



the dtic Performance Report

Presentation to the Portfolio Committee
on Trade, Industry and Competition

Briefing by **the dtic** on its 1st Quarter
financial and non-financial performance
for the 2026/27 financial year

07 October 2026

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Global Economic Growth: Key Issues & Projections

Global growth moderates to 3.0% in 2026 amid inflationary pressures and Middle East conflict, while South Africa is projected at 1.1%.

1. Growth Moderation & Inflation Pressure

Global GDP slows to **3.0% in 2026** (from 3.5% in 2025) before recovering to 3.4% in 2027. Headline inflation accelerates to **4.7% in 2026** (up from 4.1%), easing to 3.9% in 2027.

2. Regional Growth Disparities

- **Advanced Economies:** Slow to 1.7% in 2026 (US leads at 2.3%; Eurozone lags at 0.9%, UK at 1.0%, Germany at 0.7%, Japan at 0.6%).
- **Emerging Markets:** Soften to 3.8% (India strong at 6.4%, China at 4.6%, Brazil at 2.4%, Russia at 1.1%).
- **Sub-Saharan Africa:** Holds at 4.3% (Nigeria at 4.1%; South Africa constrained at **1.1%**).

3. Balance of Risks

▼ Downside Risks

Middle East conflict, commodity price volatility, supply chain disruptions, trade fragmentation & tight financial conditions.

▲ Upside Catalysts

Faster energy market normalisation, AI tech sector investment, trade cooperation & structural reforms.

The WEO July 2026 Projections

y-o-y %	2025	2026	2027
World GDP (PPP*)	3.5	3.0	3.4
G7 countries	1.9	1.7	1.8
US	2.1	2.3	2.2
Eurozone **	1.4	0.9	1.2
United Kingdom	1.4	1.0	1.3
Germany	0.2	0.7	1.0
Japan	1.1	0.6	0.7
Emerging countries	4.5	3.8	4.5
China	5.0	4.6	4.1
India	7.7	6.4	6.7
Brazil	2.3	2.4	2.2
Russia	1.0	1.1	1.1
Sub-Saharan Africa	4.5	4.3	4.5
Nigeria	4.0	4.1	4.3
South Africa	1.1	1.1	1.3

Source: IMF, World Economic Outlook (July 2026)

*Purchasing Power Parity; **20 Countries that use the euro currency

South African Economic Growth

GDP grew 0.5% in Q1, but manufacturing and private investment remain under pressure.

Binding Structural Constraints

SA continues to face severe bottlenecks: infrastructure & logistics issues, weak fixed investment, high input costs, fuel price inflation, and municipal service inefficiencies raising business operational costs.

GDP Acceleration & Forecast Horizon

Despite resistance, SA GDP accelerated by **0.5% q-o-q (sa)** in 2026 Q1 (up from 0.4% in 2025 Q4). SARB projections suggest **1.4% growth in 2026**, followed by 1.7% in 2027 and 1.9% in 2028.

Sector Dynamics (9 of 10 Industries Expanded)

Finance
+0.9%

Agriculture
+3.9%

Trade
+0.7%

Manufacturing
-0.8%

Gross Fixed Capital Formation (GFCF): Decreased by **1.1%** as private enterprises contracted by 4.9%. Public enterprises (+9.3%) and general government (+7.5%) grew positively, but could not offset private declines (holding 70% share).



Quarter-on-quarter
Real GDP (Seasonally adjusted)



Year-on-year
Real GDP (Unadjusted)

SARB GROWTH FORECAST TRAJECTORY

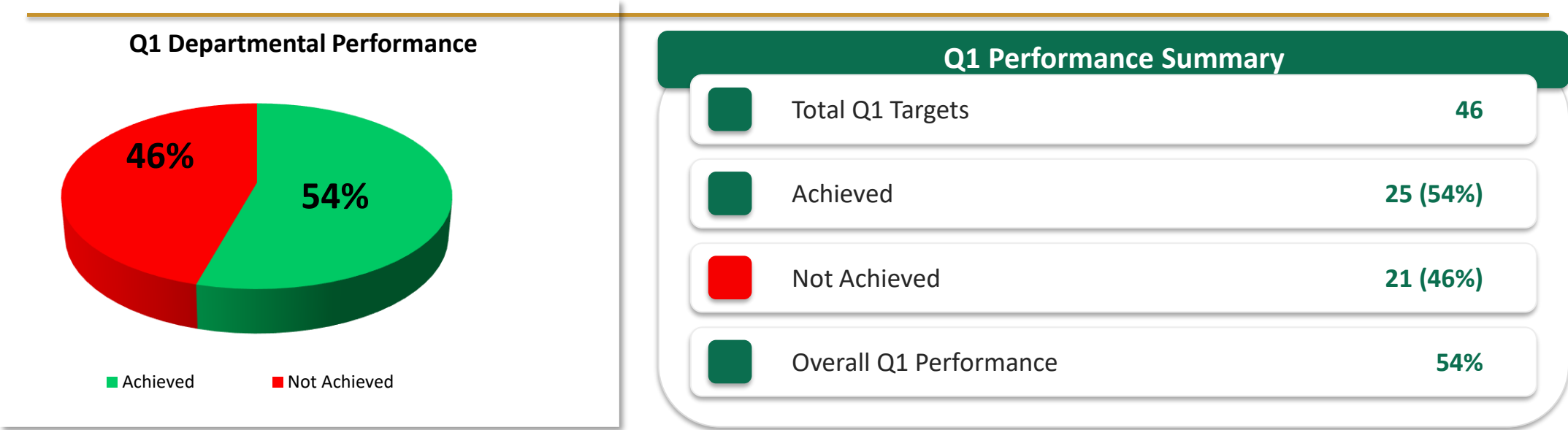
2026
1.4%

2027
1.7%

2028
1.9%

Source: StatsSA (2026 Q1) & South African Reserve Bank (SARB).

the dtic Q1 Performance



Programme delivery | 25 of 46 Q1 targets achieved (54%)

PROGRAMME	2026/27 ANNUAL TARGETS	Q1 PLANNED TARGETS	Q1 ACHIEVED	DELIVERY RATE
1 Administration	10	9	1	11%
2 Trade	16	5	2	40%
3 Investment & Spatial Development	7	3	1	33%
4 Sectors	13	12	11	92%
5 Regulation	7	0	0	N/A
6 Incentives	5	3	2	67%
7 Exports	9	8	5	63%
8 Transformation & Competition	8	2	0	0%
9 Research	6	4	3	75%
TOTAL	81	46	25	54%

Summary of Entities' Performance

No	Entity	Q1 Performance	No	Entity	Q1 Performance
1	Broad-Based Black Economic Empowerment (B-BBEE)	100%	10	National Consumer Commission (NCC)	45%
2	Companies and Intellectual Property Commission (CIPC)	82%	11	National Consumer Tribunal (NCT)	100%
3	Companies Tribunal (CT)	83%	12	National Credit Regulator (NCR)	86%
4	Competition Commission (CompCom)	94%	13	National Empowerment Fund (NEF)	39%
5	Competition Tribunal (CompTrib)	80%	14	National Gambling Board (NGB)	100%
6	Export Credit Insurance Corporation (ECIC)	N/A*	15	National Lotteries Commission (NLC)	79%
7	Industrial Development Corporation (IDC)	36%	16	National Regulator for Compulsory Specification (NRCS)	67%
8	International Trade Administration Commission (ITAC)	87%	17	South African Bureau of Standards (SABS)	85%
9	National Metrology Institute of South Africa (NMISA)	80%	18	South African National Accreditation System (SANAS)	88%
			19	Takeover Regulation Panel (TRP)	100%

72%

of entities achieved a minimum of 80% of their Q1 Targets (13 out of 18 entities)

⁶
*ECIC targets are not applicable in quarter 1

the dtic Vacancies

The department is prioritising 196 funded vacancies to strengthen delivery capacity.

