CORPORATE AND CONSUMER REGULATION (CCRD)						
Establishment of Trading Entities	Number of education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	24 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q3: 6 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q3: 13 education and awareness workshops on policies and legislation conducted and report produced for Ministers approval	Q3: Additional workshops were convened due to requests from municipalities	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: GROUP SYSTEMS AND SUPPORT SERVICES DIVISION (GSSSD)						
Annual Adjusted HR Plan	Percentage (%) of staff turnover (unexpected)	6.8%	Q1: 1,7%	Q1: 0.9%	Q1: Turnover projected was less than actual terminations	Q1: N/A
			Q2: 1.7%	Q2: Turnover is at 1.2% against the target of 1.7%. (permanent positions)	Q2: Turnover projected was less than actual terminations	Q2: N/A
			Q3: 1.7% (5,1% Year to date)	Q3: Turnover is at 1.2% against the target of 1.7%. (permanent positions)	Q3: Turnover projected was less than actual terminations	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: GROUP SYSTEMS AND SUPPORT SERVICES DIVISION (GSSSD)						
Annual Adjusted HR Plan	Percentage (%) of People with Disability employed	3.6%	Q1: 3.42%	Q1: 3.61%	Q1: New disclosure by employee	Q1: N/A
			Q2: 3.5%	Q2: 3.86%	Q2: More officials disclosing their disability	Q2: N/A
			Q3: 3.55%	Q3: 3.75% People with Disability Employed	Q3: No change since previous quarter where more employees disclosed.	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
DIVISION: GROUP SYSTEMS AND SUPPORT SERVICES DIVISION (GSSSD)						
Annual Adjusted HR Plan	Percentage (%) of Women employed in Senior Management Positions	50%	Q1: 49%	Q1: 52%	Q1: % of women in SMS exceeded due to 2 male SMS members resigning during the quarter.	Q1: Various positions in progress where male candidates were preferred / recommended to be finalised in Q2.
			Q2: 50%	Q2: 51%	Q2: % of women in SMS exceeded due to 2 male SMS members terminated services during Q1.	Q2: N/A
			Q3: 49%	Q3: 52% Women employed in Senior Management	Q3: % of women in SMS exceeded due to 2 male SMS members terminated services during Q1.	Q3: N/A

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

Output	Performance Indicator/ Measure	Annual Targets for 2018/19	Milestones	Actual Achievement	Reasons for variance	Corrective action
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DIVISION: OFFICE OF THE DIRECTOR GENERAL (ODG)

Creditors' payments made in accordance with legislative requirements	Eligible creditors' payments processed within legal timeframes	100% eligible creditors' payments made within 30 days	Q1: 100% eligible creditors' payments made within 30 days	Q1: 100% of 5 435 eligible creditors payments were made within 30 days. (65% made within 15 days remainder within 30 days)	Q1: Target exceeded due to more stringent reviews on the turnaround times through daily statistics.	Q1: N/A
			Q2: 100% eligible creditors' payments made within 30 days	Q2: 100% of 5 280 eligible creditors payments were made within 30 days.	Q2: Target exceeded due to more stringent reviews on the turnaround times through daily statistics	Q2: N/A
			Q3: 100% eligible creditors' payments made within 30 days	Q3: 100% of 7 721 eligible creditors payments were made within 30 days. (76% of 7 721 payments were made within 15 days Remainder was processed within 30 days)	Q3: Target exceeded due to more stringent reviews on the turnaround times through daily statistics.	Q3: N/A

FINANCIAL PERFORMANCE 31 DECEMBER 2018



R9,5 billion adjusted budget



R6,2 billion YTD budget

R6,1 billion or 99,1% YTD spent against the YTD budget

R3,3 million or 35,1% available budget

FINANCIAL PERFORMANCE

Financial performance per economic classification

Economic classification	Adjusted Budget 2018/19	Year-to-date (YTD)				Available budget	% budget available
		Adjusted YTD Cash flow projections	YTD Expenditure	Variance (Budget less expenditure)	% variance		
	R'000	R'000	R'000	R'000	%	R'000	%
Compensation of employees	987,518	739,635	725,359	14,276	1.93%	262,159	26.55%
Goods and services	694,519	480,355	488,790	(8,435)	(1.76%)	205,729	29.62%
Transfer and subsidies, of which	7,821,646	5,020,319	4,965,961	54,358	1.08%	2,855,685	36.51%
Payments for capital assets	28,075	6,800	10,108	(3,308)	(48.65%)	17,967	64.00%
Total	9,531,758	6,247,109	6,190,218	56,891	0.91%	3,341,540	35.06%

FINANCIAL PERFORMANCE

Financial performance per programme

Programme	Adjusted Budget 2018/19	Year-to-date (YTD)				Available budget	% budget available
		Adjusted YTD Cash flow projections	YTD Expenditure	Variance (Budget less expenditure)	% variance		
	R'000	R'000	R'000	R'000	%	R'000	%
Administration	838,605	584,937	590,906	(5,969)	(1.02%)	247,699	29.54%
International Trade and Economic Development	124,773	76,201	78,862	(2,661)	(3.49%)	45,911	36.80%
Special Economic Zones and Economic Transformation	146,276	114,521	80,823	33,698	29.43%	65,453	44.75%
Industrial Development	2,029,777	1,897,748	1,874,030	23,718	1.25%	155,747	7.67%
Consumer and Corporate Regulation	330,347	290,045	286,551	3,494	1.20%	43,796	13.26%
Incentive Development Administration	5,567,857	2,879,601	2,867,872	11,729	0.41%	2,699,985	48.49%
Trade and Investment South Africa	411,602	359,294	362,948	(3,654)	(1.02%)	48,654	11.82%
Investment South Africa	82,521	44,762	48,227	(3,465)	(7.74%)	34,294	41.56%
Total	9,531,758	6,247,109	6,190,218	56,891	0.91%	3,341,540	35.06%

THANK YOU

NGIYATHOKOZA

KE A LEBOHA

KE A LEBOGA

SIYABONGA

INKOMU

NDO LIVHUWA

ENKOSI

NGIYABONGA

DANKIE