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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

#### QUESTION NO. 17

**Ms S Moseketsi (ANC) to ask the Minister of Trade, Industry and Competition:**

Given that the Industrial Development Corporation has shown signs of underperformance, what practical steps will he take to ensure consequence management, given that spending is low and potential projects are turned back without any attempt to assist the applicants? NW20E

**REPLY:**

While the question suggests that the Industrial Development Corporation (IDC) is underperforming due to low spending, this is not supported by actual data and facts on disbursement performance. In the third quarter of the financial year, IDC disbursements were strong and exceeded internal targets, reflecting accelerated funding activity rather than constrained spending.

Approval values increased to R11.4 billion, representing a 17% increase compared to the same period in the previous financial year. The on-balance-sheet disbursement target for the current period is R12.8 billion, against which actual disbursements have reached R14.9 billion, compared to R11.5 billion in the same period last year. This performance underscores strengthened execution capability, improved operational efficiency, and enhanced delivery across business units.

**Operational recovery and spending acceleration:** The IDC has implemented a focused Performance Recovery Plan to address underperformance, with emphasis on accelerating deal closure, improving disbursement levels, and restoring delivery against corporate KPIs. Performance is improving in priority areas such as on-balance sheet disbursements, SME funding, power generation, and job opportunities, while targeted recovery actions are underway for lagging indicators including turnaround times, jobs saved, exports, SEZ funding, and off-balance sheet finance.

**Unblocking transactions and supporting viable applicants:** The IDC assesses applications diligently and applies structured interventions to support viable projects throughout the funding lifecycle. Fortnightly All-Hands-On-Deck (AHOD) sessions bring together executives and deal teams to resolve bottlenecks, fast-track approvals, and clear conditions precedent. Priority and high-impact



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transactions receive dedicated resourcing and specialist support to ensure that viable projects are assisted rather than prematurely declined.

**Process simplification and faster decision-making:** Internal processes are being streamlined through business improvement reforms, digitalisation and automation of work streams for improved efficiencies. The delegation matrix is being rationalised to accelerate approvals, while centralised disbursement processes have reduced delays and strengthened accountability.

**HR interventions, consequence management and accountability:** Human-resource measures form a core part of the recovery plan, including the redeployment of skills to priority areas, focused leadership oversight of underperforming units, and the reinforcement of a performance-driven culture. Executive and senior management performance contracts are explicitly linked to agreed KPIs, including disbursement levels, turnaround times, and developmental impact. Consequence management is applied where targets are not met, with persistent underperformance addressed through corrective measures in line with IDC governance and human-resource policies.

**Ongoing oversight, risk management, and sustainable investing:** While disbursement levels reflect disciplined risk assessment in a constrained economic environment, these risks are actively managed to protect the IDC's balance sheet and ensure long-term sustainability. Funding decisions are informed by robust risk measures, portfolio health considerations, and capital adequacy requirements, while focused execution, improved post-investment coordination, and continuous monitoring are being applied to unlock viable transactions. This approach ensures improved development outcomes without compromising financial sustainability and strengthens service to applicants whose projects meet risk-adjusted funding criteria.

**KPI setting and strategic oversight:** the IDC's strategy and performance management framework has strengthened KPI setting to ensure closer alignment between strategic objectives, operational delivery, and developmental outcomes. KPIs are monitored regularly through management and Board structures, enabling early identification of underperformance and timely intervention.

**Ongoing shareholder oversight:** the shareholder department continues to exercise active oversight through structured engagements with the IDC Board and management to ensure that recovery actions translate into improved funding and client outcomes, and sustained delivery on the IDC's developmental mandate.

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