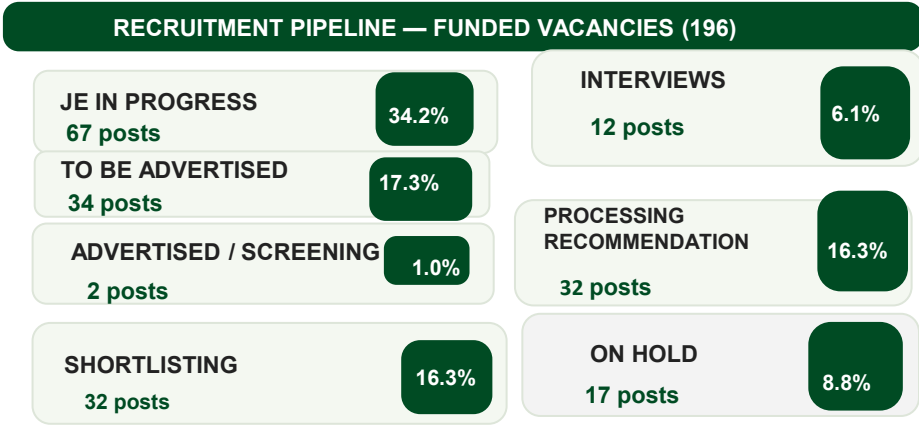
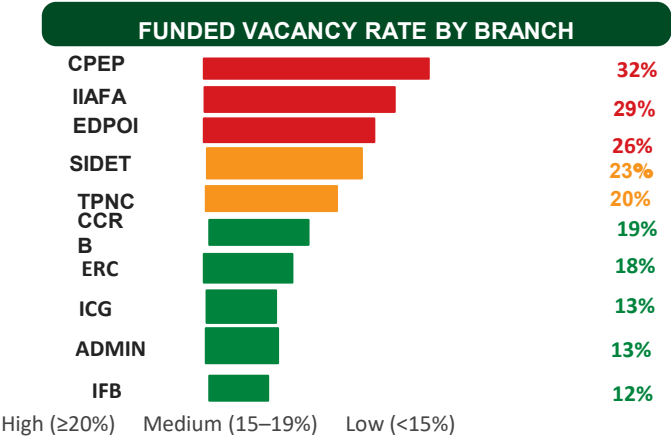
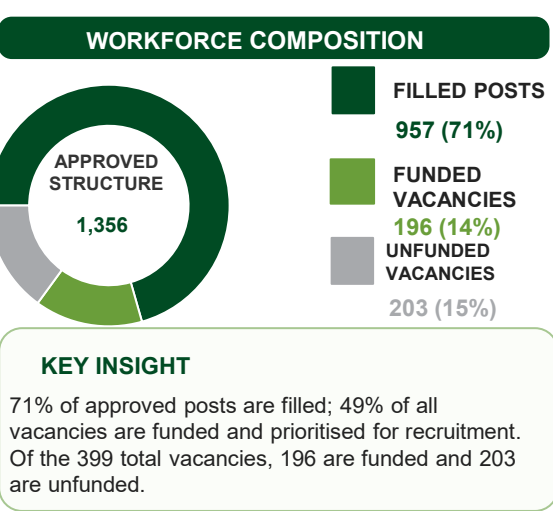
APPROVED STRUCTURE	FUNDED ESTABLISHMENT	FILLED POSTS	TOTAL VACANCIES	FUNDED VACANCIES	FUNDED VACANCY RATE	ADDITIONAL APPOINTMENTS	APPOINTMENTS IN Q1	PROMOTION IN Q1
1,356	1,153	957	399	196	17.0%	36	7	6
100% baseline	85% of structure	83% of funded	29.4% vacancy rate	49% of vacancies	of approved structure	As at 30 June 2026		

Head Count & Vacancies 30 June 2026

Branch	Total no of approved posts	Total Funded posts	Filled	Funded Vacant posts	Unfunded removed posts	Total Vacancy Rate %	Unfunded removed posts %	Additional Filled
ADMIN	471	395	344	51	76	13%	16%	11
CCRB	71	68	55	13	3	19%	4%	1
CPEP	27	19	13	6	8	32%	30%	1
EDPOI	142	115	85	30	27	26%	19%	4
ERC	49	38	31	7	11	18%	22%	1
ICG	142	118	103	15	24	13%	17%	3
IFB	195	170	149	21	25	12%	13%	3
IIAFA	59	52	37	15	7	29%	12%	5
SIDET	104	86	66	20	18	23%	17%	6
TPNC	96	92	74	18	4	20%	4%	1
the dtic Total	1356	1153	957	196	203	17.0%	15.0%	36

Filling of Key Posts (as at 30 June 2026)

- Deputy Director-General (DDG) Posts:**
 - Recruitment and selection processes concluded for the following DDG posts:
 - Spatial Industrial Development & Economic Transformation
 - Competition Policy & Economic Planning
 - Industrial Competitiveness & Growth
 - The matter was submitted to **the MPSA** for tabling in Cabinet in November 2025, however, this did not take place. Minister-to-Minister engagement took place on 20 March 2026, requiring an approved organisational structure (start-up structure not recognised) and a period of 2 months agreed upon to conclude.
 - Proposed macro-organisational structure was submitted to the Director-General on 16 May 2026; and the Director-General submitted it to the Minister on 20 May 2026 for approval to consult with **the MPSA**. The Minister signed a letter to consult with **the MPSA**. The documents were submitted on 21 July 2026 to **the MPSA**.
- DDG: Departmental Operations** – not supported by DPSA but remains **critical to the Department's structure and operations**



Entity Governance and Vacancies

No	Entity	Executive vacancies
1	CIPC	• Deputy Commissioner
2	CompCom	• Deputy Commissioners x2
3	ITAC	• Deputy Chief Commissioner
4	NCC	• Commissioner • Deputy Commissioner
5	NGB	• Chief Executive Officer
6	NRCS	• Chief Executive Officer (CEO) (recruitment process underway) • Deputy Chief Executive Officer
7	SABS	• Chief Executive Officer (CEO) (recruitment process underway by the Board)
8	SANAS	• Chief Executive Officer (CEO) (recruitment process underway by the Board)
9	TRP	• Executive Director (consultation with the Minister of Finance on conditions of employment underway)

Entity Board Appointments
• With the exception of the NGB Board, all boards of the dtic entities are duly constituted in accordance with their respective founding legislation.
• As at 30 September the following appointments were made: • 2 x Deputy Competition Commissioners (1 Sept) Cabinet concurred with the appointment of members to the: • NGB Board • IDC Board (additional members) The President appointed additional members to the: • Competition Tribunal

• In Q1, the Minister appointed:

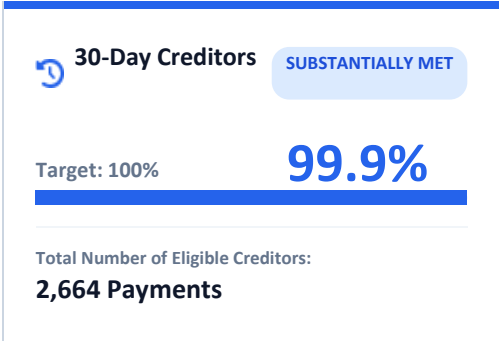
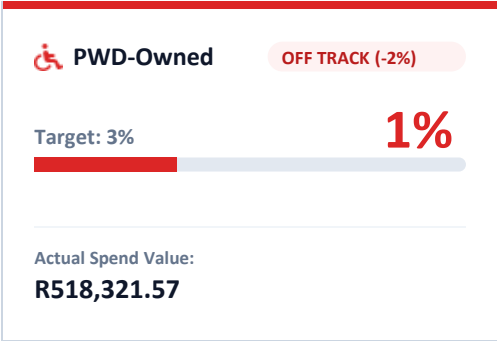
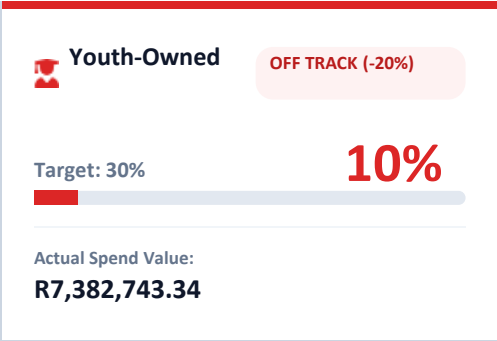
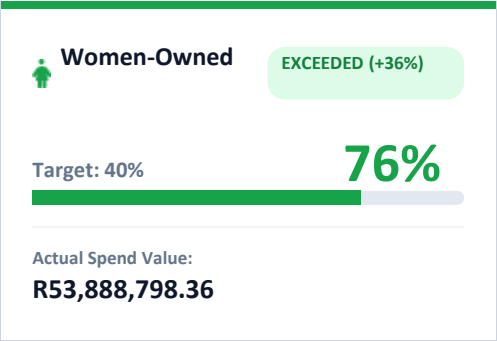
✓ The CEO of the NCR; and

✓ The CEO of the ECIC.

Q1 Programme Performance

Preferential Procurement and Creditors Payment

Q1 Total Procurement Spend **R71,139,702.45**



Q1 Programme Performance

Trade: AfCFTA and Regional Integration

Regional integration advanced through R5bn funding, tariff progress and enforcement.

SACU COORDINATION

National position

A national workshop on the Re-imagined SACU produced an agreed South African position for Ministerial consideration.

Institutional leadership

South Africa hosted the 2026 SACU Institutional Meetings and Summit, securing agreement on priority regional-integration initiatives.

Policy instruments

Draft modalities for a SACU–Egypt Automotive Pact were circulated, and Article 26 infant-industry implementation guidelines were finalised.

REGIONAL DELIVERY

R5bn funding mechanism

Members agreed on an innovative regional funding mechanism, initially capitalised at R5bn for cross-border infrastructure and industrial projects.

Integrated value chains

The Hub-and-Spokes automotive model, regional battery value-chain development and cross-border SEZs progressed.

Illicit-trade enforcement

Joint operations delivered seizures and detentions valued at approximately R479m, primarily involving illicit tobacco products.

AfCFTA IMPLEMENTATION

Digital trade

Ratification of the Protocol on Digital Trade was recommended.

Inclusive market access

Ministers adopted preferential-market-access regulation for women and youth in trade.

Tariff offer

South Africa finalised its approach to outstanding Category B and C tariff lines, enabling consolidation of the revised SACU offer.

Balanced liberalisation

State Parties received more time for national consultations on revised tariff-liberalisation modalities.

Q1 Programme Performance

Trade — Market Access and Diversification

China market access commenced, India negotiations are ready to formalise, and US tariff risks are being managed.

3

Priority markets

China • India • United States

1 May 2026

China offer effective

Zero-tariff implementation

94%

Commodity share

Diversification gap in China exports

CHINA

Implemented — Zero-Tariff Offer effective from 1 May 2026.

Advanced — SACU approved the proposed Early Harvest offer.

Strategic issue — Shift exports beyond commodities, currently about 94% of exports to China.

INDIA

Negotiating mandate — Terms of Reference for a SACU–India Preferential Trade Agreement were adopted.

Next step — Position the terms for formal signature and launch the negotiating process.

UNITED STATES

Bilateral engagement — Reciprocal Trade Agreement request is under consideration.

Tariff-risk response — Technical engagement and a supplementary submission addressed the Section 301 investigation.

Market continuity — South Africa submitted its position on AGOA modernisation.

OVERSIGHT PRIORITY

Convert China access into industrial exports • formalise the India track • mitigate US tariff and AGOA uncertainty

Q1 Programme Performance

Trade — Strengthening Trade Relations

UK rules-of-origin progress and EU steel safeguards protected market access while green-trade cooperation advanced.

4

UK access issues

Rules • quotas • taxes • review

3

WTO negotiation rounds

EU steel safeguards

1 Jul 2026

Zero-duty quota

Provisional EU steel access

UNITED KINGDOM

Battery rules — Agreement in principle to align hybrid and EV battery rules of origin with the SA–EU arrangement.

Trade access — TRQs, export taxes and Article 35 review progressed through EPA structures.

Implementation — Customs, agriculture, market access and geographical-indication work programmes advanced.

EUROPEAN UNION

Steel access — Three WTO rounds concluded; a country-specific zero-duty quota takes effect provisionally on 1 July 2026.

Market barriers — Engagement addressed steel safeguards, CBAM and citrus access.

Green trade — CTIP, IDC–COFIDES financing, standards cooperation and green-fuel export pathways advanced.

OVERSIGHT
PRIORITY

Finalise UK battery legal text • secure durable EU steel access • convert CTIP cooperation into investment and exports

Q1 Programme Performance

Investment Promotion

Q1 Target

R150 billion

Rand value of verified investments attracted in the economy

1. Infrastructure investors are awaiting new rounds of Renewable Energy Independent Power Producer (REIPP), rail, and port projects and tenders.
2. Global uncertainty, flight and supply-chain restrictions due to the conflict in Iran also contributed to the level of investment.

Quarter 1 Achievement

R92 billion

Rand value of verified investments attracted in the economy

TOP 5 INVESTMENTS SECURED IN Q1:

1. Joy Long Automobile & YJC Group – R12,9bn
2. Biovac – R1,773bn
3. Zululand Energy Terminal (VOPAK) – R20bn
4. Ukwanda LNG (Transnet) –R22bn
5. Bambili – R1,2bn

Interventions to increase investment

1. Intensified promotion of an investment project book, including infrastructure projects. This will be implemented through targeted inward and outward drives to attract investment.
2. Engage international chambers of commerce to facilitate investment.
3. Infrastructure reform, such as in the water sector, brings about new opportunities to promote investment.

Q1 Programme Performance

Investment Highlights

Five strategic projects anchor Q1 investment across mobility, vaccines and energy.

1

Joy Long Automobile and YJC Group have committed to a R12,9bn undertaking to invest in establishing the manufacturing of electric cars. The CEO of Maluti-a-Phofung Special Economic Zone engaged the company in May and has furthermore undertaken a site visit to their plant in China to study the company's production capacity. During the Deputy President's visit to China in June, the CEO of the company officially presented the project during the round table business forum discussions.

2

Biovac is a leading South African biopharmaceutical company based in Cape Town focused on developing local vaccine manufacturing capability for the country and the continent. Biovac is a key player in efforts to bolster Africa's health security and vaccine self-sufficiency. The project investment is being funded by European Investment Bank (EIB) Group and World Bank to expand its capacity in order to expand Africa's vaccine manufacturing capacity, support equitable access to essential immunisations and strengthen preparedness for future pandemics.

3

Bambili Energy is progressing a proposed R1.8 billion investment to establish a manufacturing facility for Membrane Electrode Assemblies and Fuel Cell Systems. The project has completed its Bankable Feasibility Study with the Development Bank of South Africa and is currently in the fundraising phase. The investment will support localisation of hydrogen and fuel cell technologies.

4

UKWANDA LNG Terminal (Transnet) Project Value: R22 billion
Development of an LNG import and regasification terminal to strengthen South Africa's energy security and gas-to-power programme. The project will unlock investment, create jobs, and support industrial growth in the Eastern Cape.

5

Zululand Energy Terminal (ZET) Gas Hub Project Value: R20 billion (estimated)
Development of a Gas Custody Transfer Station at the Richards Bay IDZ to distribute LNG to industrial users and power generation.
The project will establish a regional gas hub, attracting investment and supporting industrial development.

Q1 Programme Performance

Special Economic Zones

VAAL SEZ PUBLIC PARTICIPATION

On 1 April 2026, **the dtic** together with the Gauteng provincial government and the Lesedi and Midvaal local municipalities hosted interactive public consultations on the planned designation of the Vaal SEZ. This follows the publication on 3 March 2026 of the Minister's intention to designate the proposed SEZ for public comment.

The second session was held on 8 April 2026 at the Meyerton Town Hall. The sessions provided businesses and stakeholders of the Lesedi and Midvaal municipalities with an opportunity to express their views and share ideas on the proposed SEZ with national, provincial and local government leadership.

The final session was held on 15 April 2026, in Vereeniging. Deputy Minister Godlimpi led the interactive public participation session in partnership with the Gauteng Provincial Government and the Sedibeng District Municipality.



As at Quarter 1 2026/27:

- The department finalised the Public Consultations for the Vaal SEZ towards designation.
- The number of investors in the Zones has increased from 224 in Q4 in the previous FY to 229 in Q1.
- The investment values increased by R4.6 billion totaling R 36.7 billion.
- **1554 new direct jobs were created** in Q1.

A portfolio of **digital economy infrastructure projects** with a total investment value of over R330 million was unveiled at the Eastern Cape Digital Economy Summit 2026, hosted by the East London Industrial Development Zone from 7-8 May 2026.

EXPANSION OF THE COEGA SEZ

On 24 April 2026, Minister designated the expansion of the Coega SEZ to establish a pharmaceutical and vaccine manufacturing precinct (Gazette Notice No. 54580). This expansion is aimed towards establishing a leading pharmaceutical and vaccine manufacturing hub in Africa, with a primary focus on supplying locally produced goods to local and African markets whilst contributing to the growth of the pharmaceutical and healthcare industries. Additionally, the development aims to foster the creation of new business opportunities, facilitate employment as well as the socio-economic development of the economy.

Q1 Programme Performance

Industrial Development Strategy

Industrial Development Strategy (IDS) approved by Cabinet on 13 May 2026

- The strategic core of South Africa's revised Industrial Development Strategy is three parallel "pathways" or 3Ds that anchor how the country intends to grow industry, create jobs, and broaden economic inclusion, all sitting on a shared base of policy instruments and enablers.
- **Decarbonisation** — reorients existing heavy industry around the low-carbon transition.
- **Diversification** — pushes the economy beyond its resource-heavy base into new sectors
- **Digitalisation** — builds the digital economy through ICT infrastructure, software development, and trade in digital services



Q1 Programme Performance

Automotive Sector Delivery

R16.2bn committed through Toyota and NAACAM; proven supplier gains now require investment conversion and fuller disclosure.

R10.4bn

TOYOTA COMMITMENT
KZN energy transition

R5.8bn

NAACAM PLEDGE
Companies undisclosed

R733m

ENTREPRENEUR TURNOVER
178 businesses supported

680

NEW JOBS
VWGA + Raiz programme

INVESTMENT PIPELINE

COMMITTED Toyota — R10.4bn in KwaZulu-Natal for the automotive energy transition, local manufacturing and sustainability.

DISCLOSURE PENDING NAACAM — R5.8bn sector pledge; companies are undisclosed. It includes a Japanese component producer allocating R1.2bn to KZN and a Chinese automotive company whose pledge remains undisclosed.

DELIVERED Kanu — R25m manufacturing facility at the Aloes Industrial Complex, Gqeberha, next to Isuzu’s Vehicle Conversion and Distribution Centre.

SUPPLIER DEVELOPMENT



Documentary image: local enterprise and supplier capability

DELIVERED VWGA + Raizcorp, Kariega — 15 years; 178 entrepreneurs, R733m turnover, nearly 2,000 employed, 680 new jobs, 30 VWGA suppliers and R93.9m procurement.

EV + BATTERY CAPABILITY

IN PROGRESS \$1m GEF project — UNIDO is the implementing agency and SANEDI the executing agency; focus: local EV components, battery recycling, lower transport emissions and just-transition skills.

IN PROGRESS ACTOM acquired JUEL Batteries on 20 May 2026 to expand Static Power BESS capability. Production moved to ACTOM Power Transformers, Pretoria West, with added manufacturing and assembly equipment — increasing South African content and reducing exchange-rate exposure.

OVERSIGHT PRIORITY

Track pledge conversion, disclose unnamed investors and values, and monitor jobs, VWGA procurement, EV skills and verified local content.

Q1 Programme Performance

Sugar and Poultry Master Plans

Both Phase 2 plans moved into implementation, protecting livelihoods and strengthening localisation.

| SUGAR — PHASE 2

10 APR 2026 **1.5m tons**

Phase 2 signed Local sugar commitment

Implementation — Governance and task teams established; procurement and market-retention measures underway.

Stability — Tongaat Hulett liquidation averted, safeguarding a strategic value chain and livelihoods.



Local procurement and market retention are the immediate tests of whether Phase 2 stabilises the sector.

| POULTRY — PHASE 2

30 APR 2026 **PHASE 2**

Framework signed Stakeholder-backed

Growth agenda — Expand cooked meat exports and local demand.

Production resilience — Improve biosecurity and market access.

Industrial outcome — Support localisation and transformation.



OVERSIGHT PRIORITY

Monitor delivery against local procurement, export growth, biosecurity, employment and transformation commitments

Q1 Programme Performance

Cannabis and Pharmaceutical Industries

Cannabis exports are emerging while Biovac investment expands local vaccine manufacturing.

CANNABIS REGULATION

Private-use regulations

Submissions were received on the draft regulations, which are currently with the Minister of Justice and Constitutional Development for approval.

Integrated framework

the dtic initiated an overarching Cannabis Bill. The Draft Cannabis Commercial Policy is in final refinement following stakeholder consultation.

TRADE PERFORMANCE

Quarter 1 exports

Hemp exports reached 2,466.29kg valued at R4.05m; cannabis exports reached 940.06kg valued at R3.78m.

Markets & processing

Key destinations included Australia, Switzerland and Namibia. Cumulative cannabis- and hemp processing machinery exports reached R106m.

Progress to baseline

Exports and machinery sales totalled R113.83m—

VACCINE MANUFACTURING

R5.3bn EPI contract

Biovac will locally manufacture and supply the 6-in-1 Hexaxim vaccine from January 2027 to December 2029.

R3bn OCV facility

A new facility will supply Oral Cholera Vaccine to Gavi/UNICEF markets and establish end-to-end drug-substance capability.

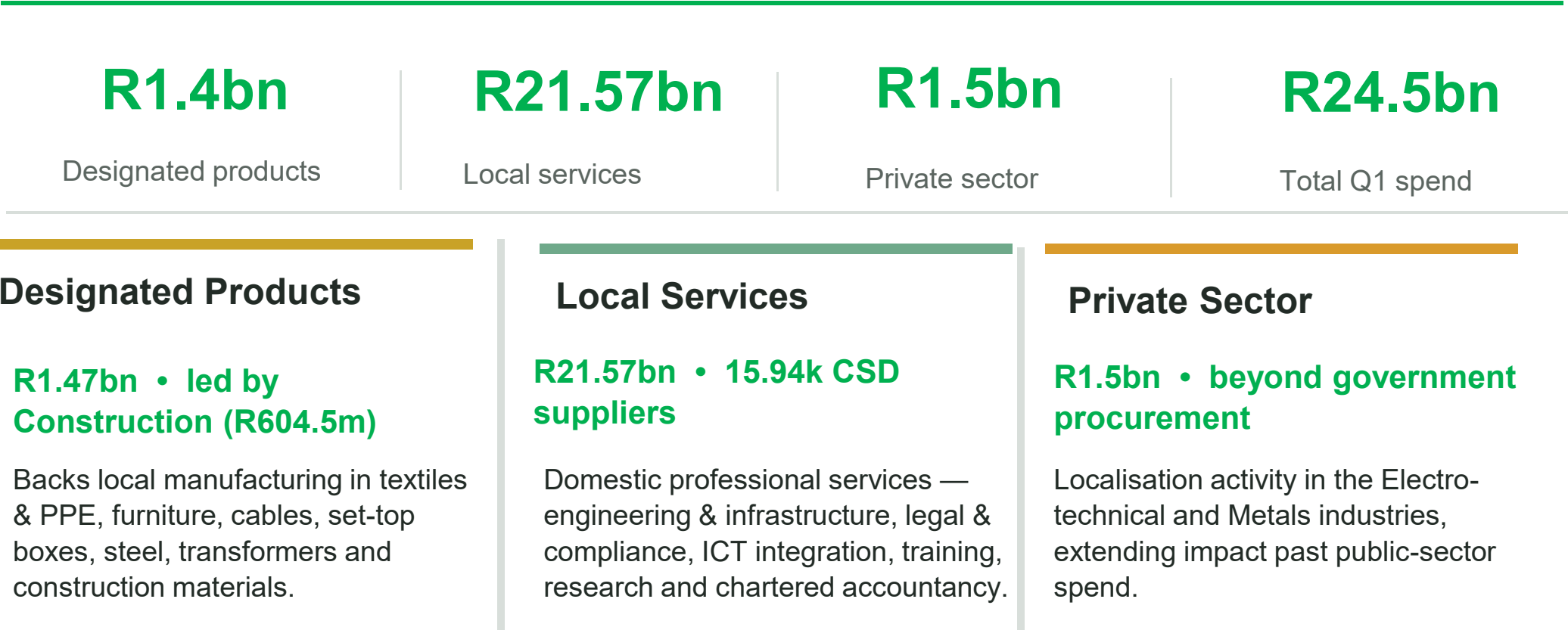
PCV14 technology transfer

A licensing agreement with Biological E will establish local production of a critical childhood vaccine, support African supply and advance the AU 2040 localisation target.

Q1 Programme Performance

Industrial Procurement

Local services drive 88% of the R24.5bn Q1 industrial procurement spend



**EXECUTIVE
TAKEAWAY**

Local services account for 88% of Q1 spend; designated products and the private sector together contribute the remaining ~12%.

Q1 Programme Performance

Regulation

Companies Amendment Act

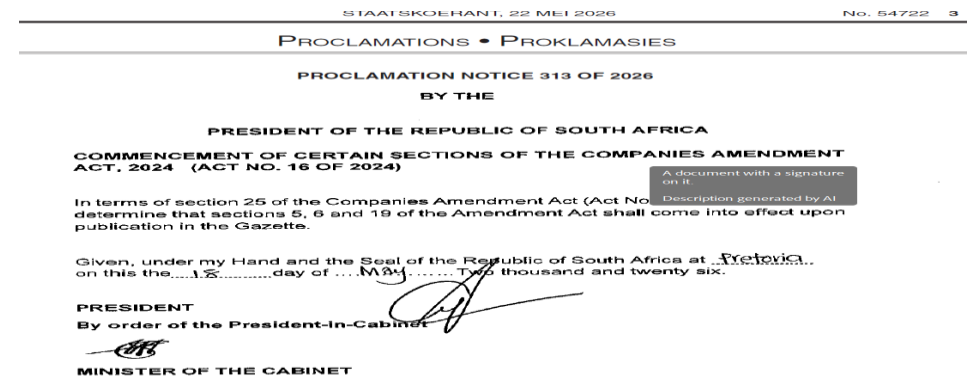
- The remuneration disclosure requirements in sections 30, 30A and 30B or sections 5 and 6 of the Companies Amendment Act of 2024 became operational as per the Presidential proclamation gazetted on 22 May 2026.
- In addition, the section that provides for arbitration powers of the Companies Tribunal in section 19 also came into effect.

Merchandise Marks Act

- The application to declare the Rugby tournament a protected event was gazetted on 2 July 2026 for a period of 15 calendar days. The South African Rugby Union has applied for Minister's approval of "Rugby's Greatest Rivalry 2026" as a Protected Event in terms of section 15A of the Merchandise Marks Act, 17 of 1941 (as amended).
- The event took place from 07 August 2026 to 12 September 2026.

Draft Policies

- Draft policies on liquor, national credit and national gambling were developed and submitted for consideration. The policy reforms are critical and will contribute to an enabling regulatory environment for the liquor, gambling and credit industries as well as strengthen the national regulatory framework.
- A concept document on the review of online gambling advertising in South Africa to inform the Regulations on gambling advertising was developed.



Q1 Programme Performance

Incentive Approvals and Disbursements

IB Key Deliverables | Overview Performance Reporting

April – June 2026

APPROVALS
Potential contribution over the next 2–5 years

TOTAL APPROVED
R1.4 billion
by the Incentives Branch

PROJECTED INVESTMENT
R11.5 billion
expected over 2–5 years

DISBURSEMENTS - Current impact of industrial funding

TOTAL DISBURSED
R564 million
during the reporting period

Transformation

B-BBEE COMPLIANT COMPANIES
R487 million
disbursed

BLACK INDUSTRIALISTS AND BLACK OWNED BUSINESSES
R94.8 million
disbursed

OUTSIDE 5 MAIN METROS
R98.4 million
disbursed

INCLUSIVE ENTERPRISE SUPPORT
R90.4 million
to SMMEs and women- & youth-owned businesses

Outcomes

SERVICE EXPORTS
R557.5 million
in service exports

JOB'S CREATED
2 910 permanent new jobs
242 digital new jobs

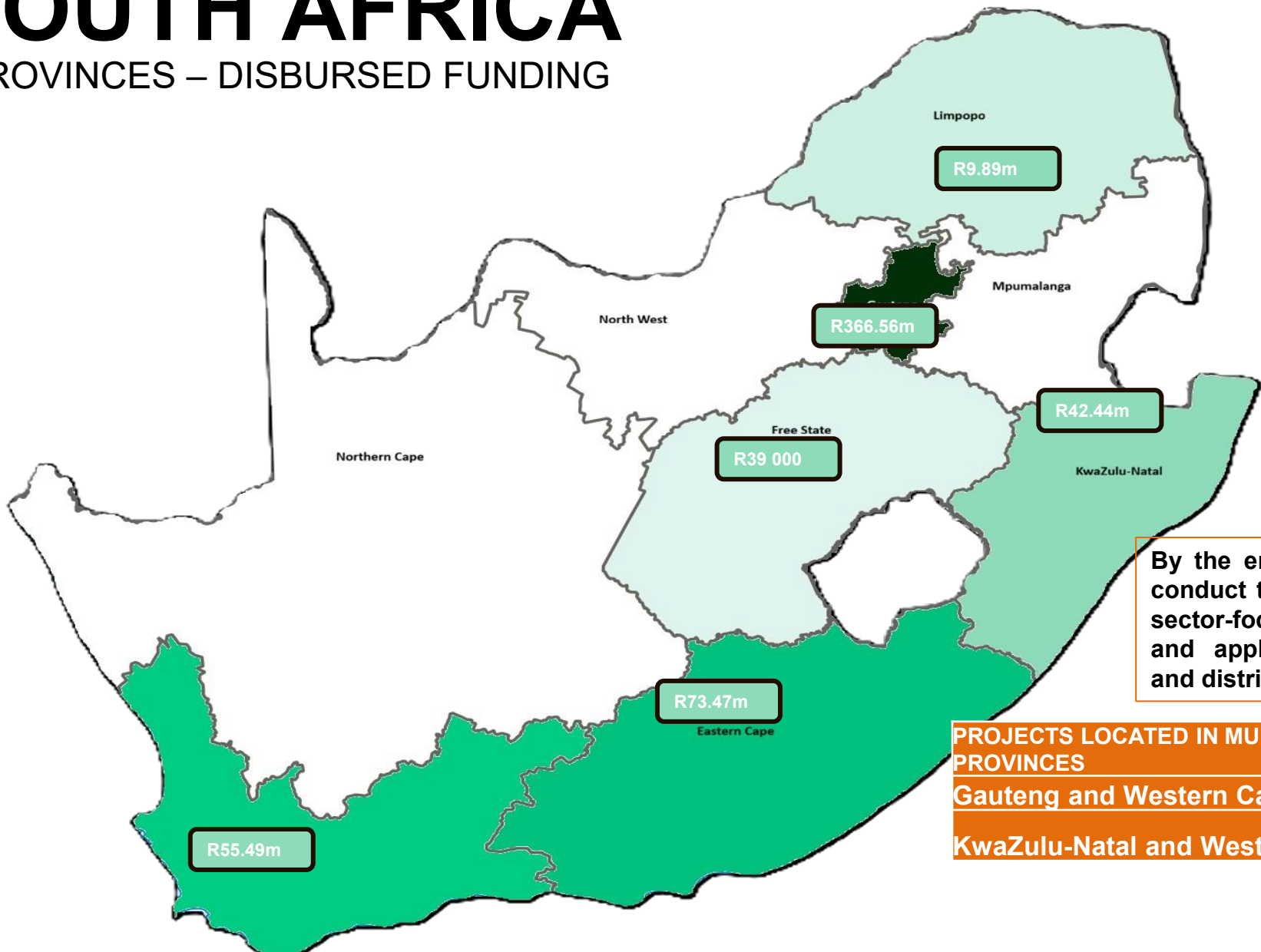
Q1 Programme Performance

Provincial Distribution of Incentive Funding

Funding reached provinces nationwide, with targeted outreach planned for low-participation areas.

SOUTH AFRICA

PROVINCES – DISBURSED FUNDING



By the end of Q3 the branch aims to conduct targeted incentive roadshows, sector-focused workshops, webinars and application clinics in provinces and districts with low participation.

PROJECTS LOCATED IN MULTIPLE PROVINCES	DISBURSEMENTS
Gauteng and Western Cape	R3.84m
KwaZulu-Natal and Western Cape	R4.82m

Q1 Programme Performance

Incentives Summary

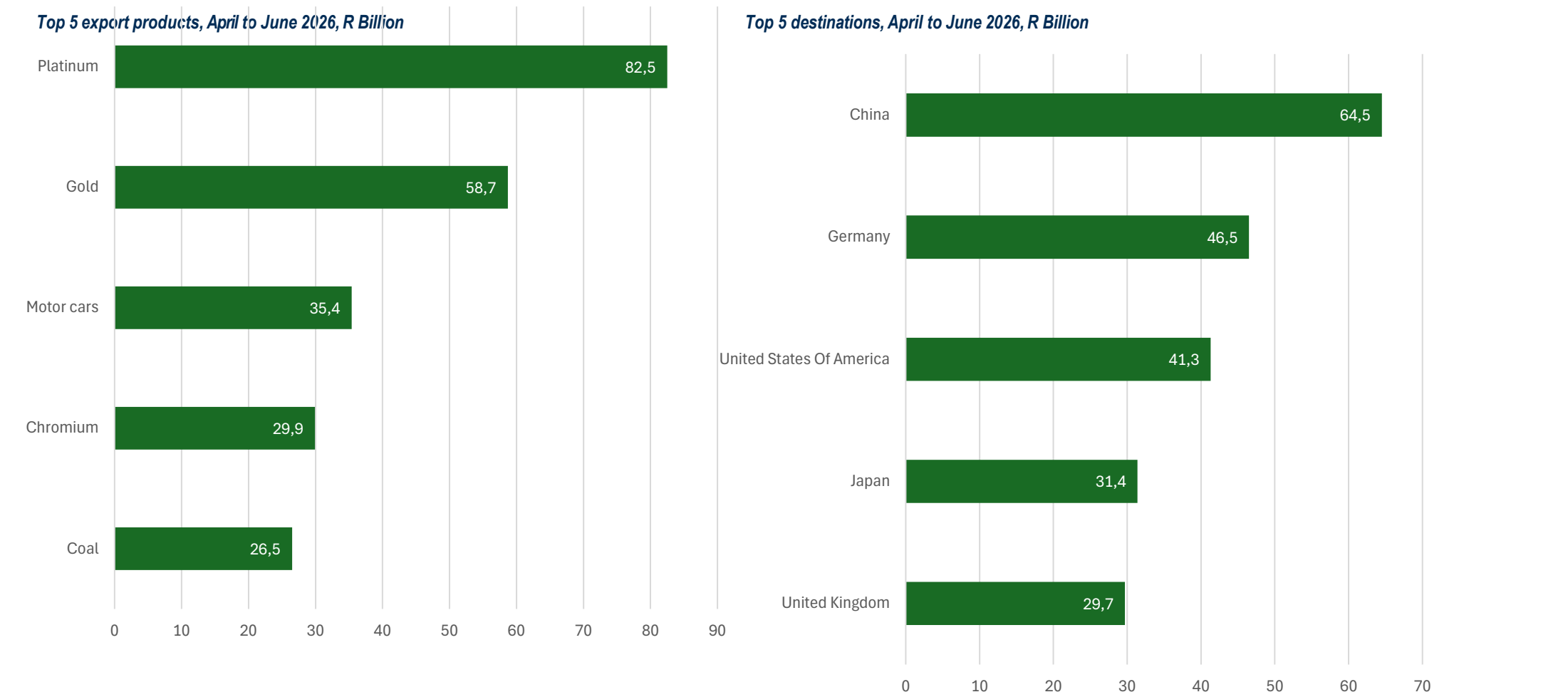
Automotive-led approvals exceeded investment targets and supported more than 18,700 jobs.

- Projected investment significantly exceeded the target, driven by a major Original Equipment Manufacturer (OEM) in the eThekweni Metropolitan Municipality, which accounted for 76% of the total projected investment. The OEM will upgrade its existing manufacturing facility to introduce new vehicles models, including both internal combustion engine and hybrid vehicles. The expansion will retain more than 7 500 existing jobs, create over 200 new jobs, and strengthen South Africa's automotive value chain by sourcing 52% of its raw materials locally. This investment will also stimulate growth across the local supply chain.
- A flagship data centre development in Johannesburg's Randburg-OR Tambo corridor is driving infrastructure investment, job creation and local economic development. Supported by CIP funding, critical infrastructure has been delivered, creating approximately 500 permanent and 1,500 temporary jobs. The project has also unlocked R148 million in contracts for eight SMMEs, creating opportunities across construction, infrastructure, electrical and related services. With completion expected in 2026 and full operations by 2028, the development is positioned to catalyse further private-sector investment, employment and enterprise development, supporting inclusive growth and socio-economic upliftment across surrounding communities.

Q1 Programme Performance

Total Exports

Precious metals, vehicles and ores led exports; China remained the top destination.



- Total Exports for the quarter to the rest of the world including Africa were R700bn
- In Q1 of 2026-27 export data show that precious metals, autos and metal ores were South Africa’s top export products. While China, Germany, the USA, the UK and Japan continued to be the top destinations for South African products.

* SARS provisional data for April to June 2026 subject to updates

Q1 Programme Performance

Export Development — Butterfly Approach

Export-readiness support reached youth, women and 174 businesses across four provinces.

Next-Gen Exporter Incubation Programme supporting young entrepreneurs to expand to global markets

the dtic launched the 100% youth-owned Next-Gen Exporter Incubation Programme to provide structured export-readiness support to youth-owned enterprises. During the quarter, 15 participants (10 youth-owned and 5 women-owned enterprises) received expert advice and coaching through a pitch session focused on presenting their export marketing plans. Industry experts provided practical feedback and guidance to strengthen participants' export strategies, enhance their market readiness and support their successful entry into international markets.

Strengthening Trade Ties with Germany through the PG Programme

the dtic capacitated 20 x South African companies that participated in the Partnering in Business with Germany Programme which was implemented in collaboration with German Federal Ministry of Economic Affairs and Energy (BMWi); 19 of those companies travelled to Germany for experiential and international business networking, strengthening their export capabilities and creating opportunities for trade and investment. This is also part of strengthening Trade Ties with our traditional market while ensuring inclusive trade for SMMEs, youth- and women-owned businesses.



In support of the 300 entities capacitated on exporting skills, the department delivered the following:

The following capacity building and outreach initiatives were also undertaken:

the dtic also conducted a **number of export awareness and outreach initiatives for emerging exporters**, helping improve their export readiness and access international markets. These benefited over 174 South African businesses across Gauteng, Eastern Cape, Limpopo and Mpumalanga. This included sharing of export information to equip aspiring and emerging entrepreneurs with practical knowledge on accessing international markets at a number of trade exhibitions and events commemorating youth month.

Q1 Programme Performance

Export Promotion — Butterfly Approach

Trade missions deepened African and European market access and investor engagement.

Key activities undertaken in Q1: 2026/27 FY are as follows:

PARTICIPATION IN AFRICA

- ❑ **the dtic** chaired the South Africa – Kenya Joint Trade and Investment Committee (JTIC), with outcome of signing of MoU between South African Bureau of Standards (SABS) and Kenya Bureau of Standards (KEBS);
- ❑ Hosted the South Africa – Kenya Business Forum on the margins of President Ruto's incoming State Visit to South Africa;
- ❑ Conclusion of the MoU on the Facilitation of Trade Through Cooperation in the Areas of Standardization, Technical Regulation, Conformity Assessment, Accreditation and Metrology with Kenya;
- ❑ Facilitated and transmitted the draft Memorandum of Understanding proposed by the Dakar Chamber of Commerce, Agriculture and Industry to the Johannesburg Chamber of Commerce and Industry;
- ❑ Undertook a technical mission to Côte d'Ivoire during the technical mission held in Abidjan from 22 - 24 June 2026, and finalised the text for the Terms of Reference for the establishment of the Joint Trade and Investment Committee between South Africa and Cote d'Ivoire;
- ❑ Izindonga ze Afrika Group/Maya Foods undertook a mission to Nigeria from 3 to 10 May 2026 for final talks of an investment partnership between themselves and the Obafeni Owole Local Government. Outcome of the 2025 Nigeria OSIM and site visit in December 2025.

PARTICIPATION IN EUROPE

- ❑ **Clean Trade & Investment Partnership Roadshow:** Minister Tau led a mission to the Netherlands and Belgium to advance implementation of the EU–South Africa Clean Trade and Investment Partnership (CTIP), with a strong focus on green hydrogen, sustainable aviation fuel (eSAF), transmission infrastructure and critical minerals. South Africa secured investor interest from leading European companies in LNG infrastructure, transmission networks, logistics, hydrogen technologies and project preparation. The World Hydrogen Summit provided a platform to position South Africa as a global green hydrogen and e-fuels hub, with several South African projects attracting interest from investors and off-takers.
- ❑ **South Africa-Canada Annual Consultations:** Discussions focused on hemp and cannabis as emerging export opportunities, cooperation in fertilizers and agricultural inputs, critical minerals, infrastructure development, clean technologies, pharmaceuticals, automotive industries, ICT and digital trade. Canada expressed strong interest in expanding investment in Africa, particularly through blended finance and Just Energy Transition initiatives, while also seeking greater engagement with the AfCFTA and SADC markets
- ❑ **SIPPO Import Forum:** part of ongoing collaboration under the Memorandum of Understanding (MoU) between **the dtic** and SIPPO, a strategic partner in strengthening South Africa's export promotion ecosystem. The forum brought together Business Support Organisations, trade promotion agencies, development partners, importers, and exporters to exchange best practices on building resilient export systems.

PARTICIPATION IN EUROPE

- ❑ **14 x SA companies** financially benefitted from the Export Marketing and Investment Assistance (EMIA) Group Scheme to participate in Outward Selling Mission France (OSM) held in April 2026 in Paris.
- ❑ **12th South Africa–Germany Binational Commission (BNC) and Business Forum:** Participation in the Economic, Trade, Business and Raw Materials Working Group, support for high-level ministerial engagements, and coordination of the South Africa–Germany Business Forum. Key outcomes included the signing of the South Africa–Germany Joint Action Plan, agreement to elevate the bilateral relationship to a Strategic Partnership, commitments to deepen cooperation in renewable energy, green hydrogen, electric vehicles, critical minerals beneficiation, advanced manufacturing and skills development, as well as collaboration on the EU–South Africa Clean Trade and Investment Partnership (CTIP). The engagements also secured agreement to jointly organize a South Africa–Germany Investment Conference, establish a Joint Working Group to oversee implementation of BNC outcomes, promote greater integration of South African firms into German and EU value chains, and address trade and investment barriers to facilitate increased exports and investment flows.
- ❑ **Spain-RSA State Visit:** President Cyril Ramaphosa's State Visit to the Kingdom of Spain, sought to deepen bilateral trade, investment and industrial cooperation while positioning South Africa as Spain's strategic gateway into Africa. The programme focused on diversifying South African exports, expanding market access under the SADC–EU Economic Partnership Agreement (EPA), attracting investment into priority sectors, strengthening industrial cooperation, and mobilizing support for the EU–South Africa Clean Trade and Investment Partnership (CTIP). High-level bilateral engagements with eight leading Spanish companies, the signing of a renewed Memorandum of Understanding between the Industrial Development Corporation (IDC) and COFIDES to strengthen co-investment and project financing

Q1 Programme Performance

Transformation and Competition

Transformation interventions delivered R1.1bn to majority black-owned firms and SMMEs.

Output Indicator	Target 2026/27 (APP)	Q1 Target	Q1 Actual	Reasons for Deviation	Corrective Measures	Comments
Rand value disbursed for the implementation of SEF	R1.5 billion disbursed for the implementation of SEF	R1.5 bn	R0	Delays in the finalisation of the MOA due to the nature of the allocation.	Discussions underway to secure an on-budget allocation which will enable a long-term allocation	The target was not achieved.
Number of additional workers with shares in their companies, including but not limited to competition initiative	10 000 workers	1 000	446	Fewer mergers were approved, resulting in a lower number of employees receiving shares.	Merger threshold approved and effective 1 May 2026 for ease of doing business and to improve turnaround times.	The target was not achieved.
Number of unemployed youth trained under the Youth Employment Service (YES) by 2029	55 000 unemployed youth trained under the Youth Employment Service (YES) by 2029	0	5244	Higher than expected YES achievement. This is an Annual target; however, progress will be reported for tracking.	No corrective measure, since this is dependent on the YES achievement.	The target was over-achieved.

KEY HIGHLIGHT — TRANSFORMATION FUND

Analysis of public comments received on Amended Statement 400 (Enterprise and Supplier Development), Statement 000 (General Principles), Statement 004 (Scorecard for Specialised Enterprises), Code Series 600 (Codes for Qualifying Small Enterprises), Statement on Schedule 1 (Interpretations and Definitions), and Statement 103 (Equity Equivalent Investment Programme for Multinationals), was finalised and a report was submitted to the Minister with recommendations for consideration. The amendments will enable implementation of the Transformation Fund.

R1.1 billion of the Transformation Fund disbursement was to majority black-owned enterprises and SMMEs in productive sectors.

Q1 Programme Performance

Market Concentration and Employee Ownership

Market inquiries and ESOP reforms target concentration, cost pressures and inclusive ownership.

MARKET CONCENTRATION

The Minister, in collaboration with the Competition Commission, launched the report titled “Measuring Concentration and Participation in the South African Economy: Levels and Trends (2017–2021)” on 12 May 2026. Key findings of the report include concentration levels and trends; SMME participation; and economic inequality, with proposed remedial actions.

On 09 June 2026, the Minister, in consultation with the Competition Commission, launched the Cost-of-Living report entitled “Living costs, lived realities: What the Cost-of-Living (COL) Report shows the pressures on South African households”. The COL Report provides insight into the affordability of basic goods and services, especially for low-income households. Using Consumer Price Index (CPI) data from Statistics South Africa from 2020 to January 2026, the COL Report tracks price trends and shows that many essentials remain expensive even as inflation eases. It also looks at regulated prices, such as electricity and water, because they place a heavy burden on vulnerable consumers.

The Minister initiated a Market Inquiry into the South African Franchise Market in consultation with the Competition Commission in terms of section 43B(1)(b) of the Competition Act no 89 of 1998 (as amended). The Commission gazetted the Draft Terms of Reference for the Market Inquiry for public comment on 26 June 2026.

Scope — 3 broad themes to assess the current state of competition and whether market features hinder or impede entry, expansion and effective participation of SMEs and HDPs:

- Finance; Funding Terms and Conditions; Franchise Agreements’ Terms and Conditions and Practices; and Exploitation of Information Asymmetries.

Sectors with greater potential to influence market dynamics:

- Fast Food, Construction, Automotive, Grocery, Fuel Stations, and Health and Beauty.

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

The Minister, in collaboration with the Competition Commission, launched an Impact Study on Employee Share Ownership Plans (ESOPs). The study reviews ESOPs implemented between the 2019/20 and 2022/23 financial years and assesses key design elements such as funding models, governance arrangements, dividend distribution and sustainability.

While the study finds that ESOPs can play an important role in promoting broader ownership and economic inclusion, it highlights that certain design features, particularly debt-based funding structures, can limit benefits for employee beneficiaries.

KEY FINDINGS — SYSTEMATIC CHALLENGES

- **Funding Structures:** the prevalence of Notional Vendor Finance (NVF) models often results in perpetual debt burdens, delaying tangible dividend flows to beneficiaries.
- **Governance and Transparency:** a lack of standardised training for worker trustees and opaque governance models limits the effective participation of beneficiaries.

Q1 Programme Performance

Mergers and Competition Matters

Merger conditions leveraged R4.5bn investment, R4.2bn enterprise commitments and 284 jobs.

MERGERS AND ACQUISITIONS

The Minister, in consultation with the Competition Commission, gazetted the Merger Thresholds and filing fees on the 1st of May 2026. The gazette amends the Merger filing fees for intermediate and large mergers, as well as the thresholds for filing, which were last revised in September 2017 and December 2018, respectively.

The Minister participated in the larger merger between Cape Forests Products (Pty) Ltd (acquiring firm) and MTO Forestry (Pty) Ltd and PG Bison Southern Cape (Pty) Ltd (target firms). The Competition Tribunal approved the merger with enhanced public interest conditions, following a hearing, which addressed the following public interest aspects:

- Employment: retain the average headcount of at least 591 employees over a 3-year period; offer 120 part-time employees' permanent positions; reskilling/retraining redeployed employees; moratorium on retrenchments for 36 months.
- Attaining a verified Level 3 B-BBEE rating within 3 years.
- Annual Employee Training Fund of R8.5 million for 5 years (total R42.5 million).
- Expansion of socio-economic initiatives, from current R5 million per annum, over a 3-year period (total budgeted amount to be confirmed with the Commission).

The Tribunal also imposed conditions related to minimum salvage volume commitment to 3rd party customers in the Cape region; non-discriminatory supply terms; maintaining procurement of CANTS; an open market tender system together with an indicative 5-year non-binding supply forecast; and publication of non-confidential merger conditions.

COMPETITION MATTERS

59

merger notifications received; the Minister was advised to participate in 5 mergers (8%) based on public interest considerations in: Petroleum products and lubricants, Wholesale and retail of liquor stores, Manufacturing steel tubing, piping, lipped channels and steel plates, Coatings, and Manufacturing packaging.

R1.1bn / R4.2bn

R1.1 billion commitments towards SMMEs, women-owned enterprises, youth-owned enterprises and enterprises owned by persons with disability. (of which R1 billion is for procurement) , and R4.2 billion disbursed (of which R4.1 billion is for procurement).

R4.5 billion

investment pledges leveraged from competition and transformation interventions (actuals for mergers).

284

permanent jobs created in Mergers in the following sectors: Forestry, Food Manufacturing (Agro-processing), and Construction of economic infrastructure.

Q1 Programme Performance

RESEARCH REPORTS

MTDP Implementation: Key Structural Reform Highlights & Economic Progress

Capital Investment

R647.5B

R415B pledged at SAIC 2026

Tourist Arrivals

10.5M

+17.7% YoY | R102B spend



Employment & MSMEs

3.1M jobs and work opportunities delivered across public and sector programmes.

228,167 MSMEs supported financially and non-financially (exceeding target).

Trusted Tour Operator Scheme active; 42k+ visas processed within 5 days.



Energy & Logistics

Wholesale electricity market Phase 1 internal trading active under SAWEM framework.

Rail Network Statement v4 finalised; 11 new private operators enabled.

25-year Durban Port Pier 2 ICTSI partnership operational.



Water & Infrastructure

NWRIA established with Board & CEO appointed for asset transfer.

32 municipal water projects structured via WPO exceeding R40B investment.

Adopt-A-Municipality launched with 23 projects valued at R3.5B.



Innovation & Industry

R34.3B government allocation towards Scientific & Technological Activities.

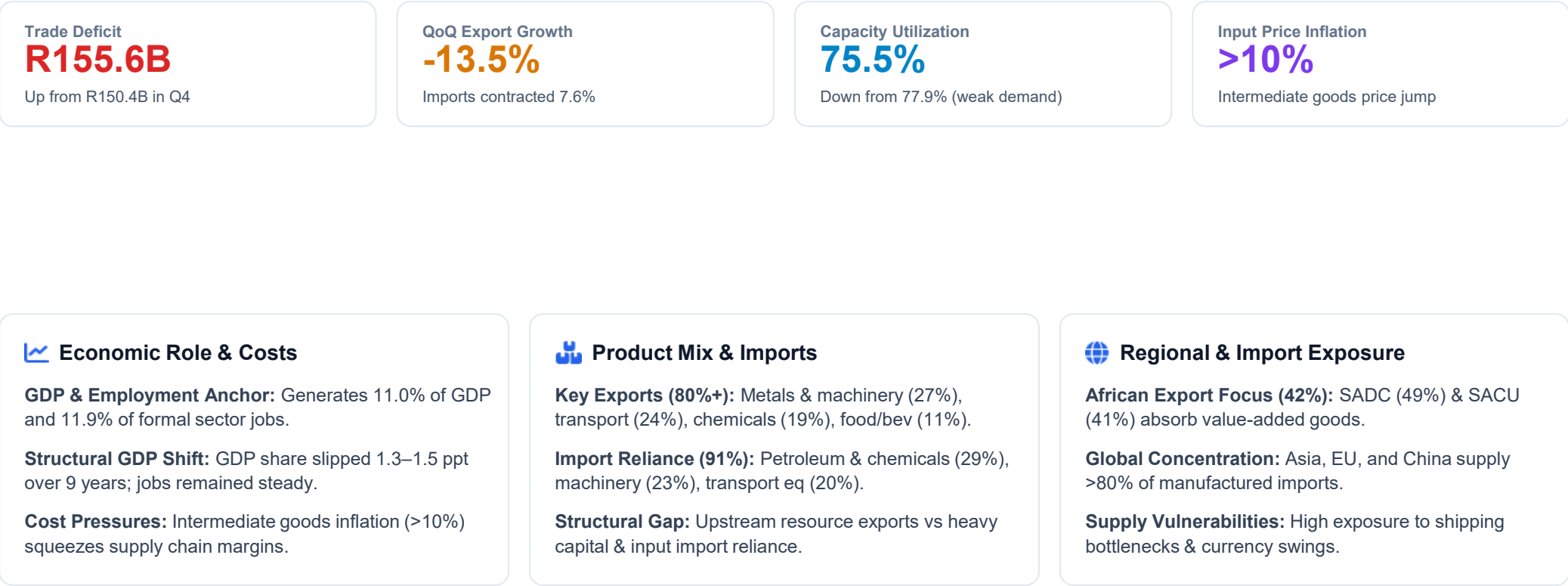
Master Plan investments anchored by R49B in Steel and R5B in Auto value chains.

Digital ID architecture finalised and PEMKey payment sandbox live.

Q1 Programme Performance

RESEARCH REPORTS

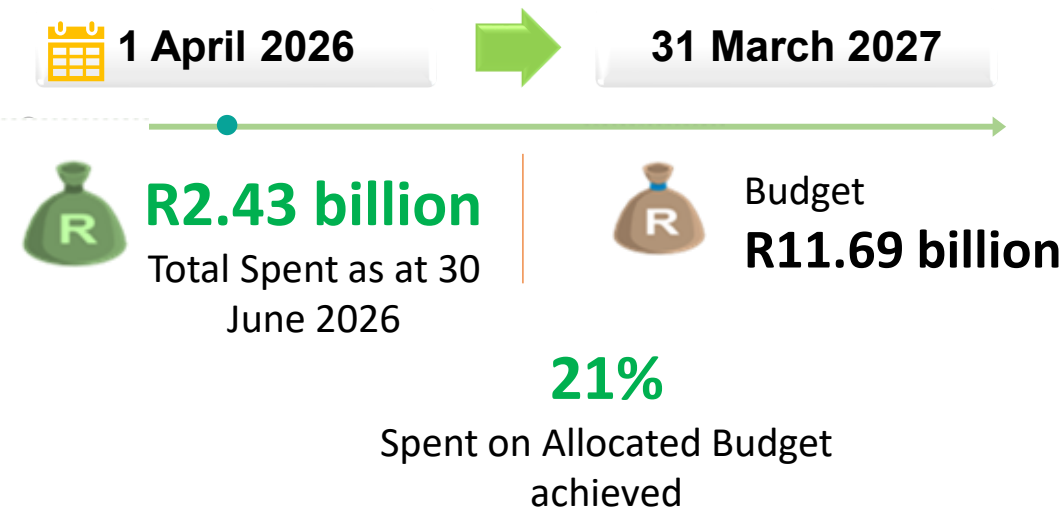
Quarterly Manufacturing Sector Pulse & Trade Report – Q1 2026



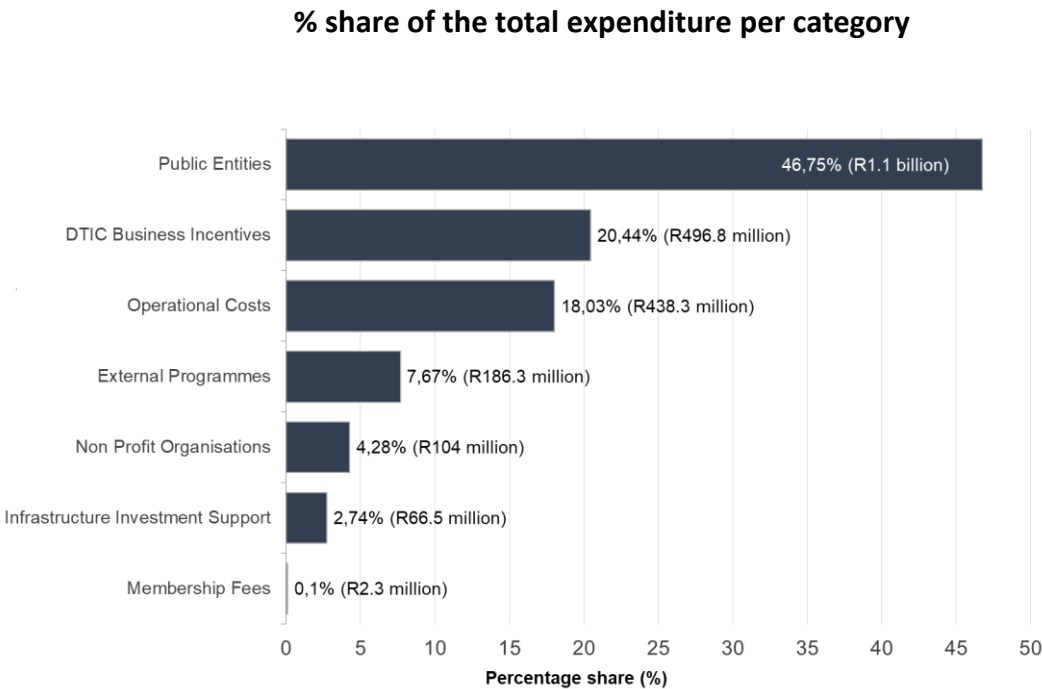
Financial Performance

The department spent R2.43bn by Q1, equal to 21% of its R11.69bn annual budget.

Three months into the 2026-27 fiscal year, the department spent 21% (R2.43 billion) of the budget allocation (R11.69 billion) for the 2026-27 fiscal year.



Entities disbursements accounted for the largest share 46.75% of the total expenditure



Financial Performance by Programme

Q1 spending reached 63.7% of the year-to-date budget, with programme-level variation.

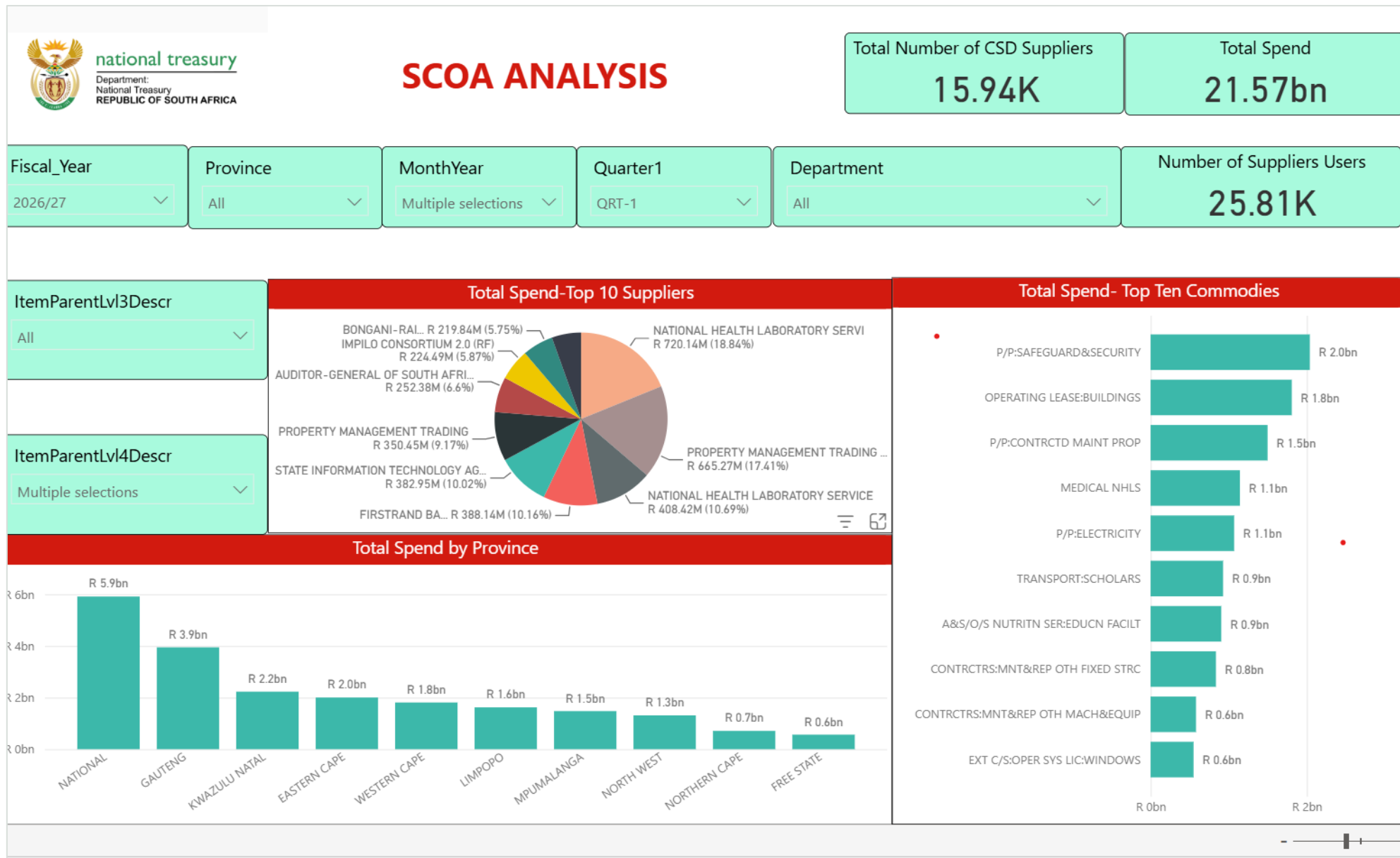
Description	Total Budget Allocation 2026/27 R'000	Available Budget R'000	% Budget Available	YTD Actuals		Variance R'000	% Spent in Q1
				YTD Budget R'000	30 June 2026 R'000		
Programme 1: Administration	1 045 290	837 122	80,1%	224 840	208 168	16 672	92,6%
Programme 2: Trade	266 425	107 295	40,3%	127 413	159 130	(31 717)	124,9%
Programme 3: Investment and Spatial Industrial Development	189 914	164 118	86,4%	43 567	25 796	17 771	59,2%
Programme 4: Sectors	1 685 887	945 521	56,1%	735 244	740 366	(5 122)	100,7%
Programme 5: Regulation	376 614	165 592	44,0%	212 339	211 022	1 317	99,4%
Programme 6: Incentives	5 437 524	4 835 479	88,9%	1 361 799	602 045	759 754	44,2%
Programme 7: Export	430 031	224 906	52,3%	228 931	205 125	23 806	89,6%
Programme 8: Transformation and Competition	2 198 598	1 930 305	87,8%	868 349	268 293	600 056	30,9%
Programme 9: Research	68 250	57 147	83,7%	11 794	11 103	691	94,1%
Total	11 698 533	9 267 483	79,2%	3 814 276	2 431 050	1 383 227	63,7%
Economic classification							
Current payments	2 090 005	1 660 490	79,4%	460 542	429 515	31 027	93,3%
Compensation of employees	1 240 598	986 691	79,5%	290 482	253 907	36 575	87,4%
Goods and services	849 407	673 799	79,3%	170 060	175 608	(5 548)	103,3%
Transfers and subsidies	9 588 946	7 590 123	79,2%	3 344 895	1 998 823	1 346 072	59,8%
Incentive payments	5 244 504	4 681 119	89,3%	1 313 885	563 385	750 500	42,9%
Department entities	1 803 187	666 562	37,0%	1 136 625	1 136 625	-	100,0%
External Programmes	2 314 596	2 128 224	91,9%	796 528	186 372	610 156	23,4%
Non profit organisations (Partnerships with business associations, NEDLAC)	175 734	71 734	40,8%	95 025	104 000	(8 975)	109,4%
Membership fees (International organisations)	49 782	47 459	95,3%	2 546	2 323	223	91,3%
Households	1 143	-4 975	-435,3%	286	6 118	(5 832)	2139,2%
Payments for capital assets	19 582	16 870	86,1%	8 839	2 712	6 127	30,7%
Total	11 698 533	9 267 483	79,2%	3 814 276	2 431 050	1 383 226	63,7%

THANK YOU



Appendix: Local Services Spend

Q1 SCOA analysis of the R21.57bn local services spend, by supplier, commodity and province.



Source: National Treasury SCOA analysis, Q1 2026/27 (Report on R24bn Local Procurement Spend).